

Clarification of False Reports on Hong Kong Residents Facing Hurdles in Permanent Residency Application in Taiwan:

The Government Reiterated Unchanged Determination to Support Hong Kong and Hoped All Sectors Would Have a Correct Understanding of the Government's Intent to Balance Goodwill and National Security Concerns in Our Hong Kong Policy

News Reference Material

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The Mainland Affairs Council (MAC) issued the following specific clarification regarding the false media reports today (March 15, 2022) claiming that "Hong Kong residents face hurdles in seeking permanent residency in Taiwan and regret having believed in Taiwan's pledge to support Hong Kong":

1. Relevant law amendments are necessary moves to address national security concerns instead of targeting specific groups of residency applicants: On August 17, 2020, the government promulgated the amendments to the Regulations Governing Permits for Hong Kong and Macao Residents Entering the Taiwan Area and Setting up Residence or Registered Permanent Residence in R.O.C. The main change was to mandate an inter-agency review for applications of temporary and permanent residency in Taiwan by Hong Kong or Macao residents who (1) were mainland Chinese citizens or (2) are or were employed by the agencies, institutions, or organizations of mainland China which are political parties, the military, the administration or of any political nature. This law amendment aims to prevent situations where members of the Chinese Communist Party (CCP) seek to infiltrate the Taiwan society with transferred status as Hong Kong and Macao residents in order to engage in united front

operations, harassment, or espionage, situations that constitute a legitimate national security concern; however, if the reviews of applications reveal no threat to national security and confirm that the applicants have indeed met all the requirements, approvals will still be given for permanent residency. Meanwhile, it is worth noting that the number of Hong Kong residents granted permanent residency in Taiwan has grown in each of the past two years, rising 6.9% from 1,576 in 2020 to 1,685 in 2021. These statistics prove that the claim of the government rejecting all applications using a one-size-fits-all approach is completely unfounded.

2. Application requirements for temporary and permanent residency are inherently different. The government reviews each application in accordance with the law; no hidden quotas are imposed: Application requirements for temporary and permanent residency are different. Certain purposes of temporary residency in Taiwan do not apply to permanent residency applications (namely school enrollment, religious work, etc.) Moreover, those who are granted temporary residency are required to physically reside in Taiwan for a certain period of time and meet other legal requirements before they are qualified for permanent residency applications. As a result, the number of permanent residency approvals does not reflect the success rate of overall applications; rather, each application is different and cannot be generalized. The claim that the government had imposed any hidden quotas for permanent residency applications is baseless.

3. Application requirements for investment immigration (i.e. at least three years of company operations and two employees on the payroll) are meant to ensure that such applications bring in genuine investment: The majority of rejected applications for investment-based permanent residency are denied on suspicion of “applying for permanent residency through investment fraud.” In

such cases, a business may lack substantive operations, register at an address shared with hundreds of companies, submit fake commercial contracts and invoices through immigration companies, rotate investment through paper companies, submit invoices for daily necessities, or practice other deceptions. To resolve the problem of some applicants seeking to “obtain permanent residency through investment fraud,” which ends up with the applicants withdrawing investment immediately after gaining their permanent residency, the government specified this requirement to ensure that investment immigration applications meet their original policy intent. The requirements that a company must remain operational for three years, have two Taiwanese employees on payroll, and meet other requirements are meant to ensure the government continues to deliver the promise of boosting domestic economy by bringing in foreign investment through incentivizing immigration. These regulations are not aimed at increasing the threshold for permanent residency applications.

4. Application requirements for Hong Kong residents to earn an income equivalent to "twice the minimum wage" after five years of employment is a financial prerequisite for the sum of one's annual income, instead of the sum of one's monthly income, to reach such level after taking into account all alternative incomes such as part-time income, overtime pay, year-end bonuses, etc.: The income threshold was established to ensure the financial comfort of the applicants and their dependents (i.e. accompanying spouse, minor children, etc.) It should be noted that this requirement does not mandate a monthly salary of at least NT\$50,500 but an annual income of at least NT\$606,000 after taking into account one's part-time income, overtime pay, year-end bonuses, and other financial gains.

5. "Supporting Hong Kong" is not a slogan. The government continues to review and deliberate amendments to Hong Kong and Macao related laws and

regulations so as to improve relevant policies on the existing foundation and provide the people of Hong Kong with the most practical support and assistance.

For example:

(1) Amendments to the Act for the Recruitment and Employment of Foreign Professionals were promulgated on July 7, 2021. Among the changes are [1] elimination of requirements of two years of work experience as a prerequisite for graduates of the world's top universities to work in Taiwan and [2] extension of the tax reduction period from three years to five years. These provisions apply mutatis mutandis to the people of Hong Kong.

(2) The government has proposed the Draft Amendments to the Regulations for Hong Kong and Macao Residents to Study in Taiwan. The amendments would allow Hong Kong and Macao students without a temporary residency status to enroll in senior high schools in Taiwan. It is expected that such enrollment shall start this year.

(3) The government has proposed the Draft Amendments to Part of the Provisions of Regulations Governing Permits for Hong Kong and Macao Residents Entering the Taiwan Area and Setting Up Residence or Registered Permanent Residence in R.O.C. The draft includes provisions [1] allowing for one's temporary residency to remain valid when they are between jobs and [2] deducting the time spent enrolled in one's master's or doctoral degree program in Taiwan from the duration of temporary residency required for a permanent residency application. The amendments have already entered the legislative process and we hope they will be put into force soon.