

Content

Title : Guidelines for the Management of Receivables and Certificate of the Obligatory Claim for Rental National Non-public Use Real Estate [Ch](#)

Date : 2021.10.06

Legislative : 1. Promulgated of Decree No. 11000291810 by the National Property Administrator, Ministry of Finance on October 6, 2021

Content : A. Accounting

The National Property Administration of the Ministry of Finance (hereinafter referred to as the NPA) and its branches (hereinafter referred to as the leasing agencies) shall, at the beginning of each fiscal year, prepare a list of overdue rents as soon as the income from the previous year's coupon rate is collected. Furthermore, they should devise a collection plan by the end of February each year and submit it to the NPA for reference.

When receivables are legally obtained by the leasing agencies as certificate of the obligatory claim, they should be handled in accordance with the Operational Directions for Writing Off Receivables, Inventories, and Refundable Deposits of Central Government Agencies (hereinafter referred to as the Write-off Operational Directions), specifically under Paragraph 3 of Article 2. This includes stating the reasons and attaching relevant documents, and reporting to the NPA in either case-by-case or collective form, which will then be forwarded to the Audit Office for approval. After notifying the Directorate-General of Budget, Accounting and Statistics, Executive Yuan, the relevant accounts should be written off. This process must also be disclosed in the accounting reports as a footnote. Regardless of the amount, each certificate of the obligatory claim shall be recorded as one New Taiwan Dollar (hereinafter the same).

B. Demand

Leasing agencies shall demand payment from lessees or their inheritors (collectively referred to as debtors) who have accumulated overdue receivables in accordance with the procedures outlined in Article 34 of the Regulations for Leasing of National Non-public Use Real Estate and Paragraph 1 of Point 65 of the Operation Directions for Leasehold of National Non-public Use Real Estate.

Leasing agencies should notify debtors, who still have an ongoing leasehold relation but whose rent has reached the total amount due for the legally specified period, through a double registered letter. They are informed to pay within a specified deadline. If the payment is overdue or a payment in installment has not been applied for, the lease will be terminated according to the contract, and the collection demand process will continue. If the results of the motion with the court requesting compulsory execution is not a full compensation, one should immediately apply to the court for a certificate of the obligatory claim for the unsatisfied portion of the debt.

C. Write-off

In the following situations, in accordance with the Write-off Operational Directions, the leasing agencies may report each case case-by-case or collectively to the NPA, which will then forward it to the Audit Office for the write-off of receivables:

1. If the debtor's whereabouts is unknown or the company has dissolved or closed down, making it impossible to collect the debt, it should be handled according to Paragraph 1 of Point 2 of the Write-off Operational Directions by stating the reasons and attaching relevant documents for approval.
2. For errors discovered in the accounts in subsequent years, it should be handled according to Paragraph 7 of Point 2 of the Write-off Operational Directions by stating the reasons and attaching relevant documents for approval.
3. For receivables that have been on the accounts for four years and are still not collected, and for which a certificate of the obligatory claim has not been obtained, it should be handled according to Paragraphs 11 and 12 of Point 2 of the Write-off Operational Directions by stating the reasons and attaching relevant documents for approval.
4. For other special circumstances, it should be handled according to Paragraph 12 of Point 2 of the Write-off Operational Directions by stating the reasons and attaching relevant documents for approval.

D. Management

Leasing agencies should manage the certificate of the obligatory claim in the following manner:

1. When obtaining a certificate of the obligatory claim, it should first be checked for any errors in it. If there are errors, a correction should be requested from the court.
2. The original copy of the certificate of the obligatory claim should be kept and managed as an ordered register by a designated person.
3. Before the debt is fully satisfied or the certificate of the obligatory claim has been officially written off, it is important to apply to the court for a renewal of the certificate before the debt has expired due to the expiration of the statute of limitations.

E. Claim

The following is the claim operation after the leasing agencies obtain the certificate of the obligatory claim:

1. Regular inquiry of the debtor's property and income information: Before the end of September of each year, inquire the debtor's latest property and income information from the Fiscal Information Agency, Ministry of Finance or the National Taxation Bureau.
2. File a motion with the court requesting compulsory execution:
 - a. When the debtor's property or proceeds are found, it shall be assessed within two months whether there is actual benefit from the execution; if there is actual benefit from the execution, it shall apply to the court with a written request for compulsory execution; if the debtor is the inheritor of the lessee, it shall be noted that the agencies may only apply for compulsory execution against the inheritance.
 - b. If the debtor's immovable property is in a risk of being futilely executed due to a reduced price auction, the agencies may consider not proceeding with the auction, and then file a request for compulsory execution once the debtor has other property or the reason for the futile

auction has disappeared.

c. If the debt is only partially satisfied or not satisfied at all, it should be noted whether the court has added the date of compulsory execution, the case number and the execution situation on the original certificate of the obligatory claim or exchanged it for a new certificate.

d. Those who have been fully satisfied should attach relevant documents to the accounting office of the leasing agencies for write-off from the account.

Amounts paid through compulsory execution should be corrected in the year they are recovered, and should be allocated as follows:

1. Rent: If the receivables have not yet been written off, they shall be recognized as rental income in the year in which the receivables are due; if the receivables have already been written off, they shall be recognized as other income in the year of recovery.

2. Default penalty: Included in default income in the year of recovery.

3. Deferred interest: Included in deferred interest in the year of recovery.

4. Other expenses (e.g., expenses for the proceeding, execution, litigation, etc.): Expenses recovered in the year they were expended are recognized as expenditure. If they are recoveries of expenses from previous years, they should be recorded as recoveries of prior year expenditures and handled accordingly for payment into the treasury.

F. Write-off

In the following situations, in accordance with the Write-off Operational Directions, the leasing agencies may report each case case-by-case or collectively to the NPA, which will then forward it to the Audit Office for the write-off of certificate of the obligatory claim:

1. If a leasing agency has obtained a certificate of the obligatory claim for more than five years, and it is necessary to write off the certificate because the debt is difficult to be satisfied due to the absence of the debtor's property, the agency may, in accordance with Paragraph 4 of Point 2 of the Write-off Operational Directions, describe the management and demand procedures for the past years and attach the certificate of the obligatory claim and relevant documents for approval.

2. If it is necessary to write off a certificate of the obligatory claim because it has not been fully satisfied, or if there are other special circumstances, the agency may, in accordance with Paragraph 12 of Point 2 of the Write-off Operational Directions, describe the reasons and attach the certificate of the obligatory claim and relevant documents for approval.

G. Operation Schedule and Format

The leasing agency shall report the receivable and certificate of the obligatory claim write-off cases to the NPA before the end of July every year.

The format of the relevant forms for handling receivables and certificate of the obligatory claim write-off cases by the leasing agency, as well as the format of the management inventory of certificates, shall be determined independently by the NPA.

H. Other

In the event of the death of the lessee, the leasing agency shall handle

the receivables and the certificate of the obligatory claim in the following manner:

1. Trace the inheritors according to the household registration information and ask the court whether there is any waived succession; if it is confirmed that there is an inheritor and there is no waived succession, the agency should demand collection from him/her.
2. If the inheritor is unknown, or if the inheritor has waived his/her right to succession, please inquire at the service center of the Veterans Affairs Council in the county or city where said household registration is located. If the deceased is a veteran under the jurisdiction of that service center, please follow the procedures stipulated in the Civil Code to present the obligatory rights to the veteran service center.
3. For those who are not veterans and do not have inheritors, but have inheritance that can be forced to execute, they should apply to the local court for the appointment of a manager for the property of the deceased, and then present the obligatory rights to the manager after the court's decision.
4. For those who have no inheritors and have no inheritance to execute, the write-off of receivables and certificate of the obligatory claim shall be handled respectively in accordance with the provisions of Point 3 or Point 6.

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