


Content

Title :	Taiwan Tobacco and Liquor Corporation Act 											
Date :	2002.05.15											
Legislative :	Full text of 15 articles enacted and promulgated on May 15, 2002 under President' s Order Hua-Zong-1-Yi-Zi No. 09100095620											
Content :	<table><tr><td><u>Article 1</u></td><td>Taiwan Tobacco and Liquor Corporation (hereinafter referred to as the Corporation) has been incorporated in accordance with this Act. Matters not stipulated in this Act shall be governed by other related laws.</td></tr><tr><td><u>Article 2</u></td><td>The scope of business of the Corporation includes domestic and international tobacco and alcohol business. The Corporation may invest and engage in other businesses related to its main scope of business and any other businesses approved by the Ministry of Finance.</td></tr><tr><td><u>Article 3</u></td><td>The Corporation has been established in the place where the central government is located. It may establish branches in appropriate domestic and foreign locations.</td></tr><tr><td><u>Article 4</u></td><td>The board of directors of the Corporation shall be composed of 11 to 15 members; the Corporation shall have 3 to 5 supervisors. One-fifth of the directors representing government-owned shares shall be labor union representatives. Natural person shareholders shall be appointed by the Ministry of Finance to represent the government-owned shares of the Corporation. When more than one representative is appointed, the appointed representatives shall be elected as director and supervisor respectively.</td></tr><tr><td><u>Article 5</u></td><td>The following items shall be submitted to the Ministry of Finance for approval: 1. Articles of incorporation of the Corporation and the organization regulations of the board of directors; 2. Capital adjustment and allotment of shares; and 3. Regulations on the operation of the tobacco, liquor and other relevant businesses.</td></tr></table>		<u>Article 1</u>	Taiwan Tobacco and Liquor Corporation (hereinafter referred to as the Corporation) has been incorporated in accordance with this Act. Matters not stipulated in this Act shall be governed by other related laws.	<u>Article 2</u>	The scope of business of the Corporation includes domestic and international tobacco and alcohol business. The Corporation may invest and engage in other businesses related to its main scope of business and any other businesses approved by the Ministry of Finance.	<u>Article 3</u>	The Corporation has been established in the place where the central government is located. It may establish branches in appropriate domestic and foreign locations.	<u>Article 4</u>	The board of directors of the Corporation shall be composed of 11 to 15 members; the Corporation shall have 3 to 5 supervisors. One-fifth of the directors representing government-owned shares shall be labor union representatives. Natural person shareholders shall be appointed by the Ministry of Finance to represent the government-owned shares of the Corporation. When more than one representative is appointed, the appointed representatives shall be elected as director and supervisor respectively.	<u>Article 5</u>	The following items shall be submitted to the Ministry of Finance for approval: 1. Articles of incorporation of the Corporation and the organization regulations of the board of directors; 2. Capital adjustment and allotment of shares; and 3. Regulations on the operation of the tobacco, liquor and other relevant businesses.
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<u>Article 6</u>	<p>The following items shall be determined by the board of directors:</p> <ol style="list-style-type: none"> 1. Organizational Regulations of the Corporation; 2. Annual business guidelines; 3. Establishment, change or termination of any branch located domestically or abroad; 4. Prices of tobacco and liquor, and commissions to retailers; 5. Appointment and dismissal of the general manager and assistant general managers; 6. Personnel regulations of the Corporation; 7. Materials management regulations of the Corporation.
<u>Article 7</u>	<p>The supervisors shall exercise the functions and powers to:</p> <ol style="list-style-type: none"> 1. Investigate the business and financial status of the Corporation; and 2. Examine the accounting records and documents of the Corporation.
<u>Article 8</u>	<p>The assets and production equipment on the premises used by Taiwan Provincial Tobacco and Wine Monopoly Bureau shall be specified in a list and transferred to the Corporation.</p> <p>Remaining land and building fixtures shall be transferred to the National Property Administration, Ministry of Finance, according to law.</p> <p>Properties purchased and customized in accordance with requests of the Corporation shall be post-audited by auditing authorities.</p>

<u>Article 9</u>	<p>Employees of the Taiwan Provincial Tobacco and Wine Monopoly Bureau and its subordinate organizations employed prior to the implementation of the Act, except those who are also qualified civil servants and willing to be transferred to the Ministry of Finance and its subordinate organizations or to be trained and transferred to other administrative agencies upon the assessment and approval of the Ministry of Finance on the basis of the needs of the businesses and the specialties of the employees, shall be transferred to the Corporation or be resigned or retired in accordance with the Statute of Privatization of Government-Owned Enterprises. Relevant regulations shall be determined by the Ministry of Finance and submitted to the Executive Yuan for approval.</p> <p>Current employees transferred to the Ministry of Finance and its subordinate organizations in accordance with the preceding paragraph shall be exempted from the constraints specific to special examination, special appointment and transfer requirements under the Civil Service Examination Act, Civil Service Appointment Act and various special civil service examination regulations. However, where transfer takes place during the controlled transfer period, the employees shall only be transferred to those organizations with employment examination and their agencies or the Ministry of Finance and its subordinate agencies.</p> <p>Employees transferred to the Corporation under the first paragraph shall not be discharged with severances or laid off due to reorganization restructuring of the Taiwan Provincial Tobacco and Wine Monopoly Bureau.</p> <p>The length of service, wages, retirement conditions, severances, indemnities and other benefits and labor conditions of the employees who are transferred to the Corporation under the first paragraph shall remain the same.</p> <p>If employees transferred to other administrative agencies under the first paragraph have passed national examinations and have not been assessed yet, their length of service and ranks shall be recognized and accumulated in accordance with relevant regulations determined by the Ministry of Civil Service.</p>
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<u>Article 10</u>	<p>The Corporation' s president, supervisors and the directors representing government-owned shares shall be qualified civil servants. The general manager and other directors do not have to be qualified civil servants.</p> <p>Subject to Article 11 and Article 12, employees subordinate to the assistant general manager shall follow the personnel regulations of the Corporation, and the laws governing civil servants are not applicable to such employees.</p> <p>The wages, retirement conditions, indemnities, severances and other matters provided in the personnel regulations of the Corporation in the preceding paragraph shall be determined by the Ministry of Finance and submitted to the Executive Yuan for approval.</p> <p>Employees of the Corporation shall not be discriminated on the basis of different qualifications for promotion.</p>
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<u>Article 11</u>	<p>If the employees transferred to the Corporation were employed by the Taiwan Provincial Tobacco and Wine Monopoly Bureau and its subordinate agencies prior to the implementation of these Regulations and had been so employed in accordance with the Provisional Regulations on Employment of Taiwan Province (City) Owned Business Personnel or any other laws governing civil servants, the statutes and laws governing civil servants shall also be applicable to them, in particular with the wages, benefits, performance assessment, retirement conditions, severances and indemnities.</p> <p>Such employees as specified in the preceding paragraph may choose not to be subject to the laws governing civil servants in accordance with the second paragraph of the preceding article within five years from the date of the implementation of these Provisions, but shall not change again afterwards. Their length of service, wages, retirement conditions, severances, indemnities and other benefits and labor conditions shall not be less than those of the employees retaining their original positions.</p> <p>Employees of the Tobacco and Liquor Distribution Department and the Electronic Data Processing Center of the Taiwan Provincial Tobacco and Wine Monopoly Bureau prior to the implementation of these Provisions and employees appointed in accordance with its Contract Worker Management Guidelines and Personnel Employment Regulations may not be subject to the laws governing civil servants where on the decision of the Corporation the second paragraph of the preceding article shall apply.</p> <p>Payment to the employees upon retirement shall be paid from the appropriate funds allocated by the Corporation based on actuarial pension cost. Relevant regulations shall be determined by the Corporation and submitted to relevant supervisory authorities for approval.</p> <p>Any deficiency of pension reserves prepared for the employees of the Taiwan Provincial Tobacco and Wine Monopoly Bureau and its subordinate agencies shall be made up within five years after the establishment of the Corporation. Any excess or surplus shall first be allotted to pension reserves.</p>
<u>Article 12</u>	<p>Employees who choose not to be subject to the laws governing civil servants in accordance with the second paragraph of the preceding article shall return compensations that had received for old-age benefits under Civil Servant and Teacher Insurance if they have switched to Labor Insurance and thus lost their rights and benefits under the original Civil Servant and Teacher Insurance. If the received old-age benefits are less than what would be received under the original benefits, the amount of the compensation benefit to be returned shall be equivalent to the received old-age benefits only.</p>

<u>Article 13</u>	When the Corporation issues new shares for the purpose of raising capital, it shall report to the Ministry of Finance to approve its retaining of the newly issued shares, which shall not be more than ten percent of the total newly issued shares, to be preferentially subscribed by the employees of the Corporation. The share subscription regulations shall be determined by the Ministry of Finance.
<u>Article 14</u>	<p>The principles for the preferential share subscription by employees during the Corporation' s sale of government-owned shares shall be decided in compliance with the Statute of Privatization of Government-Owned Enterprises.</p> <p>The shares preferentially subscribed and held by the employees of the Corporation shall not be transferred within two years after subscription.</p> <p>The Corporation' s fund for employee welfare shall be established based on its share capital upon the establishment of the Corporation in accordance with the Employee Welfare Fund Act and other applicable regulations.</p>
<u>Article 15</u>	The Executive Yuan shall determine by order the date of implementation of this Act.

Attachments : Taiwan Tobacco and Liquor Corporation Act.doc

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