Content

Title：	Operation Regulations of the Public Debt Administration Committee Ch
Date：	2014.04.15
Legislative：	1. Full text of nine articles established and promulgated per the Order No. Tai-Tsai-Ku-10303649360 of the Ministry of Finance issued on April 15, 2014; and enacted on the day of promulgation.
Content：	Article 1 These Regulations are adopted pursuant to Article 5, Paragraph 12 of the Public Debt Act (hereinafter, "the Act") Article 2 Beginning from 1 January 2014, when the central or any local government includes any incurrence of self-redeeming public debt (hereinafter, "self-redeeming debt") in its annual general budget proposal, the project-arranging authority shall prepare a self-redeeming debt incurrence and repayment plan and submit it by 30 April to the public debt administration committee for deliberation. When any incurrence of self-redeeming debt is to be included in a budget proposal prepared by a subordinate unit with respect to a special fund other than an enterprise fund or trust fund, it shall be handled by the fund management authority. If self-redeeming debt to be incurred as set out in the preceding paragraph is subject to the requirement of submission to the Executive Yuan for approval of a new project or a modified continuing mid- or long-term individual project or public construction project, then within 2 weeks after approval is obtained from the Executive Yuan, the project-arranging authority or fund management authority shall submit the approval letter photocopy, the proposal, and the self-redeeming debt incurrence and repayment plan to the public debt administration committee for deliberation. If it is for a mid- or long-term individual project or public construction project that requires approval by an agency head, then within 2 weeks after approval is obtained from the agency head, the project-arranging authority or fund management authority shall submit the above-mentioned documents to the public debt administration committee for deliberation. If a new project, mid- or long-term individual project, or public construction project under the preceding paragraph has not yet been approved by the Executive Yuan, but to accommodate budget preparation operations there is a need to first proceed to allocate self-redeeming debt budget, the written project plan and the self-redeeming debt incurrence and repayment plan shall be submitted by 30 April to the public debt administration committee for deliberation, and the debt for any such plan may not be incurred until the written project plan has been approved by the Executive Yuan.

A self-redeeming debt incurrence and repayment plan of the central or any local government may be classified as self-redeeming debt only after it has been deliberated and approved by the public debt administration committee and has been included as public debt with a maturity of 1 year or more incurred in the general budget proposal or in the budget proposal of the subordinate unit with respect to the special fund other than an enterprise fund or trust fund.

If incurrence of self-redeeming debt is included in any budgetary increase (or decrease) proposal or special budget proposal, the project-arranging authority or fund management authority shall, accommodating the budget proposal preparation timeframe, prepare a self-redeeming debt incurrence and repayment plan and submit it to the public debt administration committee for deliberation, and the provisions of the preceding paragraph shall apply mutatis mutandis.

Article 3
A self-redeeming debt incurrence and repayment plan prepared by the central or local government project-arranging authority or fund management authority shall be accompanied by documents setting out the following:
1. The borrowing in connection with the self-redeeming debt: including, for each fiscal year, the financing method, borrowing schedule, years to maturity, interest rate, and use of the proceeds.
2. Resources for repayment of the self-redeeming debt: including the specific items, revenue schedules, and amounts of funds to be derived from operations or specially allocated funding sources.
3. Plan for repayment of the self-redeeming debt: including, for each fiscal year, the items to be repaid, repayment schedule, amounts, and repayment resources, which shall further include a self-evaluation of the feasibility of the repayment plan, with a statement of the evaluation method and the reasons for the determination arrived at.
4. Other supporting materials.

Article 4
After a central or local government self-redeeming debt incurrence and repayment plan has been deliberated and approved by the public debt administration committee, if the self-redeeming debt is to be incurred on a year-by-year basis, then if the cumulative amount of incurred allocations of self-redeeming debt in each fiscal year conforms to the plan deliberated and approved by the public debt administration committee or is lower than the original plan, the project-arranging authority or fund management authority is not required to further prepare another self-redeeming debt incurrence and repayment plan to be sent to the public debt administration committee for deliberation.

With respect to a self-redeeming debt incurrence and repayment plan that has been deliberated and approved by the public debt administration committee, the project-arranging authority or fund management authority shall pay attention to economic change factors and review year-by-year

their impact on the funding sources for repayment of the self-redeeming debt.

When the project-arranging authority or fund management authority finds upon review that there is likelihood of any loss of the self-redeeming funding sources for repayment of the self-redeeming debt, it shall submit a correction plan to the public debt administration committee for deliberation.

Article 5
When the forecasted amount of outstanding public debt with a maturity of 1 year or more incurred by a local government reaches 90 percent of the debt cap set out in Article 5, Paragraph 3 or 4 of the Act, it shall draw up a debt improvement plan and an implementation schedule for that plan and submit them, accompanied by the following documents, to the public debt administration committee for deliberation:
1. Analysis of the status of fiscal revenues and expenditures.
2. Analysis of the cause of the debt reaching 90 percent of the debt cap.
3. Specific items, schedules, and amounts of revenue-raising measures.
4. Specific items, schedules, and amounts of expenditure-reducing measures.
5. Debt improvement schedule: in order to improve to less than 90 percent of the debt cap, specify the amounts to be repaid and the estimated balance of outstanding debt and debt ratios (including the budgeted and actual figures) for each fiscal year.

The debt improvement plan and implementation schedule of the preceding paragraph shall, within 3 years, improve the debt to less than 90 percent of the debt caps set out in Article 5, Paragraph 3 and 4 of the Act. However, this restriction shall not apply if for some special cause this cannot be achieved within 3 years, and a detailed explanation of the cause is presented to, and deliberated and approved by, the public debt administration committee.

Until the respective local government has improved its debt to less than 90 percent of the debt cap under the preceding paragraph, it shall each fiscal year submit the status of implementation of the debt improvement plan to the public debt administration committee for deliberation.

Article 6
The staff of the public debt administration committee may, based on the items designated by the committee, prepare a preliminary review opinion on the matters for deliberation, and specify the following matters for reference in the committee's deliberations:
1. Deliberation and evaluation of the incurrence of self-redeeming debt
(1) Proposal name.
(2) Evaluation of the incurrence of self-redeeming debt.
(3) Evaluation of the funding sources for repayment of the self-redeeming debt and reasons.
(4) Self-redeeming debt repayment plan feasibility evaluation and the methods and reasons thereof.

2. Determination regarding loss of self-redeeming funding sources
(1) Proposal name.
(2) Items, amounts, and evaluation of the loss of self-redeeming funding sources and the determination methods and reasons.
3. Deliberation of debt improvement plan and schedule
(1) Proposal name.
(2) Items, amounts, and evaluation of revenue-raising measures and the determination methods and reasons.
(3) Items, amounts, and evaluation of expenditure-reducing measures and the determination methods and reasons.
(4) Determination and reasons with respect to the appropriateness of the debt improvement schedule and the reasons.
4. Other deliberation and evaluation matters with respect to the self-redeeming debt
(1) Proposal name.
(2) Specify the items and amounts to be deliberated and evaluated and the evaluation and determination methods and reasons in a timely manner.

Article 7
Meeting minutes of the public debt administration committee shall specify the following:
1. Meeting number.
2. Time of meeting.
3. Meeting location.
4. Name of the meeting chair.
5. Names of members present, on leave, and absent.
6. Names of personnel attending in a non-voting capacity.
7. Names of minutes-taking/recording personnel.
8. Matters reported and decisions made.
9. Matters discussed and resolutions adopted.
10. Extraordinary motions raised and resolutions adopted.
11. Other matters required to be recorded in the minutes.

Article 8
When a public debt case deliberated by the public debt administration committee involves any interest of a committee member him/herself or a member's spouse, relative by blood or marriage within the third degree, or relative with whom the member resides and shares property, the member shall recuse him/herself from the case.

When a public debt administration committee member applies for recusal, the committee chair shall make the decision on the recusal application. When the committee chair applies for recusal, the decision shall be made by a resolution of the committee members.

Article 9
These Regulations shall be enforced from the date of issuance.