

COMMUNICATION FROM THE SEPARATE CUSTOMS TERRITORY OF TAIWAN, PENGHU, KINMEN AND MATSU

Disciplines on Domestic Regulation for Professional Services Results of Consultations with Professional Sectors

The following communication has been received from the Separate Customs Territory of Taiwan, Penghu, Kinmen and Matsu with the request that it be circulated to the Members of the Working Party on Domestic Regulation.

I. INTRODUCTION

1. The Separate Customs Territory of Taiwan, Penghu, Kinmen and Matsu (hereinafter referred to as Chinese Taipei) has consulted eight government bodies and fifty-eight local professional associations on the applicability to other professional services of Disciplines on Domestic Regulations in Accountancy Sector ("the Accountancy Disciplines")¹.

2. The professions were asked to answer three questions, as proposed in the Chairperson's note dated 13 August 2002². The professions that have responded include architecture services, engineering services, legal services, medical and dental services, taxation services and veterinary services.

3. Chinese Taipei began domestic consultations in August, and the results from these are contained in this submission. We reserve the right to revise or add more comments on this issue.

II. COMMENTS FROM RELEVANT PROFESSIONAL SERVICES SECTORS

4. In general, most of the consulted professions indicated that the Accountancy Disciplines are relevant and generally applicable to their business. However, some professions, such as veterinary, engineering, and engineering services, indicated as a preliminary reaction, that the specific features or conditions of each individual profession should be duly taken into account. These features might include, but are not limited to, the particular nature of the profession, the goals of the regulatory regime and the domestic market conditions with respect to competition in each profession.

5. More specifically, the following concerns have been raised about the applicability of Accountancy Disciplines:

- As domestic regulations vary between different professional occupations, any binding discipline extended from the accountancy sector to apply to other sectors might face difficulties in enforcement. (veterinary services)

¹ S/L/64

² JOB(02)/80/Rev.1

- Regarding the licensing requirement as referred in paragraph 11, the non-restriction principle in the selection of companies' names should be supported. However, in order that consumers can easily identify a company's service function, the requirement to add specific words like "engineering consultancy company", "management company", or "commercial/industrial bank" should also be accepted. Moreover, to prevent consumers from mistaking private companies for State-run agencies, the names should not be the same as those of countries or government agencies. (engineering services)
- With respect to paragraph 12, the requirement of insurance for foreign services suppliers should additionally be applied to "Contractor All Risk Insurance" and "Contractor Third Party Liability Insurance/Employer Liability Insurance" in the professional engineering services sector. (engineering services)
- The term "technical standards" shown in paragraphs 4c and 25 can not be easily defined in taxation services and therefore it might not be possible for these paragraphs to apply to taxation services. (taxation services)

III. CONCLUSION

6. During our domestic consultations, we noted that some professional associations were not familiar with Accountancy Disciplines. These unfamiliarity could also be one of the reasons for the low response rate and the fact that few comments were received from professional organizations.
