

Content

Title :	Regulations Governing Appropriation and Use of the Fund for Privatization of Government-owned Enterprises under the Executive Yuan <a href="#">Ch</a>
Date :	2018.02.26
Legislative :	1.Promulgated on 2001.08.28 2.Amended on 2003.12.16 3.Amended on January 02, 2007 4.Amended on December 27, 2007 5.Amended on February 26, 2018
Content :	<p>Article 1 The Fund for Privatization of Government-owned Enterprises under the Executive Yuan (hereafter referred to as "the Fund") was specifically established for the privatization of Government-owned enterprises, and the Regulations were enacted pursuant to Paragraph 2 under Article 15 of the Government-owned Enterprise Privatization Act (hereafter referred to as "the Act"), as well as Article 21 of the Budget Act.</p> <p>Article 2 (Deleted)</p> <p>Article 3 The Fund fits into the category of Special Funds as defined in Subparagraph 2 in Paragraph 1 under Article 4 of the Budget Act. In budget preparation for subordinate agencies, the Executive Yuan shall be the competent authority, with the Ministry of Finance acting as the managing agency.</p> <p>Article 4 Revenue sources of the Fund are as follows: 1.Government allocated funding according to budget procedures. 2.The proceeds from the privatization of Government-owned enterprises, and from the disposal of government-held shares in enterprises with under 50% government ownership, where the proceeds received by the government were approved for allocation into the Fund by the Executive Yuan. 3.For enterprises in financial difficulty that have received support from the Fund, in the situation of privatization or termination of business, the proceeds legally retained for the government when the enterprises undergo liquidation. 4.For enterprises undergoing privatization that have received support from the Fund due to financial difficulties, those employees who are again participating in Group Insurance and Labor Insurance and applying for pension or elderly allowance must return the compensation originally received from Group Insurance and Labor Insurance pursuant to the Act. 5.Other related income.</p>

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- Article 5 The Fund may be utilized for the following purposes:
1. To finance the additional payment of six-month base salary pursuant to Paragraph 6 under Article 8 of the Act, the expenses for compensation of various losses, as well as the required expenditures for privatization that are borne by the government.
  2. To finance the deficiency by enterprises in financial difficulty to cover the expenses for privatization.
  3. To finance the deficiency by enterprises in financial difficulty to cover the expenses for staff layoff projects or termination of business prior to privatization.
  4. To finance the expenditures of government capital plans.
  5. To finance management and administrative expenses.
- For expenses described in Subparagraph 1 under the previous Paragraph, applications for payment by the Fund shall be filed pursuant to the Enforcement Rules of the Government-owned Enterprise Privatization Act by the competent authority overseeing the privatized enterprise or the managing agency controlling the government-owned shares. For expenses described in Subparagraph 2 and 3 under Paragraph 1, applications for payment by the Fund shall first be recognized by the competent authority overseeing the privatized enterprise, then submitted for approval by the Executive Yuan.
- The Executive Yuan may impose the following condition before approving expenses described in the preceding paragraph: for enterprises in financial difficulty, if there are residual assets after the liquidation, the Fund shall be repaid by priority before shareholders receive their share.
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- Article 6 In order to finance all expenses described in Paragraph 1 under the previous Article, the Fund may borrow funding from financial institutions or other designated fund accounts for utilization, although the extent of the loan shall not exceed the accumulated revenues budgeted for privatization in current and the previous financial years.
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- Article 7 The custody and utilization of the Fund shall be attentive on profitability as well as security, deposits of the Fund shall be processed according to the stipulations of the Government Treasury Act and related regulations.
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- Article 8 Depending on operating requirements, the Fund may be used to purchase government bonds, treasury bills, or other short-term notes.
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- Article 9 Budget preparation and execution as well as the financial statements prepared for the Fund shall be processed according to the stipulations of the Budget Act, the Accounting Act, the Financial Statement Act, the Audit Act, and related regulations.
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- Article 10 An accounting system shall be established concerning the accounting management for the Fund.
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- Article 11 The amount remaining in the Fund after annual account settlement shall be distributed according to related regulations.
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- Article 12 Upon termination of the Fund, all financials shall be finalized and surplus interests submitted to the National Treasury.
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- Article 13 The Regulations shall come into force on the date of promulgation.
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