

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 :	<p>Article 1 Taiwan Tobacco and Liquor Corporation (hereinafter referred to as the Corporation) shall be established and managed in accordance with the provisions of this Act. Matters not stipulated in this Act shall be governed by other relevant laws and regulations.</p> <p>Article 2 The purpose of the Corporation is to engage in the domestic and international tobacco and liquor business. The Corporation may also invest in or operate businesses related to tobacco and liquor, as well as other businesses approved by the Ministry of Finance (hereinafter referred to as the MOF).</p> <p>Article 3 The Corporation shall be located at the seat of the central government and may establish branches at appropriate locations both domestically and internationally.</p> <p>Article 4 I. The Corporation shall have 11 to 15 directors to organize the board of directors and three to five supervisors. One-fifth of the directors representing public shareholders shall be union representatives. II. The public shareholders of the Corporation may have the MOF to appoint individuals as their representatives. In the case of multiple representatives, they shall be separately elected as director and supervisor.</p> <p>Article 5 The following matters shall be submitted to the MOF for approval: 1. Articles of incorporation of the Corporation and the organizational regulations of the Board of Directors; 2. Adjustments to the capital amount and the issuance of shares; and 3. The business regulations for the tobacco, liquor and related industries.</p> <p>Article 6 The following matters shall be determined by the Board of Directors: 1. Organizational Regulations of the Corporation; 2. Annual business guidelines; 3. Establishment, modification, or dissolution of domestic and overseas branches; 4. Pricing of tobacco and liquor, and the commission for retailers; 5. Appointment and dismissal of the General Manager and Deputy General Managers; 6. Personnel regulations of the Corporation; and 7. Materials management regulations of the Corporation.</p> <p>Article 7 The following matters shall be carried out by the Supervisors: 1. Investigating the business and financial status of the Corporation; and 2. Auditing the books and documents of the Corporation.</p> <p>Article 8 I. The assets and production equipment originally used by Taiwan Provincial Tobacco and Wine Monopoly Bureau shall be specified, documented, and transferred to the Corporation. The remaining land, buildings, and equipment shall be transferred to the National Property Administration, MOF, according to the law. II. The purchase and customization of the Corporation's properties shall be subject to subsequent audit by the auditing authorities.</p>

- Article 9
- I. Personnel of the Taiwan Provincial Tobacco and Wine Monopoly Bureau and its affiliated agencies prior to the implementation of this Act, for those who are qualified for civil servant appointments, shall, according to their individual wishes, report to the MOF for referral to the Ministry and its affiliated agencies based on their business needs and professional expertise, or provide assistance for transfer to other administrative agencies. All other personnel shall be transferred to the Corporation. However, they may be granted severance for leave or retirement in accordance with the relevant provisions of the Privatization of Government-Owned Enterprises Act. The implementation measures shall be drafted by the MOF and submitted to the Executive Yuan for approval.
- II. Personnel transferred to the MOF and its affiliated agencies, in accordance with the preceding paragraph, shall not be subject to the restrictions of the Civil Service Examination Act, Civil Service Appointment Act and the regulations governing special examinations and transfers for civil servants. However, any further transfer during the restricted transfer period shall be limited to positions within the original examination authority and its affiliated agencies, the MOF, and its affiliated agencies.
- III. Personnel transferred to the Corporation under the first paragraph, unless voluntarily retiring, shall not be dismissed or laid off due to the restructuring of the Taiwan Provincial Tobacco and Wine Monopoly Bureau.
- IV. Personnel transferred to the Corporation under the first paragraph shall have their years of service, salaries, retirement, severance, indemnities, other benefits, and labor conditions maintained.
- V. Personnel transferred to other administrative agencies under the first paragraph who have passed national examinations but have not been reviewed by the Ministry of Civil Service shall have their years of service and ranks counted. The implementation measures shall be prescribed by the Ministry of Civil Service.
- Article 10
- I. The Chairman of the Board, Supervisors and the Directors representing public shareholders of the Corporation shall hold civil servant status. The General Manager and other Directors may not hold civil servant status.
- II. The employees of the Corporation below the rank of Deputy General Manager shall be governed by the personnel regulations of the Corporation, except as otherwise provided in Articles 11 and 12, and shall not be subject to the laws and regulations governing civil servants.
- III. Matters relating to salaries, retirement, indemnities, severances and other personnel issues in the personnel regulations of the Corporation in the preceding paragraph shall be drafted by the MOF and submitted to the Executive Yuan for approval.
- IV. The employees of the Corporation shall not be discriminated against on the basis of different qualifications.

Article 11	<p>I. Personnel employed by the Taiwan Provincial Tobacco and Wine Monopoly Bureau and its affiliated agencies prior to the implementation of this Act, who are transferred to the Corporation and are employed in accordance with the Provisional Regulations on Employment of Taiwan Province (City) Owned Business Personnel or other laws and regulations governing civil servants, shall remain subject to the relevant laws and regulations concerning civil servants. Their salaries, benefits, performance assessment, retirement, severances and indemnities may be commensurate with the provisions applicable to public servants.</p> <p>II. Such employees as specified in the preceding paragraph may choose not to be subject to the laws and regulations governing civil servants in accordance with the second paragraph of the preceding article within five years from the effective date of this Act, and this choice shall not be altered afterwards. Their years of service, salaries, retirement, severances, indemnities, other benefits, and labor conditions shall not be less than those of the employees retaining their original status.</p> <p>III. For the personnel employed by the Tobacco and Liquor Distribution Division and the Electronic Data Processing Center of the Taiwan Provincial Tobacco and Wine Monopoly Bureau prior to the implementation of this Act, and personnel employed in accordance with their Contract Worker Management Guidelines and Personnel Employment Regulations, the Corporation may choose to govern in accordance with the provisions of the second paragraph of the preceding article, under which civil servant laws and regulations are not applicable.</p> <p>IV. The expenses required for the retirement benefits of the Corporation's employees shall be funded by the Corporation through the allocation of funds based on actuarially calculated pension costs. The implementation measures shall be drafted by the Corporation and submitted to the supervisory authorities for approval.</p> <p>V. Any shortfall in the retirement reserves for the employees of the Taiwan Provincial Tobacco and Wine Monopoly Bureau and its affiliated agencies shall be made up within five years after the establishment of the Corporation. Any excess or surplus shall be prioritized for allocation to the retirement reserve fund.</p>
Article 12	<p>Employees who choose not to be subject to the laws and regulations concerning civil servants in accordance with the second paragraph of the preceding article and loses the original benefits of the civil servants due to switching to Labor Insurance, shall, when receiving retirement benefits under the Civil Servant and Teacher Insurance, repay the compensation amount. If the retirement benefit amount received is less than compensation amount, only the compensation amount equal to the retirement benefit received shall be repaid.</p>
Article 13	<p>When the Corporation issues new shares for the purpose of raising fund, it shall report to the MOF for approval to retain up to ten percent of the total amount of new shares, to be preferentially subscribed by the employees of the Corporation. The method of subscription shall be determined by the MOF.</p>
Article 14	<p>I. When the Company sells public shares, the principles related to employees' preferential rights for subscription shall be handled in accordance with the relevant provisions of the Privatization of Government-Owned Enterprises Act.</p> <p>II. The shares held by the employees of the Corporation through preferential subscription shall not be transferred within two years after subscription.</p> <p>III. The Corporation's fund for employee welfare shall be appropriated based on its capital upon the establishment of the Corporation, in accordance with the Employee Welfare Fund Act and its relevant provisions.</p>
Article 15	<p>The date of implementation of this Act shall be determined by order of the Executive Yuan.</p>