

Content

Title :	Operation Directions for Leasing of National Farmland <b>Ch</b>
Date :	2019.03.27
Legislative :	<p>1.Promulgated and implemented by the National Property Administration, Ministry of Finance on July 11, 2012, with Order Tai-Tsai-Chan-Chu-Kuan No. 10140013662.</p> <p>2.Amendment promulgated by the National Property Administration, Ministry of Finance on September 23, 2013, with Order Tai-Tsai-Chan-Shu-Kuan No. 10240021540.</p> <p>3.Amendment promulgated by the National Property Administration, Ministry of Finance on May 7, 2015, with Order Tai-Tsai-Chan-Shu-Kuan No. 10440006710.</p> <p>4.Amendment promulgated by the National Property Administration, Ministry of Finance on August 27, 2018, with Order Tai-Tsai-Chan-Shu-Kuan No. 10740005590.</p> <p>5.Amendment promulgated by the National Property Administration, Ministry of Finance on December 17, 2018, with Order Tai-Tsai-Chan-Shu-Kuan No. 10740010250.</p> <p>6.Amendment promulgated by the National Property Administration, Ministry of Finance on March 27, 2019, with Order Tai-Tsai-Chan-Shu-Kuan No. 10800082320.</p> <p>Letter Tai-Tsai-Chan-Shu-Kuan No. 10840003691 issued by the National Property Administration, Ministry of Finance on April 29, 2019. (Discontinuation of Paragraph 2 of Article 8)</p> <p>Letter Tai-Tsai-Chan-Shu-Kuan No. 10840006540 issued by the National Property Administration, Ministry of Finance on July 11, 2019. (Discontinuation of Article 68 that is not conform to the aforementioned Letter)</p>
Content :	<p>I. General Principles</p> <p>Article 1</p> <p>The subordinate branches (hereinafter referred to as the leasing agency) affiliated to the National Property Administration, Ministry of Finance (hereinafter referred to as the NPA) shall handle the leasing of national farmland in accordance with the Regulations of Leasing National Farmland (hereinafter referred to as the Regulations) and these Directions.</p> <p>Article 2</p> <p>These Directions stipulate that the following identifying supporting documents shall be attached:</p> <ol style="list-style-type: none"><li>1. Natural persons: Photocopied ID card or Household registration.</li><li>2.Corporations: Photocopied corporate registration certificate or certificate of corporation or registration changes, and photocopied qualification certificate and ID document of its representative.</li><li>3.Agricultural cooperatives: Photocopied corporation registration or photocopied certificate of corporation registration of cooperative farm, as issued by the competent authority, and photocopied qualification certificate and ID documents of its representative.</li></ol> <p>These Directions stipulate that the waiver regarding the leased area for each household of the lessee should be attached according to the following provisions:</p> <ol style="list-style-type: none"><li>1. If the applicant' s national farmland is located outside the scope of</li></ol>

slopedland, it shall not exceed the upper limit of the area stipulated in Paragraph 1 of Article 7 of the Regulations. However, this shall not apply to those who meet the requirements of Paragraph 2 of Article 7 of the Regulations.

2. If the national farmland applied for lease is located within a slopedland area and the applicant is a natural person, the area limit shall not exceed the upper limit specified in Article 20 of the Slopedland Conservation and Utilization Act.

If the applicant entrusts another person to apply, he or she shall submit a Letter of Attorney or state the appointment relationship in the application form and attach the identifying supporting of the appointee.

### Article 3

These Directions stipulate that the applicant or appointee shall attach the photocopies of the documents, which should be accompanied by the following statement: "This photocopy is consistent with the original, and the registration herein remains valid. If there is any inaccuracy, I will bear legal responsibility." The applicant or appointee shall then sign and seal it.

These Directions stipulate that the documents that shall be attached include the waiver, disclaimer, application form for change of lessee' s name, description and agreement documents (including succession certificates, certificates of transfer of rights and similiary hereinafcer). Unless otherwise specified, the original seal of the respective signatories shall be affixed to the original lease or in the following manner:

1. Waiver, disclaimer and application form for change of lessee' s name:

(1) The signatories shall be present to verify: The signatories must be present (not represented by the appointee) to sign and seal. The leasing agency will verify the ID card of the signatories, take a clear photo of the signatories' faces and print them in color for record. The documents, such as waiver, should be accompanied by the following statement: "This waiver has been signed and sealed by the signatories in person, who proved its veracity." The signatories and the leasing agency verifier shall then sign and seal it.

(2) Entrusting representation to another person: When entrusting another person to act as a representative for the service of documents such as waivers, the Letter of Attorney shall specify the appointment matters thereof and shall be jointly signed and sealed by the signatory and the appointee. After notarization or authentication in accordance with the law, the signatory and the appointee shall jointly sign and affix the same seal as on the Letter of Attorney for additional documents, such as the waiver.

2. Description and agreement documents:

(1) It shall be notarized or legalized by the whole undersigned or parties to the agreement pursuant to law.

(2) Attestation will be conducted by the land administration agent pursuant to the Land Administration Agent Act.

The waiver specified in the preceding paragraph shall state: In case of any falsehood or misrepresentation in these matters, we will bear legal responsibility and unconditionally agree to the revocation or termination of the lease agreement by the leasing agency. The rent paid and the compensation for years of occupancy shall not be refunded.

#### Article 4

These Directions stipulate that the applicant should attach the original lease agreement application. If the applicant loses the original lease agreement, the applicant or his/her legal representative may issue a waiver for Loss of Lease Agreement.

These Directions stipulate that the leasing agency will process the copies of the Land Registration Transcript, Cadastral Map Transcription, and Household Certificate Transcription that are required to be supplied when applying for a lease of national farmland electronically. The inquiry documents shall be printed for record. However, if the inquiry cannot be processed electronically, it should be attached by the applicant.

#### Article 5

In these Directions, "cultivation" refers to agricultural work and farming.

#### Article 6

Every operation, form, and registration stipulated in these Directions can be processed electronically.

### II. Leasing Operation Methods and Procedures

#### Article 7

Leasing operations are divided into batch and case operations, with the following procedures:

##### 1. Batch Processing:

- (1) Print the inventory of national farmland that has not been released for leasing.
- (2) Verify whether it is national farmland.
- (3) Verify whether the land is not available for leasing unless specified in Paragraph 1 of Article 3 of the Regulations.
- (4) Examine current state.
- (5) Create an inventory of announcements for the lease of national farmland.
- (6) Announcement and submission of objections.
- (7) Acceptance of applications.
- (8) Review.
- (9) Leasing approved.
- (10) Lease agreement.

##### 2. Case Processing:

- (1) Receive applications from the public for leasing.
- (2) Verify whether it is national farmland.
- (3) Verify whether the land is not available for leasing unless specified in Paragraph 1 of Article 3 of the Regulations.
- (4) Examine current state.
- (5) Create an inventory of announcements for the lease of national farmland.
- (6) Announcement and submission of objections.
- (7) Acceptance of applications. However, previous applicants are exempted from re-application.
- (8) Review.
- (9) Leasing approved.
- (10) Lease agreement.

The term "previous applicant" in item 7 of Subparagraph 2 of the

preceding paragraph refers to those who have applied before the announcement of the leasing and have not yet concluded the case. They are exempted from re-application. If the original application case is rejected or canceled after review by the leasing agency due to non-compliance with regulations or other reasons, a new application should be made.

### III. Verifying the farmland for leasing

#### Article 8

Prior to the release of national farmland for leasing, the following methods shall be used to verify whether there are any circumstances that prevent the leasing as stipulated in Paragraph 1 of Article 3 of the Regulations:

1. Lands Reserved for Aboriginal People: It shall be handled according to the Land Registration Transcript or the information in the National Non-public Use Property Management System (hereinafter referred to as the property cadastration).

2. Located in a soil and water conservation zone: Based on the inquiry results provided by the Soil and Water Conservation Bureau, Council of Agriculture, Executive Yuan, or competent authorities of the municipality. For uncertain circumstances, prepare the Inventory of Land to be Leased by Announcement, cadastral map transcript, and the image from the National Geographic Information System (hereinafter referred to as the "GIS" ) and dispatch a letter within one month to the competent authority of the municipality or country (city) where the land is located for the authority to respond whether the land is within the zone.

3. Located in the conservation area of a reservoir: For those located in the inquiry areas listed by the Water Resources Agency, Ministry of Economic Affairs, prepare the Inventory of Land to be Leased by Announcement, cadastral map transcript, and, and relevant geographical location map (mark the location of the lease application; the proportional scale shall be 1:5,000) and dispatch a letter within one month to the Water Resources Agency, Ministry of Economic Affairs for it to respond whether the land is within the zone.

4. Located in the drinking water quality protection area or areas within a certain distance to the drinking water intake: For those located in the administration areas (township and village) listed for the defined zone, prepare the Inventory of Land to be Leased by Announcement, cadastral map transcript, graphics of cadastral map through covering tracking by using the images of the GIS, and topographic map with a proportional scale of 1:25,000 (Longitude, NGIS version) and dispatch a letter within one month to the competent authority for environmental protection of the municipality or county (city) where the land is located for it to respond whether the land is within the zone.

5. Protected forest: For those located in/near the administrative areas of a protected forest, prepare the Inventory of Land to be Leased by Announcement and cadastral map transcript, and dispatch a letter within one month to the forest district office where the land is located for it to respond whether the land is within the zone.

6. Slope land exceeding utilization: For property cadastration with an additional marking of the exceeding utilization controlled data, access relevant documents for confirmation. For property cadastration with no

additional marking of the exceeding utilization controlled data that is classified as slopeland stated in Article 3 of the Soil and Water Conservation Act, prepare the Inventory of Land to be Leased by Announcement, the Inventory of Land to be Leased by Announcement, cadastral map transcript, and the image from the GIS, and dispatch a letter within one month to the competent authority of the municipality or county (city) where the land is located, for it to respond whether there is any exceeding utilization of slopeland.

7. Located in a natural reserve designated by the natural environment protection plan for the coastal area of Taiwan: Those located in the administrative areas of a natural reserve shall be subject to the inquiry results of the GIS. For uncertain circumstances, prepare the Inventory of Land to be Leased by Announcement, cadastral map transcript, and the photo base map of cover tracking lease application with a proportional scale of 1:5,000 or a topographic map with a proportional scale of 1:25,000 (Longitude, NGIS version) (clear and color graphic marking the material target names such as coordinates or roads; accurately mark the inquiry target locations on the graphic) and dispatch a letter within one month to the Construction and Planning Agency, Ministry of the Interior (or the agency designated by the Agency) for it to respond whether the land is within the zone.

8. Land with specific use, utilization plan, or other arrangements: Incorporate information according to the property cadastration, and check the information with the relevant document number.

9. Other lands not to be leased according to legal requirements:

(1) Land within a river area:

(i) River areas governed by the central government: For those located in the administrative river area governed by the central government, prepare the Inventory of Land to be Leased by Announcement, cadastral map transcript, and the image from the GIS and dispatch a letter within one month to the River Management Office subordinate to the Water Resources Agency, Ministry of Economic Affairs for it to respond whether the land is located within the zone.

(ii) River areas governed by county/city:

a. For property cadastration with an additional marking of a river area, access relevant documents for confirmation.

b. For property cadastration with no additional marking of a river area, prepare Inventory of Land to be Leased by Announcement, a copy of cadastral map transcript, and the image from the GIS and dispatch a letter to the competent authority of the municipality or country (city) where the land is located for it to respond whether the land is located within the zone.

(2) Land to be approved by the Executive Yuan or the Ministry of Finance as not for lease or requiring cessation of the lease, or recognized by the competent authority for the target business as under protection requirements or a safety hazard, or notified to be recovered: This is based on the data provided by the Executive Yuan, Ministry of Finance, or the competent authority for the target business.

(3) Lands other than the preceding items: Based on the data provided by the competent authority for the target business that is additionally marked on the property cadastration.

If the land proposed for leasing under the preceding paragraph is located within the scope of the regional rebuilding master plan (hereinafter referred to as the “rebuilding master plan”) approved by the Executive Yuan that prioritizes national land conservation, the non-leasing regarding strategic zoning for Type 1 and Type 2A under the requirements of the rebuilding master plan, or the particular area announced as being designated according to the law shall be made, a verification of the leasing status for exceptions approved by the Executive Yuan must be made. For the verification of items regarding non-leasing circumstances in the paragraphs above, the leasing agency shall make additional marking of the verification results in the “other matters” column of the property cadastration. Subsequently, if accepting other lease applications of the equivalent target, the verification and marking shall be re-performed.

#### Article 9

For requesting the competent authority for the target business for responses as mentioned in Paragraph 1 or Paragraph 2 in the preceding Article, if the response is overdue, the response is unclear, or there is no substantial opinion expressed, dispatch a letter to the competent authority for the target business for inquiry. If the regulatory authority fails to provide substantial responses, the leasing agency may continue to examine and handle the leasing in accordance with the relevant provisions of the Regulations.

After being leased, if the competent authority for the target business finds any prohibited agriculture and farming started by the law, or installation of sundries or other facilities, or any land that is sub-leased, the leasing agency shall terminate the lease according to the agreement in the lease, and recover the land. However, in the case of leasing (including renewal) in accordance with Paragraph 2 of Article 3 of the Regulations, the leasing shall be limited to the circumstances in which the competent authority for the target business notifies the land recovery.

#### IV. Survey and processing of joint ownership land

##### Article 10

If the leasing agency finds that the farmland can be leased as a result of the verification, it shall conduct a survey to confirm the on-site use of the farmland to be leased. After the change in the property cadastration, the announcement of the leasing shall be made.

When a lessee applies for leasing in accordance with the provisions of Subparagraphs 3 or 4 of Paragraph 1 of Article 6 of the Regulations, a survey shall be conducted to determine whether the adjoining farmland is actually used by the lessee for farming. This should be recorded in the survey form.

##### Article 11

If the area to be leased is part of a parcel of land, the area to be leased shall be estimated before the division of the cadastre, and a sketch of the current use of the land shall be attached to the lease agreement indicating the area to be leased.

##### Article 12

Before the division of the common property, the user of the state-private joint farmland may, after the agreement of the co-owners on the delineation of the right area for the management of the part of the joint property,

apply for leasing of the area under national oversight. It is also stated in the lease agreement that the subject of the lease is joint farmland. If the leased parcel of land is to be divided into smaller parcels, becoming privately owned, the lease shall be terminated as of the month following the date of completion of the division registration.

#### Article 13

If a national portion of joint ownership land shared by the state and a local government meets the leasing requirements, prior to the division of the joint property or the agreement on the division of management, the leasing agency may entrust the managing authority of the local government or be entrusted to handle the leasing jointly with the local government. If the management is divided by agreement, the leasing agency may handle the leasing in areas under national oversight.

#### V. Leasing announcement and submission of objections

#### Article 14

Leasing announcements should be posted on the front door of the leasing agency, on its website, and on the bulletin board of the township (town, city, district) office where the land is to be leased, and should be sent to the office of the chief of the village where the land is located for announcement. The content should be clearly stated. The content should be as follows:

1. Legal basis.
2. National farmland designation and area.
3. Lessee and period of the leasing.
4. Period and location for accepting applications.
5. Methods for accepting applications and documents to be attached.
6. If anyone has any claim or objection to the subject matter of the leasing, he/she should submit relevant certificates of rights or written reasons to the leasing agency within the period when the application is announced for acceptance. No applications will be accepted after the deadline.
7. Other.

The leasing announcement period is thirty days. The first day of the announcement is not included in the thirty-day period, which begin on the following day after the announcement.

The leasing agency shall erect a notice board at the site of the land being leased, indicating the location where the leasing announcement is posted and taking clear photos of the notice board from far and near for record.

#### Article 15

The leasing agency handles batch operations and announces leasing. The period for accepting applications is from the next day of the announcement to 30 days after the expiration of the announcement period (i.e., 60 days from the next day of the announcement). For individual case operations, the period for accepting applications is from the next day of the announcement to 15 days after the expiration of the announcement period (i.e., 45 days from the next day of the announcement).

#### VI. Acceptance of applications

#### Article 16

If during the period of announcement of acceptance of applications, there is a need to conduct lotteries to decide on the lessees as stipulated in

Paragraph 2 of Article 6 of the Regulations, each applicant shall be notified by double registered mail to arrive on time to participate in the lottery. The notice shall state: "Failure to show up after the time limit shall be deemed to have given up the application for leasing, and no objections shall be accepted."

#### Article 17

Those who apply for the leasing of national farmland in accordance with Paragraph 1, Article 6 of the Regulations shall fill in an application form and attach proof of identifying supporting, land registration transcript, cadastral map transcription, and waiver regarding the leased area for each household of the lessee. The lessees shall attach the following documents respectively:

1. Current users who have cultivated the land before July 21, 1993, or the current users who have inherited the cultivated land:

(1) A waiver from the applicant for the lease of the current user's cultivated land.

(2) One of the following documents proving that the land was cultivated or inherited before July 21, 1993:

(i) Agricultural power supply certificate issued by a government-owned enterprise (including electricity receipts), land maps recorded by government agencies prior to July 21, 1993, certificates issued by farmers' and fishermen's associations, township (town, city, district) offices, farmland irrigation associations or other government agencies where the national farmland is located.

(ii) A certificate of a person who served as the chief of the village where the national farmland is located before July 21, 1993, and who had the capacity to act before the same date, and who was the owner of the adjoining land or the lessee of the adjoining land before the same date; a certificate of actual use of adjoining national farmland prior to July 21, 1993, which was directly leased by the leasing agency after the same date; or a certificate issued by the current lessee of the lease. The following documents proving the qualifications of the signee shall be attached:

a. If the signee is the chief of a village, a copy of a document issued by a government agency certifying chief of village tenure prior to July 21, 1993.

b. If the signee is the owner of adjoining land, a copy of the title deed or a land registration transcript and a cadastral map transcription of the adjoining land that was acquired prior to July 21, 1993.

c. If the signee is the lessee of adjoining land:

(a) For a lessee who has leased adjoining land prior to July 21, 1993: A copy of the lease, a copy of the land registration transcript and a cadastral map transcription of the adjoining land prior to July 21, 1993. However, if the adjoining land is leased from a leasing agency, a copy of the lease is not required.

(b) For the current lessee who has actually used the adjoining national land prior to July 21, 1993, and has been directly leased or for lease by the leasing agency after the same date: A copy of the land registration transcript and a cadastral map transcription; a copy of the lease is not required.

(3) If the applicant is the current user who has inherited the cultivated

land, one of the following documents should be attached:

(i) Proof of inheritance in accordance with the provisions provided in Articles 42 or 44.

(ii) Proof of the transfer of rights determined by a court judgment, issued by other governmental agencies, or that meet the requirements of Paragraph 2 of Article 3.

(iii) A document in which the applicant and the transferor jointly explain their succession relationship.

(iv) A waiver with the following statement: "There is indeed a successor relationship with the transferor. In the case of any falsehood, we will bear legal responsibility and unconditionally agree to the revocation or termination of the lease agreement by the leasing agency without any objections. The rent paid and the compensation for years of occupancy shall not be refunded."

(4) If the national farmland is for joint use and some of the joint users apply for leasing under household division in compliance with the agreement, the agreement of all joint users (including a map of the agreed household division scope) should be attached. The applicant should abide by and agree to the following stipulation in the lease: "If other joint users have objections to the agreed division of households, the lessee shall bear legal responsibility."

2. Youth farmers on the guidance programs launched by the central government agricultural authority shall attach one of the following documents:

(1) Photocopied notice for authorization of one of approved Hundred Young Farmers by the central government agricultural authority, and photocopied executed guidance program agreement.

(2) Photocopied certificate of completion of the Hundred Young Farmers guidance program issued by the central government agricultural authority.

3. Owners of actual cultivated land adjoining to other cultivated land:

(1) Waiver proving that the applicant is the owner of the actual cultivated land adjoining to other cultivated land.

(2) Land title deed or land registration transcript of the adjoining cultivated land.

(3) Cadastral map transcription of the adjoining cultivated land.

4. Lessees of actual cultivated land adjoining to other cultivated land:

(1) Waiver proving that the applicant is the lessee of the actual cultivated land adjoining to other cultivated land.

(2) A copy of the lease agreement for the adjoining farmland. However, if the adjoining land is leased from a leasing agency, it shall be exempted from attachment.

(3) Land registration transcript of the adjoining cultivated land.

(4) Cadastral map transcription of the adjoining cultivated land.

5. Young farmers graduating from agricultural schools: A copy certifying the graduation in agriculture-related disciplines at a domestic or foreign secondary school or above registered or recognized by the public or competent educational authorities.

6. Family farms engaged with young farmers:

(1) Waiver proving that the applicant actually engages in agricultural operations on the family farm.

(2) Photocopies of complete household certificates showing the same household with the farm owner or operator.

(3) A copy certifying ownership or other rights to use the land of the family farm.

7. Those who have obtained a certification document from the agricultural competent authority for more than 40 hours of agricultural professional training within the last five years shall attach one of the following training certification documents indicating the training type, training class name, training hours, and training period according to the training institution:

(1) A copy certifying agricultural professional training courses conducted by the Council of Agriculture, Executive Yuan (hereinafter referred to as the COA) and its affiliated agencies, municipalities or county (city) governments.

(2) A copy certifying agricultural professional training courses entrusted to agricultural industry groups (including the Taiwan Leisure Farms Development Association and cooperatives that have been established and registered with the approval of the local municipal or county (city) government in accordance with the Cooperatives Act, similarly hereinafter), academic research institutions or farmers' associations by the COA and its subordinate agencies, municipalities or county (city) governments. The copy shall indicate that: "This training is conducted by agricultural industry groups (academic research institutions or farmers' associations) entrusted by the COA (and its affiliated agencies, municipalities or county (city) governments)."

(3) A copy certifying agricultural professional training courses independently conducted by agricultural industry groups, academic research institutions or farmers' associations, stating the following: "This agricultural professional training course has been completed and is filed with the COA (and municipalities or county (city) governments) for reference." The date and issue number of the official document should also be indicated.

(4) A copy certifying agricultural professional training courses conducted by other institutions, stating the following: "This agricultural professional training program has been reviewed and approved by the COA (local agricultural authority)." The date and issue number of the approved official document should also be indicated. If it is not specified, the applicant shall attach a copy of the official document proving that the course has been reviewed and approved by the COA or the local agricultural authority, or has been subsequently verified by the COA.

(5) A copy certifying agricultural professional training courses co-sponsored (or co-organized) by other institutions and the COA (and its affiliated agencies, municipalities or county (city) governments), stating the following: "This agricultural professional training is co-sponsored (or co-organized) by xxx and xxx." If it is not specified, the applicant shall attach a copy of the official document proving that the course is co-sponsored (or co-organized) by xxx and xxx.

8. Agricultural cooperatives shall attach one of the following documents:

(1) The competent authority shall issue a copy of the establishment registration certificate, which shall contain information such as the name

of the cooperative, responsibilities, and main agricultural production business.

(2) A copy of the cooperative farm establishment registration certificate. If maps recorded by government agencies prior to July 21, 1993, are attached as proof of the actual time of use, as set forth in (i), Item 2, Subparagraph 1, Paragraph 1 of this article, the applicant should submit a waiver indicating that he or she has actually used or inherited the use from another person prior to the same date.

If the aforementioned map recorded by the leasing agency in the cadastral maps register can be used to confirm the agricultural (husbandry) use of the national farmland applied for lease and, if there is no other contradictory information, it may be adopted as a document proving the time of actual use. If the use of national farmland for agriculture (husbandry) cannot be confirmed through the application of cadastral maps, the applicant may be notified that he/she may obtain, at his/her own expense, the results of the interpretation of the maps by the governmental agencies, which together with the maps will serve as a document proving the time of actual use.

The term “young” as used in Subparagraphs 5 and 6 of Paragraph 1 refers to those over the age of eighteen and under the age of forty-five.

The term “within the last five years” as used in Subparagraph 7 of Paragraph 1 refers to the previous five years from the date of application for leasing. The number of training hours may be accumulated.

“Copy/document certifying agricultural professional training courses” refers to the paper completion certificate or training course certification registration form issued by The Farmers’ Academy, COA, or the training institution (or one of the training institutions if it is a co-sponsor or co-organizer, similarly hereinafter). Agricultural professional training courses should be relevant to agriculture and farming. This does not include online digital courses. If there is any doubt about the content of the course, the leasing agency shall contact the training sponsor for confirmation.

The term “adjoining” , as mentioned in Paragraph 1, refers to the area immediately adjacent to the lease application area. This does not rely on the cadastral map boundary lines as the basis for review.

#### Article 18

The certificate of (ii), Item 2, Subparagraph 1, Paragraph 1 of the preceding article shall contain the following information, which shall be posted on the bulletin board of the leasing agency for 30 days. A letter shall be submitted to the public office of the township (town, city, district) office and to the office of the chief of the village where the land is located for the posting of the aforementioned information. If there are no objections or the objections cannot be sustained, it shall be accepted accordingly:

1. Certified person.
2. The identification of the cultivated land applied for lease (including county, city, township, district, lot, and land number) and the village where it is located.
3. The actual time and type of use of the farmland under application by the certified person.

4. Signee' s name, national ID number, date of birth, residential address, and identity (such as chief of xxx village, the owner or lessee of the adjoining land number xxx).

5. Date on which the certificate was issued.

If there is any objection to the certificate in the preceding paragraph, the objector should be asked to provide relevant supporting documents, and the leasing agency shall contact the signee for clarification. If the signee clarifies that the content of the certificate is indeed correct or the objector is unable to provide sufficient supporting documents, the certificate shall be accepted accordingly.

When announcing the certificate mentioned Paragraph 1, it is necessary to avoid announcing the national ID number and residential address of the signee at the same time. The code for the national ID number shall be its last four digits. This shall be handled in accordance with the provisions of Paragraph 2 of Article 14.

#### Article 19

Those who apply for the lease of national farmland in accordance with the provisions of Paragraph 2, Article 3 of the Regulations (land that was leased or for lease as national farmland prior to December 26, 2013, included, and is still used for agriculture and farming, may be leased to the original lessee of the most recent lease or to his or her successor) shall fill out an application form and attach the following documents:

1. Original lease (if the original lease has been returned to the leasing agency when the lease was terminated, invalidated, or extinguished, it shall be exempted from attachment).

2. Identifying supporting.

3. Waiver confirming that the lessee will cultivate by himself/herself.

4. Waiver confirming that the cultivated land applied for lease has not been transferred, subleased, or made available for use by a third party from the date of termination, invalidity, or extinguishment of the original lease to the time of lease application.

5. For the total areas to be rented by the lessee per household.

6. Proof of inheritance should be attached if applying as a successor to the original lessee, as stipulated in the provisions of Article 44.

In the case of the lease application mentioned in the preceding paragraph, if the leasing agency verify that the land is national farmland, it shall be exempted from the verification, registration, and public announcement as stipulated in Paragraph 1, Article 3, and Article 8 of the Regulations. If, after a survey, it is determined that the land is still used for agriculture and farming and that it meets the requirements, the following farmland lease shall be established:

1. For those who originally handled the lease through public announcement procedures: Formulate a lease agreement for national farmland.

2. For those who used to lease farmland: A lease agreement for national farmland in which the 37.5% Arable Rent Reduction regulations are not applicable.

The term "land that has been leased or for lease as national farmland and is still used for agriculture and farming" as mentioned in the Paragraph 1 refers to: land that has been leased or rented out as national farmland for a fixed period of time or for an indefinite period of time by the leasing

agency; or land that upon termination, invalidation, or extinguishment of a successor lease (hereinafter referred to as the leasehold relation), its original lease area is still used by the original lessee or his or her successors for agriculture and farming, including changes to non-agreed uses within the original lease area, and the area that has been restored to the original agreed use at the time of lease application. The aforementioned area may be a partial, whole, or more than one lot of land. If the land is expanded beyond the area of the original lease, or if, upon the termination, invalidation, or extinguishment of the original lease, the original lessee or his or her successor has completed the handover procedure together with the leasing agency and returned the leased farmland to the leasing agency, it shall not be included in the calculation.

If the original lessee of the most recent lease in Paragraph 1 is a joint lessee and no agreement has been made on household division, some of the original joint lessees applying for lease in accordance with Paragraph 2 of Article 3 of the Regulations shall first make an agreement to divide the household regarding the area of the lease application with the other lessees who have not applied for lease or who do not comply with the requirements of the lease. Then they shall apply for lease according to the area of the household division.

#### Article 20

When applying for the lease of national farmland, the applicant shall undertake the following:

1. When a lease application is accepted, the applicant's declaration of applying for lease is only an "Invitation to make an Offer" and should not be considered as a declaration of an offer or a promise by the accepting agency.
2. The applicant is willing to pay the compensation, which is payable annually for the claimed farmland, if any, pursuant to the relevant requirements without any objection.
3. If the attached documents (including closing matters) are found to be false or untrue, the applicant will be willing to bear legal responsibility and unconditionally agree to the leasing agency's revocation or termination of the lease. The rent paid and the compensation for years of occupancy shall not be refunded.
4. Where it is impossible for the leasing agency to serve any notice to the address identified in the application form, the application may be canceled by the leasing agency at its sole discretion.
5. The applicant agrees that the leasing agency shall, in accordance with the provisions of Article 15 of the Personal Data Protection Act, collect or process the personal information of the lessee and the appointee within the necessary scope for the specific purpose of national property management, and in accordance with the provisions of Article 16 of the same law, where it is expressly required by law.
6. Other commitments.

#### Article 21

When the leasing agency accepts a rent application case, it should set up a receipt book and designate a person to receive the application. After checking that all the documents are in order, the leasing agency shall number and register the application and issue a receipt indicating the

following: "This receipt shall not be used as a certificate of title or a receipt for mortgage purposes."

#### VII. Review

##### Article 22

For those applying for lease in accordance with the provisions of Subparagraph 1, Paragraph 1, Article 6 of the Regulations:

1. If the applicant is a natural person: The applicant should have reached the age of 16 prior to July 21, 1993. If the land is acquired through inheritance, the applicant shall attach proof of inheritance as stipulated in Item 3, Subparagraph 1, Paragraph 1 of Article 17, and relevant documents proving that the decedent or transferor had reached the age of 16 prior to July 21, 1993, and that the applicant had reached the age of 16 at the time of application.

2. If the applicant is the legal person of an agricultural enterprise or an agricultural cooperative: The applicant should have been established or incorporated prior to July 21, 1993. However, this does not apply to those who acquired the land through inheritance.

If the applicant is a natural person, he or she must have reached the age of 16 when applying for lease in accordance with the provisions of Paragraph 2 of Article 3 and Subparagraphs 3 and 4, Paragraph 1 of Article 6 of the Regulations.

##### Article 23

The applicant shall use the certificate issued by the chief of the village where the national farmland is located, the owner of the adjoining land, the lessee of the adjoining land, or the current lessee who has actually used the adjoining national land prior to July 21, 1993, and has been directly leased or for lease by the leasing agency after the same date, as proof of the actual time of use. The application shall be reviewed in the following manner:

1. Capacity review: Based on the documents and relevant records issued by the government agencies containing the date of birth and related entries, it will be reviewed whether the person has the capacity to conduct business prior to July 21, 1993.

##### 2. Qualifications Review:

(1) Chief of the village where the land is located: For village chiefs who held office prior to July 21, 1993, the review shall be based on proof of chief of village tenure.

(2) Owners of adjoining land: For owners who acquired the ownership of the adjoining land prior to July 21, 1993, the review shall be based on a copy of the land ownership certificate or on the land registration transcript and the cadastral map transcription.

(3) Lessees of adjoining land: For lessees who acquired the lease rights of the adjoining land prior to July 21, 1993, the review shall be based on a copy of the lease agreement, the land registration transcript, and the cadastral map transcription. However, if the adjoining land is leased from a leasing agency, it shall be exempted from a copy of the lease agreement.

(4) Current lessees who have actually used the adjoining national farmland prior to July 21, 1993, and have been directly leased or for lease by the leasing agency after the same date: For those who have actually used the adjoining national farmland prior to July 21, 1993, and are not the

current lessee who will inherit the use relationship after that date and whose leased adjoining land is the national farmland which is directly leased or for lease (excluding leased by tender) by the leasing agency (excluding other authorities) after the same date, the review shall be based on a copy of the lease agreement (copied and filed by the leasing agency from the current lease of the lessee), the land registration transcript, and the cadastral map transcription.

#### Article 24

If the applicant applies for a lease in accordance with Subparagraph 5, Paragraph 1 of Article 6 of the Regulations, the resolution of whether he or she is actually engaged in family farm agricultural operations shall be determined by the leasing agency inviting the local agricultural competent authority for an on-site survey and, based on the actual situation of the case, determining whether the use of the family farm conforms to the three requirements of “utilization of natural resources and agricultural materials and technology,” “engagement in leisure and recreation, production and distribution of farming, forestry, aquaculture and farming,” and “engagement in the operation of such businesses.”

#### Article 25

The leasing of national farmland is for agricultural or farming purposes. If the land use conditions (including facility types, items, details, area, height, etc.) of the leased land do not comply with the requirements of the Directions for Inspecting Facilities Permitted in Agriculture Land of the Leasing National Non-public Use Land, the leasing agency will not approve the leasing of the farmland.

#### Article 26

The leasing agency examines the lease application based on the property registration information, survey form, and documents attached by the applicant and handles the case in accordance with the following regulations:

1. If the application form is not in proper form, or if the attached documents are missing, notify the applicant to make corrections within a specified period of time; or make corrections together with the notification of the payment contract.
2. Under one of the circumstances specified in Article 27, the application shall be written-off and the attached documents of the original application shall be returned.
3. If the result of the examination meets the requirements for the lease, the leasing agency shall endorse and comment on the form and notify the applicant to pay the retroactive use charge and the rent for the lease period in accordance with the provisions of Article 37.

#### Article 27

Under any of the following circumstances, the application shall be written-off and the attached documents of the original application shall be returned:

1. The specified period of time to make corrections has been notified in accordance with the preceding Article, but the correction has not been made by the deadline, or the correction has not been completed as required.
2. Farmland that is not handled by the leasing agency.
3. Farmland that is prohibited from being leased by law.

4. The utilization of the Farmland is in dispute, or the ownership of the estate is not confirmed.
5. Land with specific use, utilization plan, or other arrangements.
6. The use charge is overdue or is paid in installments without the consent of the leasing agency.
7. Failure to comply with the requirements for leasing as stipulated by law.
8. Contents of the supporting documents attached to the application form are not in conformity with the facts.

#### Article 28

If any of the following circumstances applies to a national farmland under application for lease, the farmland is considered to have a specific use, utilization plan, or other arrangement, and the case of application for lease is written-off in accordance with the provisions of Subparagraph 3 or 5 of the preceding Article:

1. The Executive Yuan, the Ministry of Finance, or the NPA approved the use, plan, or arrangement.
2. Government agencies have the need to retain public use.
3. The government agency applied for appropriation.
4. The leasing agency has a plan for the development, use, bidding, sale, or other arrangements, and has been approved by the responsible authority.

#### Article 29

If the property cadastration for the lease application of a national farmland has a marking for appropriation application or a marking for the application regarding an additional designation as an Lands Reserved for Aboriginal People, the processing method is as follows:

1. Has a marking for appropriation application, but the approval for the appropriation is not completed: The leasing agency shall verify the latest progress of the appropriation application, and enclose relevant data to report to the Administration for dispatching a letter to the appropriation applicant. If the appropriation applicant clearly responded that it requires the appropriation, cancel the lease application according to requirements under Subparagraph 3 or 5, Article 27.
2. Has a marking for the application regarding an additional designation as an aboriginal reserve: Except for an application based on a leasing relation, no application will be accepted. The application will be accepted and processed after the Administration has expressed its dissenting opinion to the Council of Indigenous Peoples for the additional designation.

#### Article 30

In the event of a request from a requiring agency to reserve national farmland for public use, the application shall be handled in the following manner:

1. If the requiring agency has not confirmed the scope of its plan or the appropriation time, it shall continue processing the application for lease. However, for those who are not allowed to lease by Article 8, the application for lease shall be canceled in accordance with the provisions of Subparagraph 3 of Article 27.
2. If the requiring agency has confirmed the scope of its plan or the appropriation time, the lease application shall be canceled according to requirements under Subparagraph 3 or 5 of Article 27.

#### Article 31

In the case of an application for the lease of national farmland, before the leasing agency notifies the applicant to pay up compensation for years of occupancy and executing the lease, if any application for acquiring the same target occurs according to Articles 50 to Article 52 or Subparagraph 2, Article 52-1 of the National Property Act, Subparagraphs 3 and 4, Paragraph 3, Article 55-1 of the Regulations for the Enforcement of National Property Act, or other particular laws, the acquisition application shall be prioritized. For other competing lease or acquisition applications for the same target, review and process according to the time of acceptance in sequence.

Regarding the acquisition application reviewed and processed in the preceding paragraph, after the acquisition applicant completes its payment, the lease application shall be canceled according to requirements under Subparagraph 3 or 5 of Article 27, and the reason for cancellation shall be stated in a letter dispatched to the lease applicant.

#### Article 32

The term of lease for national farmland is up to 10 years.

The beginning and ending dates of the lease are specified in the agreement in the following manner:

1. If the farmland is already in use at the time of lease application, the lease inception date shall be the first day of next month following the date of the lease application acceptance.
2. If the farmland has not been utilized at the time of lease application, the lease inception date shall be the first day of next month following the date of the signing of the lease application.
3. The expiration date of the lease shall be determined by the leasing agency.

VIII. Notification of paying compensation for years of occupancy and lease signing

#### Article 33

If it is found that the applicant does not have the right to utilize the farmland, compensation for years of occupancy shall be collected in the following manner:

1. The maximum period is limited to five years from the end of the month in which the leasing agency accepts the application to the month following the date of unauthorized use, and installment payments are allowed; the rent or compensation paid during this period shall be deducted. However, if the original lessee submitted false and inaccurate documents, obtained the lease right by fraudulent means, and the lease relationship was revoked or terminated, when the applicant meeting the requirements of the lease is certified to apply for the lease, the lessee shall still pay compensation for years of occupancy ; the rent or compensation paid during this period shall not be deducted.
2. If the applicant acquires the use due to succession, the occupation period for the former occupant shall be combined up to five years.

The date on which the applicant ceases to have the right-of-use in Subparagraph 1 in the preceding paragraph refers to the commencement date on which the applicant or the former occupant ceases to have the right to use the national real estate. For naked possession which resulted from the

acquisition of the management right of the real estate by the Administration due to real estate nationalization as no one claimed succession, tax payment, or registration as national real estate according to Article 73-1 of the Land Act or an entrustment under the Cadastral Clearance Act, or the inability to be auctioned by the national tax collection agencies subject to branches of Administrative Enforcement Agency, Ministry of Justice, the recognition for the date of naked possession is as follows:

1. Farmland nationalization where no one claims succession:

(1)The court determined that the Administration is the estate administrator: Determination date of the court.

(2)Those with estate administrators other than the Administration: Completion date for national registration.

2. Due to tax payment: Completion date for the national registration.

3.Registration as national farmland according to Article 73-1 of the Land Act or an entrustment under the Cadastral Clearance Act: Completion date for the national registration.

4. Inability to be auctioned by the national tax collection agencies subject to branches of Administrative Enforcement Agency, Ministry of Justice: Completion date for national registration.

#### Article 34

For a national public use property provided to others for use during the management period of another agency, if the current user applies for the lease of the property after the property is altered as a non-public use property and transferred to the NPA in its current state for management, the use compensation collection shall be traced to the month following the date on which the user ceases to have the right-of-use (up to five years) according to the following method. The recognition of the date on which the user ceases to have the right-of-use is as follows:

1. If the applicant is the user approved by the initial managing agency: The last day of use approved by the initial managing agency.

2. If the application is the user approved by the managing agency authorized by the initial managing agency: The last day of use approved by the authorized managing agency.

3. If the applicant is not the user approved by the initial managing agency and is the user in succession of the user approved: The succession date or the commencement date of the actual use. If the succession date or the commencement date of the actual use is later than the last day of use approved by the initial managing agency, the last day of use approved by the initial managing agency shall prevail.

#### Article 35

In a case where the initial public land of a river is designated as outside of the river area, if the user with the permit to use the area applies for a lease, a use compensation shall be collected according to the following method:

1. The applicant has legal uses according to the permit: The period for the use compensation collected retroactively shall, in principle, be five years; however, such five years shall be reduced by the period of use permitted by the initial managing agency.

2. The applicant violates the items of use of the permit: A use

compensation of five years shall be collected from the application; however, the sum of usage fees for the public land of the river paid during the period shall be deducted.

#### Article 36

The standard of calculating and collecting the compensation for the use of leased national farmland shall be in accordance with the provisions of Article 61. However, if the basis for calculating and collecting the compensation is determined by the court, it shall be calculated and collected according to the basis determined by the court.

Regarding the part of use compensation and its deferred interest that exceeds five years with confirmed judgment, payment order, indictment confirmation certificate, or certificate of the obligatory claim acquired, or other execution titles with equivalent validity to the confirmed judgment, the collection shall still be made without being limited to the five-year restriction.

#### Article 37

If the result of the examination of a lease application meets the requirements for the lease, the leasing agency shall notify the applicant to pay the compensation for years of occupancy and the rent for the lease period, and sign the lease within 30 days. If the applicant fails to apply within the period of time notified or agreed for extension (allowed once only) by the leasing agency, the above notification shall expire and the application for lease shall be written off in accordance with the provisions of Subparagraph 1 or 6 of Article 27.

The compensation in the preceding paragraph is allowed to be paid in installments, the period shall be determined by the leasing agency depending on the circumstances. However, the last installment payment date shall not be later than the expiry date of the lease term.

If the rent for the lease application period in the first paragraph is collected using discount of cash equivalents based on the positive output, it shall be collected after the local government announces the price of the positive output for the current year.

#### Article 38

If the applicant has paid up compensation for years of occupancy and the rent for the lease application period, or if the applicant has paid the rent for the lease application period and the installment of compensation with the consent of the leasing agency, the leasing agency shall sign a lease contract with the applicant.

Farmland leases shall have agreements as follows:

1. The lessee shall keep the leased farmland under the care of a good administrator and maintain its production capacity; if any of the following circumstances occur, the lessee shall be obliged to restore to the initial state, regardless of being made by the lessee or a third party:

- (1) Sundry storage.
  - (2) Burying waste.
  - (3) Soil and rock extraction.
  - (4) Destroying soil and water conservation.
  - (5) Causing soil and groundwater pollution.
  - (6) Other acts that impair the value or function of the leased farmland.
2. Upon any circumstances in the preceding subparagraph, if the lessee

fails to restore the land to its initial state after the leasing agency has advised it of the requirement to restore the land to its initial state within a prescribed period, the leasing agency may terminate the lease, and the lessee shall be responsible for compensating for damages that occurred to the leasing agency thereof.

3. If the lessee damages others' lives, bodies, or properties due to the use or management of the leased farmland, it shall be responsible for damage compensation. If such circumstances result in the compensation being made by the leasing agency, the lessee shall compensate the leasing agency.

4. Fines and other expenses imposed by a competent authority on the leasing agency due to a violation of relevant laws and regulations by the lessee, the lessee shall be held responsible, and the lessee shall be responsible for making improvements and compensating all losses.

5. The lessee shall duly perform the following obligations to prevent the pollution of soil and groundwater:

(1) If the farmland is idle upon being leased, the lessee shall adopt management measures, make records, and provide photos to the leasing agency related to the management facilities installed, within three months from the date entering into the lease, according to requirements under Paragraph 1, Article 4 of the Standards for Recognition of Obligation for Care of a Good Administrator of Related Party for Land Pollution. If the leasing agency is held jointly responsible for settlement according to requirements under Paragraph 1, Article 31 of the Soil and Groundwater Pollution Remediation Act if the abovementioned management measures are not adopted, the lessee shall be responsible for all damage compensation, and the leasing agency may terminate the lease.

(2) If the leased farmland is included in the zone of soil and groundwater pollution control, the lessee shall proactively perform soil and groundwater pollution inspection for the leased land at its own cost each year from the date on which the leased land is under control, and shall prepare two copies of the inspection data according to the items stated in the Soil and Groundwater Pollution Remediation Act. One copy shall be submitted to the leasing agency for archiving in combination with the leasing case, and another copy shall be submitted to the competent authority of the municipality or the country (city) for archiving. The lessee shall also remediate any pollution within the period prescribed by the leasing agency until the release of control by the competent authority.

(3) If damage occurred to the leasing agency due to pollution remediation control measures of relevant environmental protection regulations, the lessee shall compensate for all damage that occurred to the leasing agency. For the purpose of individual lease management, the leasing agency may incorporate the lessee's undertakings, waiving matters or other matters to be complied with into the lease agreement.

#### IX. Lease Exchange

##### Article 39

Upon taking over leased farmland from another agency, for tax payment, registered as national real estate according to Article 73-1 of the Land Act, or is unable to be auctioned by the national tax collection agencies subject to branches of the Administrative Enforcement Agency, Ministry of Justice, the leasing agency shall notify the lessee to attach the identity

document and the original lease and exchange the lease for the NPA' s lease in accordance with the contents of the original lease (including the rent and the lease period, etc.). The period of such notification shall not exceed the expiration date of the lease. However, this shall not apply to the event that the remaining term of the lease is less than three months upon taking over, and the provisions of Article 49 shall be applied accordingly.

When the leasing agency is processing the lease change of the NPA according to the preceding paragraph, it shall review whether there is any particular agreement in the initial lease, and shall mark the particular agreement in the NPA lease, or amend the agreement in the NPA lease based on the agreement in the initial lease.

#### Article 40

If the leasehold relationship of the national farmland has become unfixed term lease relation, except for the tenancy applicable under the 37.5% Arable Rent Reduction Act is applicable, which shall be handled in accordance with the provisions of said Act and the Regulations, written notice shall be sent from the leasing agency to the lessees or their inheritors, reminding them to apply for a written contract to be instituted within 6 months. Overdue lease may be terminated by the leasing agency.

When the lessees or their inheritors apply for a written contract, they should fill out the application form and attach the following identity documents:

1. identifying supporting
2. Proof of rent payment for the last five years. However, if the leasing agency already has the rental payment data, it is not necessary to attach it.
3. If the application is made by an inheritor, additional documents as stipulated in Article 44 regarding inheritance and contract transfer should be attached.
4. Affidavit regarding the leased area for each household of the lessee.

After examining and approving the application, the leasing agency shall endorse and comment on the form and notify the applicant to pay the unpaid rent for the five years prior to the end of the application month. The lease will be established, and the lease inception date shall be the first day of next month following the date of the application for a written contract.

#### Article 41

For the leased farmland that tenancy applicable under the 37.5% Arable Rent Reduction Act, where the lease relationship is still ongoing and the land is still being used in accordance with the contracted purpose, if the lessee applies for a change in the name of the lessee due to old age and frailty, household separation, or distribution of property rights, and the ownership of the lease contract is transferred to the lineal blood descendants, or dependents of the common household domicile, who jointly farmed at the time of the original agreement, the lessee shall fill out the application form and attach the following documents:

1. Original lease agreement.
2. A copy of the household registration document of the new lessee who is the original lessee' s lineal blood descendants, or dependents of the

common household domicile.

3. Affidavit regarding that the new lessee and the original lessee were jointly farming at the time of the original contract in the preceding paragraph.

4. Contract confirming that the new lessee will cultivate by himself/herself.

If the lessee's name in the preceding paragraph is transferred to a person who is not a lineal blood descendant, or dependents of the common household domicile, who jointly farmed at the time of the original agreement, the lease shall be invalid, and the lessee shall apply for a new lease in accordance with the regulations. If the lessee meets the requirements of leasing, the lease agreement shall be made in accordance with the Agricultural Development Act.

If there are two or more new lessees in Paragraph 1, and for any reason it is not possible to apply for the change of the lessee's name and renewal jointly by all of the lessees, some of the new lessees may, on behalf of the new lessees (hereinafter referred to as the representative lessees), agree and sign to apply for a change of name in the name of all of the new lessees, subject to the following matters being stipulated in the lease:

1. The representative lessees are indeed the current occupiers and are jointly and severally liable for the matters specified in the lease agreement.

2. In the event of a dispute over the lease rights, the representative lessees are solely legally responsible for the dispute.

#### Article 42

For lease contract to which the 37.5% Arable Rent Reduction Act is not applicable, and those that are leased by the leasing agency in accordance with Subparagraphs 2 to 7 of Paragraph 1, Article 6 and Article 8 of the Regulations, or if the leasing agency, after having leased the land in accordance with the aforementioned provisions, reopened a lease in accordance with Paragraph 2, Article 3 of the Regulations, where the lease relationship is still ongoing and the land is still being used in accordance with the contracted purpose: If the lessee, prior to the date of changing the lessee's name (the date of contract establishment), obtains consent from the leasing agency, the lease can be transferred to their spouse, lineal descendants, parents, siblings, or grandparents. The change of lessee's name and the transfer of the lease must be applied for within one month from the date of establishing the contract for the change of the lessee's name. This application should be accompanied by a completed application form and the following documents:

1. Original lease agreement.

2. A copy of the household registration document of the new lessee who is the original lessee's spouse, lineal descendant, parent, sibling, or grandparent.

3. Contract for the change of the lessee's name.

4. Contract confirming that the new lessee will cultivate by himself/herself.

5. Affidavit regarding the leased area for each household of the new lessee.

Other than the aforementioned contract, for lease contract to which the

37.5% Arable Rent Reduction Act is not applicable, where the lease relationship is still ongoing and the land is still being used in accordance with the contracted purpose: If the lessee, prior to the date of changing the lessee's name (the date of contract establishment), obtains consent from the leasing agency, the lease can be transferred to the third party. The change of lessee's name and the transfer of the lease must be applied for within one month from the date of establishing the contract for the change of the lessee's name. This application should be accompanied by a completed application form and the following documents:

1. Photocopies of identification documents of the original lessee and the new lessee.
2. The documents specified in Subparagraphs 1 and 3 to 5 of the preceding paragraph.

If the new lessee of the preceding two paragraphs is a natural person, he/she should have reached the age of sixteen at the time of applying for the exchange of lease contract.

In case of changing the name of the lessee in Paragraphs 1 and 2 without first obtaining the consent of the leasing agency, the leasing agency shall notify the lessee to pay two times the amount of rent of the month in which the lessee's name is changed in the contract, and apply for renewal of the lease in exchange for a new lease with the new lessee. If the lessee fails to do so, the lease will be terminated.

If the lessee applies for the change of the lessee's name after the time limit stipulated in Paragraphs 1 and 2, the leasing agency shall notify the lessee to pay the default penalty, and apply for renewal of the lease in exchange for a new lease with the new lessee. If the lessee fails to do so, the lease will be terminated.

The basis for the collection of the aforesaid default penalty shall be one month's rent for the month in which the lessee's name is changed for each month of overdue period, up to a maximum of five months' rent.

If there are two or more new lessees in Paragraphs 1 and 2, and for any reason it is not possible to apply for the change of the lessee's name and renewal jointly by all of the lessees, the matter shall be handled in accordance with the provisions of Paragraph 3 of the preceding Article.

#### Article 43

If the lessees sublease all or a portion of the farmland to another person, the original lease shall be invalid if the tenancy applicable under the 37.5% Arable Rent Reduction Act; if the 37.5% Arable Rent Reduction Act does not apply to the lease, the leasing agency may terminate the lease and retrieve the farmland, and the lessee may not claim for compensation.

#### Article 44

If the lessee dies during the period when the leasehold relation is still in force, the successor shall fill out the application form and attach the following documents to apply for a succession renewal of lease within six months (if the successor cannot be held responsible or approved by the responsible authorities, he or she may apply for an extension of the period) from the date of commencement of the succession:

1. Original lease agreement.
2. A copy of the household registration document that contains the death notes of the deceased.

3. A copy of the current household registration document of the successor.
4. Genealogical list of inheritance.
5. Successor who waived succession must attach an official letter for approval and reference from the court. If the deceased died before June 5, 1985, a letter of waiving the right to an inheritance should be attached.
6. Contract confirming that the successor cultivates by himself/herself currently.
7. Affidavit regarding the leased area for each household of the new lessee.
8. If the succession is divided, a copy of contract concerning succession should be attached.

For lease contract to which the 37.5% Arable Rent Reduction Act is not applicable, the successor should have reached the age of sixteen at the time of applying for the exchange of lease contract.

The genealogical list of inheritance in Subparagraph 4, Paragraph 1 shall be drawn up by the applicant in accordance with the relevant provisions of the Civil Code, with the notes "The applicant shall be legally responsible for any omissions or errors that causes damages to other person" and the signature or stamp of the applicant.

If there are two or more successors, and for any reason it is not possible to apply for a succession renewal of lease jointly by all of the successors in accordance with the provisions in the first Paragraph, some of the successors may, on behalf of the successors, agree and sign to apply for a succession renewal of lease in the name of all of the successors, subject to the provisions of Paragraph 3, Article 41.

#### Article 45

For lease contract to which the 37.5% Arable Rent Reduction Act is not applicable and the successor did not apply for a succession renewal of lease in accordance with the preceding Article, the leasing agency shall notify the successor to pay the default penalty, and apply for succession renewal of lease. If the successor fails to do so, the lease will be terminated.

The basis for the collection of the aforesaid default penalty shall be one month's rent for the month in which the succeeding event occurs for each month of overdue period, up to a maximum of five months' rent.

#### Article 46

For lease contract terminated by the leasing agency to which the 37.5% Arable Rent Reduction Act is not applicable and the lessee or successor did not apply for the change of the lessee's name or a succession renewal of lease in accordance with the Articles 42 and 44, if the new applicant is the buyer of the original lessee or his/her donees, successors, or relatives within two generations, the leasing agency shall collect default penalty from new applicant; if the new applicant does not fall into the above category, the leasing agency shall collect default penalty from the original lessee.

#### Article 47

Upon the expiration of the lease term, except for tenancy applicable under the 37.5% Arable Rent Reduction Act is applicable or unless otherwise provided by law, the leasehold relation shall be extinguished without further notice from the leasing agency. The lessee shall return the leased

farmland and terminate utilization of the leased farmland, in accordance with the lease agreement, and shall not request any compensation from the leasing agency.

If the lessee intends to renew the lease, unless the lease is not to be renewed in accordance with the provisions of the Regulations or laws, the lessee shall apply for a lease exchange within three months prior to the expiration of the lease. If necessary, the leasing agency may give notice to the lessee to apply for renewal of the lease three months prior to the expiration of the lease term.

#### Article 48

When a lessee applies for a lease exchange in accordance with the preceding Article, except for lease contract to which the 37.5% Arable Rent Reduction Act is applicable or unless otherwise provided by law, the lessee shall prepare the application form and attach the following documents:

1. Original lease agreement. (Returned after inspection)
2. Identifying supporting.
3. Contract confirming that the lessee will cultivate by himself/herself.
4. Affidavit regarding the leased area for each household of the lessee.

If there are two or more lessees, and for any reason it is not possible to apply for a lease exchange jointly by all of the lessees in accordance with the provisions in the preceding paragraph, some of the lessees may, on behalf of the lessees, agree and sign to apply for a lease exchange in the name of all of the lessees, subject to the provisions of Paragraph 3, Article 41.

With the consent of the lessee, the leasing agency may collect the rent and installments calculated up to the end of the month in which the contract is entered into at the time of contracting.

#### Article 49

Upon taking over leased farmland from another agency, for tax payment, registered as national real estate according to Article 73-1 of the Land Act, or is unable to be auctioned by the national tax collection agencies subject to branches of the Administrative Enforcement Agency, Ministry of Justice, except for the lease contract to which the 37.5% Arable Rent Reduction Act is applicable, which shall be handled in accordance with the provisions of the Act, if the original lease agreement at the time of the transfer does not contain any objection to the lease renewal or exchange, and if there is no one of the circumstances stipulated in Article 28, the leasing agency may notify the lessee to apply for renewal of the lease three months prior to the expiration of the lease term, attaching the documents stipulated in the preceding paragraph, in accordance with Paragraph 2, Article 39.

#### Article 50

When the leasing agency handles cases of change of the lessee's name, a succession renewal of lease, or renewal of the lease, if the result of the examination meets the requirements for the lease, the leasing agency shall endorse and comment on the form and issue a new contract.

The beginning and ending dates of the lease in the preceding paragraph shall be handled in the following manner:

1. In the event of a change of the lessee's name, the lease inception date shall be the date of application for exchange, and the date of expiration

shall be the date of expiration of the original lease, unless otherwise provided.

2. In the event of a succession renewal of lease, the lease inception date shall be the date succeeding event occurs, and the date of expiration shall be the date of expiration of the original lease, unless otherwise provided.

3. In the event of a renewal of the lease, the lease inception date shall be the next day of expiration of the original lease, and the date of expiration shall be handled in accordance with Article 32, unless otherwise provided.

If the lease exchange in the first paragraph is a succession or renewal of lease, an inspection can be waived. When exchanging leases in cases where inspection is waived, the leasing agency should add a note to the lease contract: "No inspection is required in this case. In case of violation of the law and the lease agreement after the exchange were found due to a spot check or report, the leasing agency may terminate the lease or recognize the lease as invalid."

#### X. Lease Management

##### Article 51

Lessee's restrictions on the use of leased farmland are as follows:

(1) The use shall not be in violation of the laws and regulations or the purpose for which it was contracted.

(2) The leased land shall be used for cultivation of crops (or farming) and shall not be transferred, sublet, or otherwise made available for use by others in whole or in part without authorization, or require the establishment of superficies.

(3) When applying for the construction of a farming (or farming) facility or when applying for the renewal of a lease for a portion of a farming (or farming) facility by changing the name of the lessee, in addition to applying for the lease of farm land under the 37.5% Farm Rent Reduction Act and following the relevant provisions of the said Act, the application shall be handled in accordance with the provisions of the Directions for Inspecting Facilities Permitted in Agriculture Land of the Leasing National Non-public Use Land.

(4) The use shall not impede the implementation of rezoning or urban renewal projects.

(5) No compensation shall be claimed from the leasing agency for any demolition or plants cutting down of the land due to rezoning or urban renewal, unless otherwise provided.

##### Article 52

During the period of lease, if the lessee needs to conduct land survey for the use of leased farmland, the lessee shall apply to the leasing agency for the issuance of Land Survey Application of the land, and then apply for land survey by paying a fee to the Land Office on his/her own.

##### Article 53

If there is a change in the labeling of the leased farmland due to correction, division, resurvey, or redistricting, the leasing agency shall record the result of the registration of the change in the lease agreement and notify the lessee of the change. If there is an increase or decrease in the area of the leased land, the rent shall be re-calculated from the month following the month in which the change is registered.

In the case of a national farmland lease to which the 37.5% Farm Rent Reduction Act applies, the lessee applies for a change to the lease for the portion of the national land base used by the existing buildings before the first contract, and unconditionally relinquish its rights under the 37.5% Farm Rent Reduction Act with respect to the portion of the land base used by the buildings. After the leasing agency ascertained that the building on the ground had existed before the first contract was entered into and that the lessee had not been given a deadline to resume farming at the time of leasing or renting, it agreed to renew the lease for the national land base for the area of land on which the building was located and to correct the area of the originally leased farm land from the first day of the month following the date on which the contract was entered into and to charge the rent for the base and farm land from the date of renewal, respectively.

The preceding paragraph of renewal of the lease of a national land base is a change in the content of the lease during the period of lease, not a new application for lease, and is exempted from the checking of non-leasing circumstances in accordance with the provisions of Paragraph 1 of Article 19 of the Operation Directions for Leasehold of National Non-public Use Real Estate or other laws and regulations. The expiration date of the lease term and the issuance of the land use right consent are handled in accordance with the provisions of Article 28 and Paragraph 4 of Article 44 of the Operation Directions for Leasehold of National Non-public Use Real Estate.

#### Article 54

If the lessee does not continue to use all or part of the leased farmland during the period of the lease, the lessee shall apply for the termination of the lease, pay the rent or other outstanding amounts, and, unless otherwise provided, remove or vacate the non-national land materials or buried wastes, restore to the original condition and return the leased farmland, and shall not claim for any compensation from the leasing agency.

#### Article 55

In the event that part or all of the leased farmland collapses, is lost, or is buried due to natural disasters or other force majeure events, the leasing agency shall not be liable to restore to the original condition, and the lessee may request a change or termination of the lease.

#### Article 56

Before the expiration of the term of the lease, the leasing agency shall terminate the lease if any of the following circumstances applies to the lease of farmland applicable under the 37.5% Farm Rent Reduction Act:

- (1) In the event of the death of the lessee without a successor.
- (2) The lessee relinquishes the right to farm.
- (3) The accumulated rent reaches the total amount of two years.
- (4) Farming does not continue for a further year other than due to force majeure.
- (5) Rezoned or changed to a non-farmland use according to laws or regulations.

In the case of a farmland lease that is not subject to the 37.5% Farm Rent Reduction Act, the leasing agency may terminate the lease under any of the following circumstances:

- (1) Necessary for the public or public utilities, or the use is changed in

accordance with the laws and regulations.

(2) Resumption is necessary for the government to implement national policies or urban plans or for land rezoning.

(3) Necessary to take back the property due to the development and utilization of the property or another disposal plan by the leasing agency.

(4) The total amount of rent owed by the lessee reaches the total amount of the prescribed period, and the lessee fails to pay the rent after the leasing agency has set a considerable period of time for reminding the lessee to pay the rent.

(5) The lessee is dissolute or died without a legal successor.

(6) Does not continue farming (or farming) for more than one year, other than due to force majeure.

(7) Those who are prohibited by law or regulations from being used for farming (or farming) or who are not allowed to be rented out, as determined by the competent authority.

(8) The lessee violates the lease contract agreement.

(9) The lessee does not continue to use or vacates ground objects and applies for termination of the lease.

(10) The competent authority recognizes it as a hazardous area or notifies that it shall be withdrawn.

(11) The original purpose of the lease cannot be achieved, or if the land is not allocated or is not allocated in its original location due to rezoning or change of urban renewal rights.

(12) Users of farmland (or farming) facilities constructed by the lessee that have not been approved by the competent authority to be constructed or permitted to be used and have not been restored to their original contracted use within the time limit.

(13) The lessee, after obtaining a certificate of registration for farming farm, goes out of business or ceases to operate and does not continue to use the farming facilities.

(14) Any other termination in accordance with the provisions of these Directions or the lease agreement.

(15) The lease can be terminated according to other laws and regulations. If the national share of a common farmland is jointly leased, the termination of the lease shall be made with the consent of the other joint leasing agency.

In the event of termination of the tenancy agreement in accordance with the provisions of Paragraphs 1 and 2, the lessee shall not claim any compensation from the leasing agency unless otherwise provided.

Upon termination, revocation, invalidation, or extinguishment of the lease, unless otherwise provided, the lessee shall remove, vacate, and restore to its original condition any non-national ground objects or buried waste and return the leased farmland, and shall not claim any compensation from the leasing agency. If there are crops and other produce on the land, except for those abandoned by the lessee, the leasing agency shall notify the lessee on a regular basis to meet with the lessee for hand-over, explaining to the lessee that the crops and other produce on the land belong to the State in accordance with the provisions of Articles 66, 70, and 766 of the Civil Code, and make a record of the hand-over to reclaim the farmland. If the lessee fails to cooperate in this process, the lessee will be required

to collect compensation for the use of the land by occupying the land, and request the return of the leased farmland in accordance with the provisions of the lease contract and the relevant provisions of the Civil Code.

Upon termination, invalidation, or extinguishment of the lease, unless otherwise provided, rent shall be collected until the date of termination, invalidation or expiration of the lease term.

The expression of the lessee's intention to relinquish the right to farm (lessee) in Paragraphs 1 and 2 shall be made to the leasing agency.

#### Article 57

The lease may be terminated if any one of the following circumstances occurs based on the agreement in the lease upon leasing or lease change for national farmland ,with in the area of a slopeland, groundwater control area, or water quality protection area:

(1) For exceeding utilization or the processing and maintenance of soil and water conservation is not compliant with the watershed management plan, development plan of the agricultural and farming area, or the soil and water conservation technical specifications..Or, the lessee failed to make corrections or implemented non-compliant soil and water conservation technical specifications after the competent authority has dispatched a notice to prescribe a period for correction.

(2) The lessee cannot continue the lease as it is incapable of performing the agriculture (or farming) work itself, or, due to moving or a change in the scope of their business.

(3) The lessee digs a well for water intake on the leased land in violation of the law or has other behavior violating relevant requirements under the Water Act.

(4) The lessee uses the land in violation of the Water Supply Act, Drinking Water Management Act, and other relevant requirement control.

#### Article 58

The lessee applies for a reissuance of the current lease due to loss or extinction, the lessee shall process in the following manner:

(1) The lessee shall attach identifying supporting and state in writing the relevant information about the leased farmland and the reason for reissuance.

(2) When the leasing agency reissues the lease, it shall be completed in accordance with the original lease and the lease shall be endorsed with the words "The original lease was lost and this lease was reissued in such and such a month in such and such a year."

#### Article 59

If the same lessee has two or more leases of the same type and nature, the leases may be merged into one lease, except for the leases for farmland under the 37.5% Farm Rent Reduction Act, which applies to farmland.

The categories referred to in the preceding paragraph refer to the types of leases and the property types of the leases; and the same nature refers to the same source of law applicable to the leasing of the leases and the same provisions of applicable laws for these leases.

The commencement and expiration dates of the leases after the merger in Paragraph 1 shall be the date of application for the merger and exchange of leases, and the expiration date of the leases shall be the nearest to the expiration dates of the respective original leases, unless otherwise

specified.

#### Article 60

The joint lessees may apply for a lease exchange according to the scope of the lease contract. However, the lease of farmland subject to the 37.5% Farm Rent Reduction Act shall be subject to one of the following conditions:

(1) One person leases one or more pieces of land: The lessee is a person who, as a head of household, entered into a contract on behalf of the whole family at the time of the initial contract, and exchanges one or all of the leased farmland to the younger lineal relatives by blood of the same household or family member that was farming together at the time of the initial contract.

(2) Several persons jointly leasing one or several pieces of land: The joint lessees have agreed to share the management of the land in respect of the actual location of their share of the farming, and have obtained the consent of the leasing agency.

For those who apply for contract exchange under the preceding paragraph, the application shall be processed in the manner stipulated in Item 4 of Subparagraph 1 of Paragraph 1 of Article 17.

The starting and ending dates of each lease after divided according to Paragraph 1 shall be the starting date of the lease term on the date of application for the renewal of the lease, and the expiration date of the lease term, unless otherwise specified, shall be subject to the expiration date of the original lease.

#### XI. Rents

##### Article 61

The annual rent for national farmland is the unit price of the current period's positive production multiplied by the total amount of positive production harvested under the lease contract multiplied by 0.250, as announced by the local government.

The preceding rent is calculated based on the unit price of the current period's positive production and the total amount of the harvests of the real estate in lieu of the commutation fee on the following basis:

(1) The price of rice or sweet potato for paddy fields or dry fields if the latest land category recorded on the land register is paddy field or dry field. If there is a land grade, it shall be subject to the same land grade rated by the local government; if there is no land grade, it shall be calculated based on the average land grade of the land category.

(2) The rental calculation method in accordance with the dry field with no land grade in the preceding subparagraph if the latest land category recorded on the land register is not paddy field or dry field (i.e., calculate rentals according to the price of sweet potatoes based on the average land grade of dry fields). If the lessee applied for a rental calculation for paddy fields, rentals may be calculated based on the price of rice; however, it shall not be lower than the total rentals calculated based on the average land grade of paddy fields.

(3) In the case of the calculation of rent according to the middle class of a field or dry land in the preceding two subparagraph, if the lessee proves that the basis of rent calculation is higher than that of the adjacent or neighboring land with the same nature of use, the rent may be calculated according to the higher class (i.e., the total amount of its

harvest is less) of the adjacent land; if there is no equal class of the adjacent land, it shall be calculated according to the higher class by referring to the benchmarks of the neighboring land that has an equal class of the adjacent land.

(4) If the local government has not announced standards for total gains or the discount of cash equivalents based on the positive output, process according to the standards of the adjoining county (city). If there are two adjoining counties (cities) and above, calculate based on the lower total gains or the standards for the discount of cash equivalents based on the positive output.

(5) If the local government and adjoining counties (cities) have not announced the standards for total gains or the discount of cash equivalents based on the positive output, refer to the standards for total gains or the discount of cash equivalents based on the positive output for fields and dry lands announced by adjoining counties (cities) of the adjoining counties (cities), calculate based on the lower total gains or the standards for the discount of cash equivalents based on the positive output.

(6) For outlying islands with no adjoining county (city), if the local government has not announced standards for total gains, or the discount of cash equivalents based on positive output, refer to the standards for total gains or the discount of cash equivalents based on positive output for fields and dry lands announced by neighboring counties (cities) on Taiwan Island, calculate based on the lower total gains or the standards for the discount of cash equivalents based on the positive output.

The middle class referred to in the preceding paragraph refers to the class calculated by dividing the highest plus the lowest classes assessed by the local government by two, or rounding up to the nearest whole number if it is not possible to be divided with no remainder.

When a lessee applies for renewal of a lease of a leased farm land that has been transferred by another agency, or has been credited with taxes, or has been registered as national land in accordance with the provisions of Article 73-1 of the Land Act, or has been notified to be registered as national land under the Cadastral Clearance Act, or has been taken over by the national taxation agency for which the branches of the Administrative Enforcement Agency, MOJ have not been able to auction off the leased farm land, the lessee is subject to the following rental charges:

(1) If the rental rate is approved by the Executive Yuan through a special project, it shall be charged according to its regulations.

(2) In cases other than those described in the preceding paragraph, if the rent of the most recent original lease contract is higher than the first rental basis, the original rental basis shall be charged; the rest of the cases shall be charged according to the rental basis in Paragraph 1.

The rent in Paragraph 1 shall be paid in one lump sum at the time of the second paddy harvest each year, and the date of payment shall be determined by the leasing agency in accordance with the actual situation.

#### Article 62

If the rent is adjusted, the lessee shall be notified to pay the rent according to the adjusted basis.

The rent adjustment notice in the preceding paragraph shall be processed in

the following manner:

(1) Announcement: By the NPA on the NPA website or in newspapers.

(2) Notification: Written notification by the leasing agency to the lessee.

(3) The contents of notifications and announcements shall be described with the following items:

1. The legal basis of the rent adjustment.
2. The commencement date of the new rent adjustment.
3. A description of the adjusted rent amount shall be added to the notification part.

#### Article 63

In the event of crop failure due to disaster or other force majeure on the leased farmland, the basis for calculating and implementing the rent reduction or waiver by the leasing agency are as follows:

(1) The lease of farmland applicable under the 37.5% Arable Rent Reduction Act shall be governed by the provisions of Article 11 of the Act.

(2) The lease of farmland to which the 37.5% Arable Rent Reduction Act is not applicable shall be governed by the provisions of Article 11 of the Act as well.

#### Article 64

The lessee shall pay the land rent to the leasing agency within the rental payment period specified in the notice of the leasing agency. In the event of late payment, the leasing agency shall calculate the announced unit price for the period in which the payment is due and add a penalty for breach of contract based on the following criteria:

(1) If the payment is overdue for less than one month, an additional charge of 0.005 of the outstanding balance shall be imposed. However, if the payment is overdue and paid within two days, the additional penalty will be waived.

(2) If the payment is overdue for more than one month and less than two months, an additional charge of 0.010 of the unpaid amounts will be imposed.

(3) If the payment is overdue for more than two months and less than three months, an additional charge of 0.015 of the unpaid amounts will be imposed.

(4) Similarly, an additional 0.005 of the outstanding amounts will be charged for each additional month, up to a maximum of 30 percent of the outstanding amount.

#### Article 65

The leasing agency shall establish the rent receivable information according to the lessees and their lease types, and follow the following rent collection methods depending on the actual situation:

(1) Payment at the counter: The lessee pays at the leasing agency's office.

(2) Postal remittance: The leasing agency may set up an account at the local post office of Chungwa Post Co., Ltd., (hereinafter referred to as the Post Co.), and the lessee may remit the money for payment.

(3) Payment by transfer: Automatically deducted from the lessee's or third party's authorized account at a financial institution designated by the NPA.

(4) The collection is entrusted to a financial institution or a commonly-established chain of business establishments.

The leasing agency may, if necessary, send staff to collect rent from the lessee.

#### Article 66

When collecting rent, the rent collecting unit shall issue a unified receipt sheets (hereinafter referred to as the receipt sheets) for self-collected money, with the first sheet being the receipt, the second sheet being the reporting, and the third sheet being the counterfoil, and shall comply with the following provisions:

(1) In the case of payment at the counter, the receipt sheets are pre-printed with the seals of the head of the agency and the agency's chief accountant. When the receipt sheets are issued, the rent collection unit fills in and applies the seal to the receipt sheets according to the rent information and then samples the third sheet, and the remaining two sheets are handed over to the payer to pay to the cashier, who receives the payment and then stamps it with the stamp of the collection unit and the seal of the collector (which is invalid if it has not been stamped), hands over the first sheet to the payer as the receipt and attaches the second sheet with a statement to be processed.

(2) In the case of postal remittance, upon receipt of the daily statement and the notice of remittance from the Post Co., the rent collecting unit shall book the account according to the household and fill in three copies of the receipt sheets and the detailed list of postal remittance payment, one copy of which shall be kept for checking, one copy shall be sent to the cashier, and one copy shall be sent to the main accounting unit.

(3) In the case of the collection being entrusted to a financial institution to handle automatic rent deduction, upon receipt of the deduction information, the account shall be booked according to the household, and three copies of the receipt sheets and the detailed payment register shall be filled out, one copy of which shall be kept for checking, one copy of which shall be sent to the cashier, and one copy of which shall be sent to the main accounting unit.

(4) In the case of the collection being entrusted to a financial institution or a commonly-established business chain, the manner in which the collection is to be carried out is to be stipulated separately.

When the leasing agency sends its staff to collect rent from the lessee, the receipt sheets are pre-printed with the stamps of the head of the agency and the agency's chief accountant, and the rent collecting agency fills out the receipt sheets according to the rent information before issuing, and the rent collecting staff goes to the place to collect the rent from the lessee with the receipt sheets. After the rent collecting staff collects the money, the staff stamps the stamps of the collecting agency and the staffs' seals (which are invalid if they have not been stamped), and then submits the first sheet to the payer to keep, and then carries the remaining sheets back, and then hand them over to the office for settlement, together with the collected rents.

If rent is to be paid by check, it shall be made out of a demand check from a domestic financial institution and stamped with "This receipt will become effective after the check is cashed" on the receipt sheets. If rent is to

be paid in advance by a forward check, the due date shall not be later than the date on which the rent is due, and the rent collection unit shall fill out three copies of the "List of Forward Checks to be Custodied" and deliver them to the cashier for custody, and then follow the manner of Subparagraph 1 of Paragraph 1 in collecting the payment when it is due to be cashed.

#### Article 67

The rent collected by the leasing agency on that day shall be paid to the national treasury on that day or on the following day in accordance with the regulations.

Rents collected by postal remittance, entrusted to a financial institution or a commonly-established business chain, or by way of transferring accounts for payment, shall be paid to the national treasury in accordance with the regulations within the period approved by the Ministry of Finance. In the event of overpayment of rent, it shall be refunded or offset the unpaid rent. However, the rent for farmland subject to the 37.5% Arable Rent Reduction Act shall all be refunded.

#### Article 68

Rent collection units shall prepare daily statements to reconcile the accounts, and print the audit list of the payment sheets together with the payment sheets and the receipt sheets to send to the main accounting unit for checking on a daily basis.

#### Article 69

For lessee with rent arrears, the leasing agency may collect the rent in accordance with the following procedures:

(1) Reminders of payment deadlines: Reminders of payment deadlines are made by official documents or payment notices and, if necessary, by telephone, personal visits, postcards, etc., as well as by further reminders by registered mail with a return receipt.

(2) Motion for a court order for payment or legal action.

(3) Motion for a court compulsory enforcement.

If the lessee or his/her successor is really unable to pay the rent in one lump sum, he/she may be allowed to pay the rent in installments after the penalty payment imposed, the number of installments shall be determined at the discretion of the leasing agency. However, the date of payment of the last installment shall not exceed the expiration date of the lease term.

The delayed interest on non-payment of rent by the lessee in Paragraph 1 shall be charged in the following manner:

(1) If the lessee is in arrears with the payment of rent, and the lessee has paid the rent in one lump sum or by installment before the leasing agency has motioned the court to issue an order of payment or appealed for the payment of rent, the lessee shall be exempted from the calculation of delayed interest.

(2) The rent owed by the lessee and the delayed interest up to the settlement date have been determined by a court final judgment or obtained the writ of compulsory enforcement, and the existence of monetary claims of the leasing agency has been confirmed, if:

1. The lessee pays off the rent in one lump sum before the deadline for payment by the leasing agency, the deferred interest will be charged until the date of settlement.

2. The lessee is unable to pay the rent arrears in one lump sum and applies for payment in installments before the due date, it is deemed that the lessee has the intention to settle the rent arrears, and the deferred interest will be charged until the date of application for payment in installments, and the lessee undertakes that if the lessee fails to pay the rent in accordance with the agreed manner, the lessee shall, in the court judgment or the writ of compulsory enforcement, make a retroactive payment of deferred interest from the next day following the date of application for payment in installments until the date of repayment.

#### Article 70

At the beginning of each year, the leasing agency shall compile an inventory of rent arrears as soon as the previous year's interest income has been paid out and collected by the cashier, and draw up a reminding collection plan in duplicate by the end of February each year, with one copy to be submitted for controlled collection and the other to be reported to the NPA for reference.

The collection of rent in arrears shall be recognized in the year in which the arrears are settled in accordance with the accruals.

If any of the rent arrears listed in the rent arrears inventory in Paragraph 1 is due to the dissolution of a legal entity, closure of a business, or the party's location is unknown, resulting in the inability to receive payment, obtaining a certificate of indebtedness in accordance with the laws and regulations, or an error in the accounting, etc., the leasing agency shall, in accordance with the regulations, examine the relevant documents and explain the reasons, and report the case-by-case or by the end of July of each year to the NPA for the cancellation of the rent arrears in a compiled and separate register.

### XII. Control and Check

#### Article 71

The signed lease shall have a cover made (in yellow), the relevant documents stamped with seals over the perforation, and be stored in order of county, city, lease type, year, and lease number, and managed by a designated person.

#### Article 72

A book (card) shall be set up for the rental case to be registered and controlled by a designated person.

The borrowing of rental cases is limited to those related to the business; when the borrower is not related to the business, the consent of the supervisor of the business is required. The borrower shall keep the documents in a safe place and shall not disassemble, alter, or lose them.

#### Article 73

The receipt sheets are printed unified by the leasing agency and are handed over to the accounting units of the leasing agency for safekeeping and registration in a book. When the rent-collecting units need to use the receipt sheets, they shall sign and acquire them according to the order of the numbering after approval.

The accounting unit shall from time to time randomly check the business unit's use of the receipt sheets, and the business unit shall prepare quarterly reports on receipt sheets received and a list of cancellations for management, and the receipt sheets that shall be canceled shall be

destroyed annually by the business unit in conjunction with the accounting unit.

Article 74

At the end of each month, the leasing agency shall compile a monthly report on rental work and report it to the NPA for checking before the 15th day of the following month.

XIII. Supplementary Provisions

Article 75

The forms of the application form, checking form, lease contract, notice of lease release, register of lease, certificate of consent to use the land, certificate, relinquishing of farming (lessee) right and register of rent arrears, etc., which are required to handle the leasing of national farmland, shall be determined separately by the NPA.

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