

**U.S.-TAIWAN INITIATIVE ON 21st-CENTURY TRADE:
NEGOTIATING MANDATE**

August 17, 2022

The United States and Taiwan, under the auspices of the American Institute in Taiwan (AIT) and the Taipei Economic and Cultural Representative Office in the United States (TECRO), have decided to commence formal negotiations for the purpose of reaching agreements with high-standard commitments and economically meaningful outcomes in accordance with the negotiating mandate set forth below.

NEGOTIATING MANDATE

The trade areas to be addressed in the negotiations under the auspices of AIT and TECRO will include, at a minimum, the following trade areas:

- **Trade facilitation.** The United States and Taiwan will seek to harness best practices with respect to facilitating trade, including through the adoption of provisions that address (1) enhanced publication and transparency requirements, (2) the reduction of border formalities, (3) digitalization of trade facilitation measures, (4) paperless trade and the submission of advance electronic data, (5) goods vulnerable to deterioration, (6) release of goods, returned goods and express shipments, (7) the protection of trader information and (8) customs cooperation.
- **Good regulatory practices.** The United States and Taiwan will seek to reflect their shared values of good governance and respect for the rule of law in the adoption of provisions supporting sound, transparent regulatory practices, including: (1) timely online accessibility to information about regulations and regulatory processes; (2) adequate time and meaningful opportunities for public consultations and consideration of comments; and (3) ensuring that regulatory decisions are based on high quality information, science and evidence. With respect to services, the two sides will also seek to include provisions that build on the understanding reached in the WTO Joint Statement Initiative on Services Domestic Regulation.
- **Anticorruption.** The United States and Taiwan will seek to adopt strong anticorruption standards to prevent and combat bribery and other forms of corruption, including provisions that (1) preclude the tax deductibility of bribes, (2) establish measures regarding the recovery of proceeds of corruption and (3) deny a safe haven for foreign public officials who engage in corruption.
- **SMEs.** The United States and Taiwan will seek to support and enhance U.S.-Taiwan small and medium-sized enterprise (SME) trade through the adoption of provisions that involve (1) collaborating to identify and overcome barriers to trade for SMEs, (2) focusing on trade facilitation and information sharing for SMEs, (3) sharing and promoting best practices and (4) working together, under the auspices of AIT and TECRO, on activities to promote and support SMEs, including those owned by under-represented groups and women entrepreneurs, and those in disadvantaged communities.

- **Agriculture.** The United States and Taiwan will seek to adopt provisions to facilitate agricultural trade through science- and risk-based decision making and the adoption of sound, transparent regulatory practices. The two sides will also seek to adopt provisions to support collaborative and cooperative mechanisms on food security and on the use of production practices, including new and innovative technologies, that increase agricultural productivity while decreasing land, water and fuel use and help contribute to climate adaptation and resiliency.
- **Standards.** The United States and Taiwan will seek to collaborate on standards. Discussions may include approaches toward the preparation, adoption and application of standards, technical regulations, conformity assessment processes and trade barriers.
- **Digital trade.** The United States and Taiwan will seek to advance outcomes in digital trade that benefit workers, consumers and businesses, including SMEs, through the adoption of provisions that (1) build consumer trust in the digital economy, (2) promote access to information, (3) facilitate the use of digital technologies, (4) promote resilient and secure digital infrastructure, (5) address discriminatory practices in the digital economy and (6) promote cooperation on competition policy.
- **Labor.** The United States and Taiwan will seek to adopt provisions that (1) support the protection of internationally recognized labor rights, including the elimination of forced labor, in global supply chains, (2) increase opportunities for worker voice and public engagement in implementing trade policy, (3) account for the role and responsibilities of the business community in helping to ensure the protection of workers' rights through a focus on corporate accountability and (4) reflect more durable and inclusive trade policies that demonstrate that trade can be a force for good by creating more opportunities for people and promoting gender equity and equality across the United States and Taiwan.
- **Environment.** The United States and Taiwan will seek to deepen their cooperation and joint approaches on trade and the environment, including through the adoption of provisions that (1) promote green businesses, green jobs and the decarbonization of our respective economies, (2) take measures to strengthen and promote environmental protections, including natural resource conservation, and to tackle pressing environmental challenges, such as illegal, unreported and unregulated fishing and illegal trade in wild fauna and flora, and (3) establish mechanisms for exchanging relevant information, as needed.
- **State-owned enterprises.** The United States and Taiwan will seek to address the significant distortions that can occur to international trade and investment from the non-market practices of state-owned and state-controlled enterprises and government designated monopolies, including through the adoption of provisions designed to create a level playing field for workers and businesses when competing against these entities in the international marketplace, including by ensuring that these entities act in a commercial manner, are regulated impartially and do not provide or receive trade-distorting non-commercial assistance.

- **Non-market policies and practices.** The United States and Taiwan are market-oriented economies and understand the harm that can be caused by trade partners that deploy non-market policies and practices, which threaten livelihoods and can harm workers and businesses. The two sides will seek to adopt provisions that promote collaboration on ways to address these harmful non-market policies and practices.