Content

Title：	Calculation Method on the Ratio of Revenue from National Non-Public Real Estate Improvement of National Property Administration, Ministry of Finance Combined with Target Business Supervisory Agency Ch
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Legislative：	1.Set by TaiPropAdChange Number 10350003360 letter of National Property Administration, Ministry of Finance on April 18, 2014 2.Amended, TaiPropAdChange Number 10550001040 letter of National Property Administration, Ministry of Finance on March 10, 2016 3.Amended, TaiPropAdChange Number 10750002450 letter of National Property Administration, Ministry of Finance on June 1, 2018

Content：

Article 1

The calculation method is based on Subparagraph 2, Paragraph 1, Article 15 of the 'Principles on National Non-Public Real Estate Improvement Utilization Operations of National Property Administration, Ministry of Finance Combined with Target Business Supervisory Agency' (referred to Operations Principles hereinafter).

Article 2

In the calculation method, the main authority-in-charge is the National Property Administration, Ministry of Finance; the executing agency is the branch offices of the National Property Administration, Ministry of Finance; and target business supervisory agency is the central agencies and local governments.

Article 3

The terms used in the calculation method are defined as follows:

(1) Revenue of national non-public real estate: Denotes the estimated grand total revenue from settled ratio in the improvement utilization of national public non-public real estate sponsored by the executing agency and target business supervisory agency as stipulated by Subparagraph 1, Paragraph 1, Article 15 of the Operations Principles.

(2) Opportunity cost of national non-public real estate: The grand total of contract signing royalty and operations royalty calculated based on the value of the right of usage of the national non-public real estate released by the executing agency during the time period of usage provided by the target business supervisory agency according to 'Implementation Points for Commissioned Operation of National Non-public Property' .

(3) Value of national non-public real estate: The land is calculated based on current announced value; building is calculated based on the current value of the taxation period or price of rebuilding minus depreciation amount.

(4) Development cost: The grand total of the cost of preparation, investment solicitation, contract signing, contract fulfillment management and taxes required that are estimated by the target business supervisory agency on the area of development of the

national non-public real estate for soliciting investment for improvement utilization.

(5) Related taxes of national non-public real estate: The land tax, building tax, other taxes, and operation fees of fund asset estimated to be paid by the executing agency during time period of improvement utilization on national non-public real estate.

The total revenue, opportunity cost before releasing usage right, or the value of the real estate the from the development are of non-national real estate is to be the highest of the three basis as prescribed in Subparagraphs 1 to 3 in the preceding paragraph calculated by the target business supervisory agency. National non-public real estate should be calculated based on such basis without being restricted by the aforesaid Subparagraphs 1 to 3.

Article 4

The calculation method of ratio of revenue from national non-public real estate improvement utilization sponsored by the executing agency and target business supervisory agency, applicable case type, and formula are as follows:

(1) Revenue deduction method: Comparing the remainder of total revenue from national non-public real estate minus development cost with development cost, the ratios between the two are calculated.
A. Applicable case type: The commissioned or cooperative improvement utilization case whose development cost is lower than 15% of the total revenue from national non-public real estate.
B. Formula:
(a) Ratio of divided income of the executing agency =(total revenue from national non-public real estate－development cost) / total revenue from national non-public real estate×100%
(b) Ratio of divided income of the target business supervisory agency = development cost / total revenue from national non-public real estate×100%

(2) Opportunity cost method: The method of comparing the opportunity cost of national non-public real estate with development cost and calculating the ratios between the two for divided income.
A.Applicable case type: Commissioned improvement utilization cases.
B.Formula:
(a) Ratio of divided income of the executing agency = opportunity cost of national non-public real estate /(opportunity cost of national non-public real estate+development cost) × 100%
(b) Ratio of divided income of the target business supervisory agency = development cost /(opportunity cost of national non-public real estate+development cost) × 100%

(3) Ratio of contribution method: The method of comparing value of national non-public real estate with development cost to calculate the ratios between the two for divided income.
A.Applicable case type: Cooperative improvement utilization cases.
B. Formula：
(a) Ratio of divided income of the executing agency = value of national non-public real estate /(value of national non-public real estate+development cost) × 100%
(b) Ratio of divided income of the target business supervisory agency= development cost/(value of national non-public real estate+development cost) × 100%

(4) Capital protected method: The method of comparing related taxes on national non-public real estate with the remainder of total revenue from national non-public real estate minus taxes to calculate the ratios between the two for divided income.
A.Applicable case type:
(a) Commissioned or cooperative improvement utilization cases. The national non-public land within the development area is designated

or registered as historical monument, historical building, memorial building, tribal building clusters, archaeological site, historical site, cultural landscape, natural landscape, natural memorial object, and the development cost is higher than the remainder of the total revenue from national non-public real estate minus the related taxes on national non-public real estate.

(b) Commissioned or cooperative improvement utilization cases where the remainder of the total revenue from national non-public real estate minus the development cost is lower than the related taxes on national non-public real estate and the ratio of divided income of the executing agency is higher than the result as calculated from Subparagraphs 1 to 3.

B.Formula:

(a) Ratio of divided income of the executing agency = the related taxes on national non-public real estate / the total revenue from national non-public real estate × 100%

(b) Ratio of divided income of the target business supervisory agency = (total revenue from national non-public real estate—related taxes on national non-public real estate)/ total revenue from national non-public real estate × 100%

Article 5

Executing agency, according to Subparagraph 3, Paragraph 5, Point 5 of the Operations Principles, when contacting the target business supervisory agency to study on the work plan and contract of commissioned or cooperative improvement utilization of the national non-public real estate, should investigate the market price of real estate nearby, premium rate of recent successful bids, and forecast on real estate for future solicitation, based on which the total revenue from national non-public real estate is calculated leading to the calculation of the divided income ratio for both sides.

Article 6

Executing agency should take the nature of the case into consideration and select one of the calculation methods as prescribed from Paragraphs 1 to 4 of Point 4 as the basis for calculating the divided income ratios for both sides.

Shall the divided income ratio calculation be revenue deduction method or capital protected method, the executing agency should take the difference between total revenue from national non-public real estate and total revenue from actual bids (bid using fee rate is the converted price of the bid fee rate) to set grade based on the attached table and calculate the divided income ratios for both sides.

In order to comply with the policy or the nature of the industry introduced by target business supervisory agency, the executing agency may flexibly adjust the divided income ratios within 10% of the range. However, the result may not be lower than the divided income ratio derived from the capital protected method.

Article 7

Executing agency should state clearly the divided income ratio calculation method in the work plan and contract draft sent to the authority-in-charge according to Subparagraph 5, Paragraph 5 of Point 5 (it should include total revenue from national non-public real estate, grade set, opportunity cost, value, related taxes, and development cost) and reasons.

Work plan approved by the Ministry of Finance that requires change

	and that the total revenue from national non-public real estate, grade set, opportunity cost, value, related taxes, and development cost have changed, the calculated result of the divided income ratios by original calculation method has a difference of more than 10% should be re-calculated and the revision should be reported in the work plan according to original procedure.
Attachments：	attachment table.pdf

Data Source：Ministry of Finance, R.O.C. Laws and Regulations Retrieving System