

Government Contracts Blog

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The Moment of Truth Has Arrived -- "Made In Taiwan" Now Qualifies Under the TAA

In early July, we [discussed](#) that fact that Taiwan would soon be an approved country of origin for purposes of the Trade Agreements Act. This was, in our view, good news and a welcome development.

Many others thought so, too. All summer, we have received emails and phone calls from friends and strangers alike asking questions along the lines of: "Are you serious?" "Is this too good to be true?" "Did it ever **actually** happen (or did that asteroid from *Armageddon* fall from space and incinerate the only copy of the original, signed international agreement)?" Well... to answer these questions (in order):

- We **are** serious.
- This is **not** too good to be true.
- And it did **actually** happen -- right on schedule.

On July 14, 2009, the U.S. Trade Representative announced that, effective July 15, 2009, the U.S. would be waiving all discriminatory purchasing requirements for eligible products from Taiwan (also known as Chinese Taipei) based on Taiwan's accession to the WTO GPA. *See* 74 Federal Register 34071.

While you might think that this declaration from the President's authorized trade representative would automatically have been enough to make the dream of selling "Made in Taiwan" products a reality, we still received several reports that Contracting Officers were resistant to the idea of accepting Taiwanese origin products until the FAR provisions were officially changed. While we doubt that such a position has any legal basis (the USTR's notice plainly states that the waiver was "effective July 15, 2009"), quibbling with a CO rarely leads to a satisfying resolution. And so we waited.

Finally, on August 11, 2009, the FAR Councils published a new interim rule, amending the FAR to include Taiwan as an approved designated country. *See* 74 Federal Register 40461. The new FAR clause at FAR 52.225-5, Trade Agreements, is dated AUG 2009, and if it is not in your contract, you should talk to your CO to see about making the change. Now that the COs have

cover in the form of an official change to the FAR, we hope that there will be less resistance to the idea that “Made in Taiwan” is not an approved country of origin label.

So smile. For a change, something happened to make your procurement life easier. Enjoy it before Congress starts passing new laws that will turn that smile upside down.

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