

## Regulations Governing Ship Stevedore Operator and Tally Company

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### Chapter I General Provisions

Article 1 The Regulations are prescribed pursuant to Article 52 of Commercial Port Law (hereinafter referred to as “The Law” ).

Article 2 Terms used in the regulations are defined as follows:

1. Exclusive wharf with consistent machinery operation: refers to the exclusive wharf where all the loading and unloading operations between ship and warehouse (including storage yard) are operated by machinery, and no cargo grounding through the whole process.
2. Wharf and transit shed operator: refers to state-run or private enterprises which run cargo loading and unloading, warehousing or passenger service.
3. Entrusting persons: refers to ship owners, carriers, shippers or consignees that contract for services from wharf and transit shed operators.

### Chapter II Ship stevedore operators

Article 3 Application of a ship stevedore operator operating within commercial port area shall meet the following minimum requirements:

1. Paid-up capital: NT\$20,000,000 for international commercial port; NT\$8,000,000 for domestic commercial port.
2. Number of stevedores: 48 members for international commercial port; 12 members for domestic commercial port.
3. The handling equipment/facilities: 2 units of Overhead Cranes, 2 units of Gantry cranes or Straddle Carriers, 1 unit of Forklift and 1 unit of Ground Scale with weighing capacity of 50 tons and over, qualified by the weights and measures authority for international commercial port container handling operations; 4 units of Forklift for international commercial port bulk/general cargos handling operations. 2 units of Forklift for domestic commercial port.

For the application for a ship stevedore operator within an exclusive wharf of international commercial port with consistent machinery operation and exclusive wharf for domestic route, the required paid-up capital and number of stevedores, shall apply mutatis mutandis for the requirements as mentioned in the preceding section for domestic commercial port. Only the handling equipment/facilities may be served in accordance with real practices.

Article 4 Except for conforming to the minimum requirements provided by the preceding article, the person who applies as a ship stevedore operator shall cooperate with the commercial port operation undertaker, Maritime and Port Bureau or any institution designated by Executive Yuan (hereinafter referred to as "Designated Institution") to build or lease the exclusive wharf, or to enter into a stevedore contract with the exclusive wharf operator.

For the circumstance of preceding section and the wharf which has not yet opened for leasing, the applicant shall cooperate with the commercial port operation undertaker, Maritime and Port Bureau or the designated institution to build or lease the warehousing facilities in hinterland area of a wharf.

The managing operation for each wharf as for paragraph 1 or the warehousing facilities in hinterland area of a wharf as for paragraph 2 shall be limited to only one ship stevedore operator and shall not operate beyond the agreed area. Provided it's approved by the Maritime and Port Bureau or assigned institutions, for the circumstances of insufficient cargo amount for the domestic commercial port wharf, which has not yet opened for leasing, this restriction shall be waived.

Article 5 Ship stevedore operators shall employ the loading, unloading or handling workers in accordance with the Labor Standard Law. The handling equipment/facilities may be served via purchasing or leasing.

Article 6 Whoever intends to run a ship stevedore operator shall apply by means of furnishing the following documents in duplicate to Maritime and Port Bureau or the designated institution for approval:

1. Application form of organization
2. Approval letter issued by the commercial port operation undertaker (may be waived in the circumstances of domestic commercial ports which are operated by Maritime and Port Bureau or the designated institution)
3. ID copy of the authorized representative of company
4. Operation plan:
  - (1)Kinds of cargoes and forms of handling for operation
  - (2)Capital
  - (3)Estimated number of Employees, specifying the number of loading, unloading and handling workers
  - (4)Kinds and number of self-owned or leased equipment/facilities and maintenance thereof
  - (5)Plan to insure the liability insurance of public accidents
  - (6)Estimated total quantity of annul procurement

- (7) Operating assignment plan
- (8) Period of organization
- (9) Plan of emergency operation

5. Drafted articles of corporation

In the case that the documents submitted pursuant to preceding section are incomplete or are deficient in content, the Maritime and Port Bureau or the designated institution may issue notice to request supplementation or correction within a specified period of time. If such supplementation or correction is not made within the specified time period or is so made but the submitted documents remain deficient, the application will be rejected.

Article 7 During the period granted for establishment of company, the applicant under preceding article shall complete the company registration or business registration according to the related law and prepare the operating facilities, and furnish the following documents in duplicate to local Maritime and Port Bureau for permission and shall not commence the business operation until the operation permit is issued:

1. Application form of operation permit
2. Photocopies of the Company License
3. Articles of corporation
4. Copy of insurance policy for the liability insurance of public accidents
5. List of representative of company, directors, shareholders, and operation workers employed.
6. Facilities onsite inspection approval documents issued by Commercial Port Administration Authority (may be waived in the circumstances of domestic commercial ports which are operated by Maritime and Port Bureau or the designated institution)

At the time when ship stevedore operators applies for the operation permit, the insurance coverage of insurance policy for the liability insurance of public accidents shall be NT\$10,000,000.

The minimum insurance period of the preceding paragraph is 1 year, and the renewal shall be completed one month before the due date. Copy of the insurance contract shall be sent to the Maritime and Port Bureau or the designated institution for further reference.

The contract signing, modifying, terminating or cancellation of liability insurance of public accidents prescribed in paragraph 2, shall be reported in written form to the Maritime and Port Bureau or the designated institution by the ship stevedore operator. In case of discretionary termination or cancellation of liability insurance of

public accidents without approval, the Maritime and Port Bureau shall require it to improve within a specific time period. If it fails to improve within that time period, the Maritime and Port Bureau or the designated institution is entitled to revoke its operation permission and withdraw the permit.

Article 8 A ship stevedore operator desiring to alter the organization, name, address, representative or capital of it shall, within 30 days after the completion of company registration of such alteration by law, make an application to the Maritime and Port Bureau or the designated institution for replacing the permit.

In case a Permit of a ship stevedore operator is revoked, the Maritime and Port Bureau or the designated institution shall notify the authority in charge of the registration of company.

Article 9 The commercial port operation undertaker, Maritime and Port Bureau or the designated institution is entitled to collect administration fees from ship stevedore operators based on an agreement.

Article 10 A ship stevedore operator shall assess loading and unloading charges in accordance with the Tariff for Wharf and Transit Shed Operation Charges at Commercial Ports approved by the authority, and the charges shall not exceed the maximum amount as so stipulated.

The ship stevedore operator shall file the loading and unloading manifest list and relevant information with the commercial port operation undertaker, Maritime and Port Bureau or the designated institution, before and after the loading and unloading operations.

Article 11 A ship stevedore operator shall hand in report of the previous year to Maritime and Port Bureau or the designated institution for further reference before end of June, by providing a photocopy of its business report, balance sheet, income statement, list of assets, list of loading and unloading performance, list of loading and unloading equipment and facilities, and documents relating to business income approved by the taxation authorities.

### Chapter III Ship Tallymen

Article 12 The scope of ship tally services shall be as follows:

1. Counting/measurement, hand over, check and acceptance of bulk cargo and containers.

2. Watching while ship is loaded or unloaded.
3. Inspection of general cargo packaging.
4. Ship tally services, such as labeling classification of bulk cargo, the identification of container numbers and those in coordination with customs operation.

The entrusting persons or warehouse operator shall jointly endorse the quantities, labeling, and container numbers of bulk cargo and containers, as well as the packaging of general cargo with ship tallymen.

In case that using methods through the original channel to load, unload and transport cargo through domestic route, or ship tallymen business dealt with by the same cargo owner on the same cargo taken over alongside the ship on charter party, the ship owner or cargo owner may commission the ship tally services of the domestic shipping routes to ship tallymen depending on their actual needs.

Article 13       Whoever intends to operate ship tallymen shall make an application by furnishing the following documents in duplicate to Maritime and Port Bureau or the designated institution for approving the organization:

1. Application form of organization
2. ID copy of the authorized representative for a company organization; ID copy of the responsible person for a business entity.
3. Operation plan.
4. In case of corporation organization, the drafted articles of corporation.
5. Letter of intent issued and entrusted by the vessel carrier or shipping agent to handle the tally works.

The documents submitted pursuant to preceding section are incomplete or are deficient in content, Maritime and Port Bureau or the designated institution may issue notice to require supplementation or correction within a specified period of time. If such supplementation or correction is not made within the specified time period or is so made but the submitted documents remain deficient, the application will be rejected.

Article 14       During the period granted for establishment of company, the applicant under preceding article shall complete the of company registration or business registration by law and furnish the following documents in duplicate to Maritime and Port Bureau or the designated institution for permission and shall not commence the business operation until the operation permit is issued:

1. Application form of operation permit
2. Photocopies of the company license and business license
3. In case that the applicant is a corporation, articles of corporation is required.

4. List of business responsible person, directors, auditors, shareholders and employees.

5. Copy of supporting certificates for the ownership or use right of the business place.

Whenever the list of employees prescribed in paragraph 4 of preceding section is changed, it shall be updated timely and reported to Maritime and Port Bureau or the designated institution and Customs via internet or in written form.

Article 15 When a ship tallyman intends to change its organization, name, address, representative, or capital, it should change its company or business registration, and require for another permit from Maritime and Port Bureau or the designated institution within 30 days thereafter.

In case the permit of a ship tally is revoked, Maritime and Port Bureau or the designated institution shall notify the authority in charge of the registration of company or commercial entity.

Article 16 Tally clerks employed by ship tallymen are limited to those who age more than 20 years old, have passed a health and physical examination at a public or teaching hospital, and passed a selection examination or training class.

The selection examination mentioned above shall be conducted by the commercial association of ship tallymen and the craft union of ship tally clerks, and both associations jointly issue a certificate of tally to the qualified people.

When any of the following situations applies, ship tallymen or the commercial association of ship tallymen may, after clearly stating reasons, submit an employment list and training plan to obtain approval from Maritime and Port Bureau or the designated institution; such authorities may then employ person who is qualified after training:

1. A new port begins operating.
2. Ports with neither commercial association of ship tallymen nor the craft union of ship tally clerks.
3. Selection examinations cannot be conducted normally, and the commercial port operation undertaker, Maritime and Port Bureau or the designated institution deemed that this may affect port operations.

The training plan mentioned above shall include the laws and regulations of labor health and safety, laws and regulations of port operation, port and tally practices and the like; training time shall exceed 30 hours.

Article 17 After the completion of cargo loading and unloading operation, ship

tallymen should submit tally sheet and relevant information to Customs, the commercial port operation undertaker, Maritime and Port Bureau or the designated institution via internet or in written form, for required checking and reference.

Article 18 Ship tallymen shall send a business report of the previous month to Maritime and Port Bureau or the designated institution before the 15th of every month for further reference. Maritime and Port Bureau shall order whoever fails to do so to mend within a limited period of time. Those who do not rectify before such deadline will be treated as those who have no tangible business performance.

Article 19 The upper limit of the fee-assessment standard for the ship tallymen shall be determined by the commercial association of the ship tallymen while consulting with vessel carriers, shipping agents, the National Shippers' Council of the Republic of China, and the Importers and Exporters Association of the Republic of China. If they cannot reach a consensus in the consultation, Maritime and Port Bureau and the designated institution shall summon relevant organizations to discuss and determine the standards.

The fee-assessment standard mentioned in preceding section shall be reported to Maritime and Port Bureau or the designated institution for further reference, the actual fees charged shall be allowed to be discretionarily decided by ship tallymen.

#### Chapter IV Supplementary Rules

Article 20 Ship stevedore operators shall pay a fee of NT\$12,000 when applying and obtaining an operation permit. In the case of registration information alteration and permit demolishing or lost, application to Maritime and Port Bureau or the designated institution for permit replacement or supplement shall be an amount of NT\$2,000.

Ship tallymen shall pay NT\$2,500 permit fee when applying and obtaining an operation permit. In the case of registration information alteration and permit demolishing or lost, application to Maritime and Port Bureau or the designated institution for permit replacement or supplement shall be an amount of NT\$1,000.

Article 21 The Rules shall come into force from the date of promulgation.

(The Chinese text is the only authentic text which shall be given priority if there is discrepancy between the Chinese text and this translation version)