

Taiwan tightens laws against China economic espionage

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Taiwan toughened its laws on Friday to counter technology theft and talent poaching by China, authorities said.

An amendment to the national security act made economic espionage an offence punishable by a maximum 12-year jail term.

The move aims to "better protect the competitiveness of our high-tech industries ... and to prevent the trade secrets in key national technologies from being infringed by hostile foreign forces and their proxies," the Ministry of Justice said in a statement.

A separate law governing relations with China was also amended to thwart illegal investments and talent poaching by China, said the Mainland Affairs Council (MAC), Taiwan's top China policy-making body.

According to MAC, foreign-registered Chinese companies that set up subsidiaries on the island without approval will face a maximum three-year jail term, and those who help Chinese investors illegally operate in Taiwan under their names will face a maximum fine of 25 million Taiwan dollars (\$843,000)

In addition, individuals or members of groups and institutions involved in "key national technologies" will face a maximum fine of 10 million Taiwan dollars if they go to China within three years after leaving their jobs or ending government commissions without prior approval.

The tighter laws will "prevent improper outflow of our technologies," according to MAC's statement.

Last month, US Senator Bob Menendez said Taiwan's security bears global consequences as the island produces around 90 percent of high-end semiconductor chips, a component vital to the tech industry.

The self-governing island's chip foundries churn out some of the most advanced and smallest microchips, with local firms Taiwan Semiconductor Manufacturing Co (TSMC) and electronics giant Foxconn both key suppliers to Apple.

Several recent cases have renewed concerns in Taiwan over the loss of local talent and unauthorised investments by Chinese firms.

Prosecutors last year indicted five people for illegally receiving nearly \$19 million from a Chinese electronics firm to set up a company in the island's top science park in northern Hsinchu city.

In a separate case, prosecutors in New Taipei City gave a suspended indictment to four people accused of talent poaching on behalf of Chinese and Hong Kong companies citing insufficient evidence.

The four had allegedly recruited over 100 engineers for Beijing-based Bitmain Technologies to design chips used in cryptocurrency mining.

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