AGRICULTURAL PRODUCTION AND CERTIFICATION ACT

Promulgated on January 29, 2007 per Presidential Order

Chapter I. General Principles

Article 1

The purpose of this Act is to improve the quality and safety of agricultural products and their processed products, and to protect the health of citizens and the rights of consumers.

Article 2

As used in this Act, the term "competent authority" means the Council of Agriculture of the Executive Yuan at the central level; the municipal/county/city governments at the local level.

Article 3

As used in this Act, the terms shall be defined as follows:

- 1. Agricultural product: any product which is produced, processed or marketed by the industries by utilizing natural resources, agricultural materials and technology, including agricultural, forestry, fishery and animal goods.
- 2. Organic agricultural product: any agricultural product that is cultivated, processed and packaged domestically in accordance with related regulations prescribed by the central competent authority and certified under this Act, or any imported agricultural product that is approved by import review.
- 3. Agricultural product operator: any person who engages in the business of production,

- processing, packaging, import, distribution or marketing of agricultural products and their processed products.
- 4. Agricultural product mark: the label indicating that the agricultural product and its processed product to which the label is affixed have been certified in accordance with this Act.
- 5. Accreditation body: the central competent authority or approved organization/juristic person that is competent to perform accreditation in accordance with this Act.
- 6. Accreditation: the assurance granted by the accreditation body to demonstrate the competence of carrying out the certification process pursuant to this Act.
- 7. Certification body: the organization, school, juristic person or group that is accredited and obtains the accreditation documents.
- 8. Certification: the issue of a statement demonstrating that agricultural products and their processed products are produced, processed and packaged in accordance with this Act.
- 9. Traceability: the ability to trace the information of an agricultural product through specified stages of cultivation, processing, packaging, distribution and marketing, which can be demonstrated by keeping complete records that could be made known to the pubic.
- 10. Labeling: words, illustrations or marks affixed to agricultural products and their processed products, or to the containers or packages thereof when they are displayed for sale.

Chapter II. Production Management and Traceability

Article 4

The central competent authority may implement a voluntary premium agricultural product certification system for the production, processing, packaging and distribution of certain domestic agricultural products and their processed products.

The items, application requirements and procedures, certification criteria, labeling, shelf life and relevant regulations of administration for the certain agricultural products and their processed products as mentioned in the preceding paragraph shall be prescribed by

the central competent authority.

Article 5

Agricultural products and their processed products shall not be sold under the term of "organic" unless the cultivation, processing, packaging and distribution of such products and processed products are certified in accordance with the organic regulations prescribed by the central competent authority.

The application requirements and procedures, certification criteria, labeling, shelf life and other relevant regulations of administration for organic agricultural products and their processed products as mentioned in the proceeding paragraph shall be prescribed by the central competent authority.

Article 6

Imported agricultural products and their processed products shall be certified by certification bodies that are accredited by the national or international organic accreditation institutes/organizations recognized by the central competent authority, and shall be reviewed by the central competent authority before they can be sold under the term of "organic".

The application requirements, review procedures, labeling and other relevant regulations of administration for imported organic agricultural products and their processed products as mentioned in the preceding paragraph shall be prescribed by the central competent authority in conjunction with the relevant authorities.

Article 7

The central competent authority may implement a voluntary traceability certification system on certain domestic agricultural products. When it is necessary, the central competent authority may announce the items and scope of specific agricultural products to require the traceability certification system compulsorily.

The items, scopes, application requirements and procedures, operation standards, items of

operation records, information publication and reservation, certification criteria, labeling, shelf life, and relevant regulations of administration for the certain agricultural products as mentioned in the preceding paragraph shall be prescribed by the central competent authority.

The publication and reservation of information, labeling and relevant regulations of administration regarding the import of specific agricultural products, announced to be subject to compulsory traceability certification system, shall be prescribed by the central competent authority in conjunction with the relevant authorities.

Article 8

The agricultural product operator, who claims traceability on the agricultural products, shall provide the traceability information of specific agricultural products and shall maintain such data for a certain period of time as prescribed by the central competent authority.

The same shall be applicable to importers that import agricultural products.

Chapter III Accreditation and Certification

Article 9

The certification of agricultural products and their processed products shall be carried out by a certification body accredited by the accreditation body.

The qualification and application procedures of certification bodies, certification activities and scope, terms of validity, confirmation of certification bodies no longer capable of carrying out certification as mentioned in Article 11 and related regulation of administration shall be prescribed by the central competent authority.

A certification body may collect fees for certification. The fee rates shall be approved by the central competent authority.

Article 10

The central competent authority shall revoke the accreditation of a certification body in the event that its accreditation is granted by submitting false information or by any inappropriate method.

A certification body whose accreditation is revoked in accordance with the preceding paragraph shall not be allowed to apply for accreditation within three years.

Article 11

The central competent authority shall rescind the accreditation of a certification body in the event when such body loses the capability of carrying out certification.

Article 12

Agricultural products and their processed products shall be certified before using the agricultural product mark.

The specifications, illustrations, rules of usage and relevant regulations of administration of the agricultural product mark as mentioned in the preceding paragraph shall be prescribed by the central competent authority through consultation with the relevant authorities.

Chapter IV Safety Management, Inspection and Interdiction

Article 13

Chemical pesticides, chemical fertilizers, animals' drugs or any other chemicals, except for those which have been announced by the central competent authority to be permitted, shall not be used in organic agricultural products and their processed products.

Article 14

The competent authority, to the extent of ensuring that agricultural products and their processed products comply with the requirements prescribed in this Act, may send

personnel into the premises where products are produced, processed, packaged, stored, distributed or marketed to conduct inspection or sampling for examination. None shall refuse, evade or resist such inspection or sampling.

The competent authority may require that the operator of the premises as mentioned in the preceding paragraph provide related evidences and records during conducting the inspection or sampling for examination in accordance with the preceding paragraph.

In addition to imposing penalties on the agricultural product operator pursuant to this Act, the competent authority may prohibit the agricultural product operator from transporting his agricultural products and their processed products out of the premises set forth in the first paragraph in the event that such agricultural products and their processed products fail to pass the inspection or the examination in accordance with this Act. The competent authority may also order the agricultural product operator to take corrective actions within a limited period, conduct recalls, destroy products or adopt other appropriate measures.

According to the different characteristics of certain agricultural products and their processed products, the frequency of inspection and sampling for examination shall be prescribed by the competent authority.

Article 15

The person who conducts the inspection or sampling for examination, as mentioned in the preceding Article, shall present the documents or badge of identification relating to the performance of his duties to the agricultural product operator. Premises of retail shall be reimbursed for samples taken. The regulations of inspection and examination shall be prescribed by the central competent authority.

The competent authority may mandate its subordinate agencies or authorize other government bodies, organizations/institutes, juristic persons, groups or persons to carry out the inspection set forth in the preceding paragraph.

The central competent authority may mandate its subordinate examination agencies to carry out the examination set forth in the first paragraph. When it is necessary, it may authorize other examination authorities, organizations/institutes, schools, groups or research institutes to perform all or part of the examination.

Article 16

The central competent authority shall announce the examination methods of the agricultural products and their processed products after consulting with related central industry competent authorities. The examination may be performed in accordance with the methods recognized by the international society if the aforementioned methods are not announced.

Article 17

The agricultural product operator who has any objection to the examination result may make another application once and pay the fees for re-examination to the original examination authority within fifteen days after receiving the notice.

The examination authority as mentioned in the preceding paragraph shall notify the institution conducting examination within seven days to re-examine the original object. The re-examination shall not be performed in case that the quality of such object has altered.

Article 18

The person's identity shall be kept in confidential and be rewarded by the competent authority in case that such person reports any violation of this Act and such violation has been confirmed subsequently.

The regulation concerning the reporting and rewarding as mentioned in the preceding paragraph shall be prescribed by the central competent authority.

Article 19

A certification body of which the accreditation is rescinded in accordance with paragraph 2 of Article 21 or paragraph 2 of Article 23 shall not apply for accreditation within three years.

Chapter V Penal Provisions

Article 20

A certification body which carries out the certification activities of agricultural products and their processed products set forth in this Act without being granted an accreditation pursuant to this Act, or the accreditation has been revoked or rescinded, shall be fined in an amount of no less than New Taiwan Dollars Three Hundred Thousand (NTD 300,000), but no more than New Taiwan Dollars One Million Five Hundred Thousand (NTD 1,500,000).

Article 21

Under any of the following circumstances, a fine in an amount of no less than New Taiwan Dollars Two Hundred Thousand (NTD 200,000), but no more than New Taiwan Dollars One Million (NTD 1,000,000) shall be imposed per violation:

- 1. The certification body carries out the certification activities beyond the scope of the accreditation;
- 2. The agricultural product operator uses an agricultural product mark without certification, or the agricultural product operator keeps using an agricultural product mark even if he has been ordered to suspend or prohibited from using the agricultural product mark; or
- 3. The agricultural product operator violates the transportation inhibition order or fails to take corrective actions within a limited period, conduct recalls, destroy products or adopt other appropriate measures stipulated by the competent authority in accordance with paragraph 3 of Article 14.

The central competent authority shall rescind the accreditation if the situation of subparagraph 1 of the preceding paragraph is serious.

The competent authority may confiscate the agricultural product and its processed product set forth in subparagraph 3 of the first paragraph that do not comply with this Act, when it is necessary.

Article 22

Any agricultural product operator who engages in any of the following actions shall be fined in an amount of no less than New Taiwan Dollars One Hundred Thousand (NTD 100,000), but no more than New Taiwan Dollars Five Hundred Thousand (NTD 500,000) shall be imposed per violation, if he

- 1. Refuses, evades or resists the inspection or sampling for examination made by the competent authority in accordance with paragraph 1 of Article 14; or
- 2. Fails to provide the related evidence or records in accordance with paragraph 2 of Article 14.

Article 23

Under any of the following circumstances, a fine in an amount of no less than New Taiwan Dollars Sixty Thousand (NTD 60,000), but no more than New Taiwan Dollars Three Hundred Thousand (NTD 300,000) shall be imposed per violation:

- 1. The agricultural product operator labels an agricultural product and its processed product as "certified premium agricultural product" or "certified traceability" without certification, or uses other misleading expressions;
- 2. The agricultural product operator labels an organic agricultural product and its processed product as "organic" in Chinese or in any other foreign languages without certification in accordance with paragraph 1 of Article 5 or without passing the review in accordance with paragraph 1 of Article 6, or uses other misleading expressions; or
- 3. The certification body makes any false record on certification or other relevant documents.

The central competent authority shall rescind the accreditation if the situation of subparagraph 3 of the preceding paragraph is serious.

Article 24

Any agricultural product operator who engages in any of the following actions shall be

fined in an amount of no less than New Taiwan Dollars Thirty Thousand (NTD 30,000), but no more than New Taiwan Dollars One Hundred and Fifty Thousand (NTD 150,000) shall be imposed per violation, if he

- 1. Violates the labeling regulations prescribed in paragraph 2 of Article 4, paragraph 2 of Article 5, paragraph 2 of Article 6, paragraphs 2 or 3 of Article 7;
- 2. Fails to provide the traceability information of the agricultural product, or fails to reserve such information for a certain period of time in accordance with Article 8;
- 3. Violates the mark specification or regulations of illustration and usage prescribed in paragraph 2 of Article 12;
- 4. Violates Article 13 by using chemical pesticides, chemical fertilizers, animals' drugs or any other chemicals; or
- 5. Labels the name of central competent authority or its subordinate authorities without authorization.

The competent authority may suspend the use of the mark for a period of no less than three months but no more than one year in the event that any agricultural product operator engages in the action mentioned in subparagraph 3 of the preceding paragraph, and the competent authority may prohibit the use of the mark if such situation is serious.

Article 25

In the event that any agricultural product or its processed product does not comply with Article 13, or does not comply with the relevant labeling regulations prescribed in paragraph 2 of Article 4, paragraph 2 of Article 5, paragraph 2 of Article 6, paragraphs 2 and 3 of Article 7, or such agricultural product or its processed product is falsely labeled, the competent authority may publish the agricultural product operator's name, address, as well as the name and the violation situation of such agricultural product or its processed product.

Chapter VI Supplementary Provisions

Article 26

The enforcement rules of this Act shall be prescribed by the central competent authority.

Article 27

Any agricultural product operator who sells his agricultural product or its processed product under the term of "organic" shall, within two years of the enforcement of this Act, have his product certified in accordance with paragraph 1 of Article 5, or have his product certified and apply for the review by the central competent authority in accordance with paragraph 1 of Article 6. If the agricultural product operator fails to do so within the time limitation, or violates Article 13 by using chemical pesticides, chemical fertilizers, animals' drugs or any other chemicals, the agricultural product operator shall be fined in accordance with subparagraph 2 of paragraph 1 of Article 21, subparagraph 2 of paragraph 1 of Article 23, subparagraphs 1 and 4 of paragraph 1 of Article 24 or Article 25.

Article 28

This Act shall come into force on the date of promulgation.