Content

Title：	Land Renting and Expense Collecting Standards of Export Processing Zone Ch
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Content：

Article 1

The standard is prescribed in accordance with provisions in Paragraph 2, Article 11-2 of Statute for the Establishment and Administration of the Export Processing Zone.

Article 2

When land from the Export Processing Zone (hereinafter referred as “Zone Land”) is leased, it should be based upon overall safety, environmental beautification and, management convenience, and should be in line with requirements of each business entity to facilitate the effective land use.

Article 3

The lease of Zone Land should conform to land zoning planning and should pay attention to the characteristics of established business entity. Those which easily produce odor, noise, waste water, and other factories of bad influence should be allotted to proper location.

Article 4

The business entity applying to rent the land and construct buildings should reserve the retreat land to a considerable depth in the surroundings, according to extant provisions. No building can be constructed on the retreat land of base surroundings.

To lease land in the Nanzih Export Processing Zone, three meters of space should be reserved, separately to other adjacent leased land, and considerable depth should also be reserved for the retreat land. The side facing the main line of transportation should be reserved to a distance of six meters, and the side facing the inner circle and branch line of transportation, should be reserved for a depth of five meters, while the side facing the sub-branch line of transportation should be reserved to a depth of four meters. To rent land in the Kaohsiung or Taichung Export Processing Zone, space should be reserved at a depth of three meters in the surroundings for the retreat land depth. To rent land in the Chung Kang Export Processing Zone, the reserved retreat land depth is four meters for the side that is facing the road at a distance that is less than thirty meters; six meters for the side facing the road that is over thirty meters in distance.

Three meters of retreat land depth should be reserved in-between the base and other adjacent land.

To rent land in the Pingtung Export Processing Zone, the reserved retreat land depth is three meters separately when adjacent to other land. Additionally, the space of six meters should be reserved for the side facing the main line of transportation under twenty meters of distance, while eight meters should be reserved for the side when it is over twenty meters.

For leasing land in other Export Processing Zone, it should be handled in accordance with

provisions in the detailed plan and construction technique regulations, as approved by that Export Processing Zone.
A lessee shall provide the retreat land prescribed in Paragraph 1 for free, for construction or burying of drainage, sewers, underground piping or other public facilities.

Article 5
Business entity applying to rent the land and construct buildings should agree to construct the building and its necessary auxiliary building. Its building coverage ratio and floor area ratio should be handled in accordance with relevant construction laws.
The building should be constructed at 50% of base area, and the should not exceed 70%. The business
entity should agree to handle in accordance with the following principles:
1.The retreat land in the surroundings of base cannot not be constructed based on requirements of fireproof, light exposure, evacuation, transportation, and beautifying environment.
2.The net area of base after deducting retreat land should leave 20% for the vacant lot.

Article 6
If business entity is required to implement the land construction by phases, then its land area should be applied in one time. However whole construction plan of base cannot exceed three years. Additionally it should list the use situation by phases in the investment plan or application.
If the aforementioned land construction by phases exceeds the time limit and is not used, then the Export Processing Zone Administration (hereinafter referred as "Administration") or Branches may inform to recall the land in accordance with contract at any time. The paid land rental and public facility construction expense will not be returned. If there is justifiable reason to do so, the business entity may apply to the Administration or Branches for postponement before time limit expires.

Article 7
If the business entity applies to rent the land and construct buildings, the Administration or Branches along with the applicant should conduct the on-site survey regarding its location and area and grants the approval after referring to its construction floor layout plan and provisions of Article 3. If the applicant does not conduct the joint survey in accordance to the notified deadline, or if the joint survey is not necessary, then the approval is granted in accordance with investment plan and construction floor layout plan attached with application and other relevant information.

Article 8
If the business entity applies to rent the land and construct buildings, the Administration or Branches will conduct the on-the-spot survey and may increase or decrease within 5% of its approved rented land area.

Article 9
If the business entity applies to rent the land and construct buildings, its factory or buildings in the other Export Processing Zone cannot be less than 2,000 square meters, in addition it cannot be less than 1,000 square meters in the Kaohsiung, Taichung , Chung Kang Export Processing Zones
and Taichung Software Park.

Article 10

If the business entity applies to rent the land and construct buildings, the Administration or Branches should inform to ink the lease contract on the allotted land within sixty days upon notification. Meanwhile the rent should be paid in accordance with contract.

Before the lease contract is inked and land is permitted for use in advance, the rental should be traced to the approving date of land use.

Article 11

Business entity applying to rent the land and construct buildings should pay the rental expense to the Administration or Branches or private land leaser in accordance with this standard. Private landowner in the Export Processing Zone entrusts the Administration or Branches to administer the renting business, and the Administration or Branches may collect the land rental and expense on behalf of the private landowner.

Article 12

The classifications of land rental and expense in the Export Processing Zone are as follows:

1.Long-term land rental.

2.Short-term land rental.

3.Public facility construction expense.

The aforementioned long-term land rental indicates that the land renting duration is over one year and under twenty years. Short-term land rental indicates that the renting duration does not reach one year.

Article 13

The land rental and expense in the Export Processing Zone are collected at the following standards:

1.Long-term land rental: The reported land value of leased land is multiplied by land renting rate, divided into 12 months, and multiplied by leased land area.

2.Short-term land rental: The reported land value of leased and is multiplied by two times the land renting rate, divided into 12 months, and multiplied by leased land area.

3.Public facility construction expense: The business should equally share the paid expense for that public facility construction or confirmed amount, along with annuity converted from loan capital and interest based on renting area ratio in 20 years.

The stipulation of land rental rate in the aforementioned item should refer to the land value in the Export Processing Zone and renting cost and reports to the Ministry of Economic Affairs for approval to collect the rent.

The land rental should exceed 10% of annual interest for reported land value. If land is administered on behalf of others, it should be handled in accordance with the land entrusted management agreement or contract.

If public facility is privately constructed, its construction expense should be reported to the Administration for approval and the Administration and branches will collect the fee in accordance with No. 3, Item 1 of this Standard.

Article 14

If the business entity applies to rent the land and construct buildings, it should pay the land rental and expense according to actual leased area. The purchaser of building for use should pay the land rental and expense based on shared land area of the purchased floor area of the building.

Article 15

The collecting date of land rental and expense in the Export Processing Zone should be agreed as follows:

1.Long-term land rental:

(1).Land renting or purchase of building is collected from contract inking date.

(2).The purchase of newly-built buildings is collected from arrival of completion notification.

(3).After the Administration or Branches approves the investment case and before lease contract is inked and land or building is permitted to use in advance, the rental should be traced to the approving date of land use.,

2.Short-term land rental: It is collected from the land lease contract inking date.

3.Public facility construction expense:

(1).Developed area: It is collected from short-term land lease contract inking date.

(2).Developing area: It is collected from contract inking date and is adjusted after development is completed.

Article 16

The situation and date to stop in collecting the land rental

1.The day after land lease contract termination.

2.Notification arriving date after court judges the termination of land lease contract.

Article 17

After land lease contract is terminated, the renter should pay for the damages per month for the duration of which he still occupies the land, according to the land rental standard based on "the declaration of the land value multiplied by double land rental rate, divided by twelve months, and multiplied by land base area." If the duration was less than a month, then the damages will be charged by each day. If the damages are not paid before the deadline, then the late interest is collected based on 5% of the annual interest rate till the paying off day.

Article 18

The land rental and expenses should be paid before the last day of each month. If payment is late, it shall be handled by the following agreement:

1.If past due for more than one month and less than two months, penalty is collected at 5% of total amount of rental and expenses.

2.If past due for more than two months and less than three months, penalty is collected at 10% of total amount of rental and expenses.

3.If past due for more than three months and less than four months, penalty is collected at 15% of total amount of rental and expenses..

4.If rent is past due after four months, not only are expense and penalty collected, but also the lease contract is terminated.

The aforementioned delay in payment should be informed by the Administration or Branches to renter in
the written form.

Article 19

When the value of the land in the Export Processing Zone is adjusted by the local Land Administration in
accordance with law, the rent shall be calculated based on the newly adjusted land value starting from
the month after the adjusted land value is confirmed. The amount of the rent used to cover the land

value
tax for the current year shall be adjusted according to the announced land value for the current year. The remaining amount shall be adjusted by multiplying the amount by the rate of increase in the announced land value for the current year if the said value increases compared to the previous period;
however, the adjustment shall not exceed 10%. If the announced land value decreases compared to the
previous period but the value is not lower than the land value announced in 2015, the remaining amount
shall not be adjusted; if the said value is lower than the land value announced in 2015, the remaining amount shall be adjusted according to the rate of decrease. However, this provision shall not apply if
otherwise agreed to in the contract.

Article 20
If the public or private land in the Export Processing Zone is entrusted to the Administration or Branches
for management, its procedural fee is collected at 5% of total amount of entrusted land rental and expense.
If there is other agreement in the land entrusted management contract, it adheres to the agreement.

Article 21
The standard shall become effective as of the date of its promulgation.

Data Source：Ministry of Economic Affairs R.O.C.(Taiwan) Laws and Regulations Retrieving System