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| Title : | Revenue Directions for National Public Real Estate  |
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| Legislative : | 1.Revision of Decree No. 09830006081 by the Ministry of Finance on July 3, 2009 2.Revision of Decree No. 09930010452 by the Ministry of Finance on October 11, 2010 3.Revision of Decree No. 10935006190 by the Ministry of Finance on August 13, 2020 |
| Content : | <p>Article 1 These Directions are hereby established to facilitate the administration authority to implement national public real estate (hereinafter referred to as “real estate”) revenue activation under the exception provided by Article 28 of the National Property Act.</p> <p>Article 2 The relevant authority may establish separate real estate revenue operations-related provisions under one of the circumstances listed below while complying with the exception provided by Article 28 of the National Property Act and the expenditures such as taxes and fees shall be considered as the basis for revenue calculation and collection: 1.Deemed necessary by the central competent authority in charge of the relevant industry due to national policy or requirements of said industry. 2.Deemed necessary by the competent authority of the central special fund for fund setting purposes or operational needs.</p> <p>Article 3 The revenue mentioned in these Directions refers to that generated through lease and utilization, which are defined as follows: 1.Lease: The administration authority leases the real estate to others (hereinafter referred to as “lessees”) to collect the rent. 2.Utilization: The administration authority provides the real estate to others (hereinafter referred to as “users”) for certain instance(s) or period(s) of use to charge a fee (hereinafter referred to as “utilization fee”). The authority specified herein shall include public schools.</p> <p>Article 4 Lease method: 1.Direct lease: The administration authority leases the real estate to specific subjects in collaboration with government agencies at all levels (including the administration authority) for business, public construction, or public utility needs. 2.Lease by tender: Lease real estate to tender winner through open tender. The bid and bid awarding procedures shall refer to the relevant provisions in the National Non-Public Use Real Estate Leasing Operations or the Government Procurement Act. The public construction referred to in Paragraph (I) of this Article shall be determined by the authority-in-charge of said construction; and the public utilities shall be determined by the regulations of the central competent authority in charge of the relevant industry.</p> <p>Article 5 Rent calculation and collection standard: 1.Direct lease: (1)The minimum annual rent for land shall be the current total value declared multiplied by 5%, and shall be calculated and collected at 60% of</p> |

said price according to the provisions in Point 2 of the "National Rental Base Rent Adjustment Plan" issued by the Executive Yuan. Rent for houses shall be charged based on its current taxable value multiplied by 10%.

(2)Lease to an employee consumer cooperative: The minimum annual rent shall be 2% of the current total land value declared for land lease and 5% of the current taxable value for housing lease.

(3)Lease to a campus consumer cooperative: The minimum annual rent shall be 1% of the current total land value declared for land lease and 2% of the current taxable value for housing lease.

(4)The rent calculation and collection standard specified in the three preceding Items may be increased by the administration authority according to the real estate utilization method, location conditions, market trends, tax expenditures and other factors (hereinafter referred to as "price setting factors").

2.Lease by tender:

(1)Bid shall be based on the total annual rent of the real estate. The minimum price shall be set by the administration authority according to the price setting factors, which shall not be lower than the minimum annual rent amount provided by Item 1 of the preceding Paragraph.

(2)During the lease period, if the total annual rent becomes higher than the bid awarding annual rent amount because the total minimum annual rent calculated according to Item 1 of the preceding Paragraph has changed due to rental rate, declared land value, or current house tax value fluctuations, the annual rent shall be calculated and collected based on the higher total annual rent amount beginning from the month of change.

3.Under any of the following circumstances, the annual rent calculation and collection standard for direct lease or lease by tender shall be set by the administration authority according to the price setting factors and is not subject to the restrictions set forth in the two preceding Items.

(1)The real estate is a cultural asset announced according to the Cultural Heritage Preservation Act.

(2)The real estate lease involves hanging-wall space, and the floor or land area cannot be calculated.

4.If the Executive Yuan or other laws offer real estate lease discounts, reductions, or exemptions, such rules shall apply. In the case of discounts, only one discount shall apply.

Article 6

A lease contract stipulating the following matters shall be established during the lease:

1.Real estate descriptions, location, and range (with pictures).

2.Purpose.

3.Duration of contract.

4.Rent calculation and collection standard.

5.Tax and other expenses.

6.The rights and obligations of the parties.

7.Utilization restriction.

8.Breach of contract handling.

9.Contract termination clause.

10.Other special matters.

Article 7

The administration authority shall consider the price setting factors or refer to the rent calculation and collection standard set out in Article 5 when setting the utilization fee.

Article 8

The administration authority may formulate an application form that offers the following information to accept applications:

1.Real estate descriptions, location, and range (with pictures).

2.Utilization time or period.

3.Utilization fee calculation and collection standard.

4.Event content or purpose of utilization.

5.Instructions or precautions for utilization.

Article 9

The administration authority managing the real estate revenue may charge additional royalties accordingly, and set the fee calculation and collection standards.

In a lease by tender case, if the administration authority believes that it is necessary to give priority to those who meet the specific qualifications and offer a price not lower than the contract award price, the relevant specifications shall be stated in the bidding documents.

Article 10

The real estate revenue period shall be set by the administration authority in accordance with the real estate features and the method of utilization without affecting the public use purpose, which shall be subject to the relevant regulations.

Article 11

The administration authority managing the real estate revenue must reach an agreement with the lessee or the user to ensure that the real estate shall not be sub-leased, entrusted for operation, operated in cooperation with others, or used by a third party. This provision shall not apply if diversified services are required due to business needs and are approved by the competent authority.

Article 12

The administration authority shall manage the real estate revenue and expenditures according to the relevant provisions in the National Property Act and the Budget Act unless specified by other laws. If the real estate is managed by the local government, the percentage of revenue that should be allocated and transferred to the national treasury shall be calculated according to the "Guideline for National Treasury Allocation of Local Government Managed National Public Real Estate Related Revenue" promulgated by the National Property Administration, Ministry of Finance.