

Content

Title :	Regulations Governing Independent Certified Public Accountant Auditing the Registered Capital Amount of Limited Partnership Ch
Date :	2015.11.30
Legislative :	1.Promulgated on November 30, 2015
Content :	<p>Article 1 The Regulations are enacted in accordance with Article 14 (5) of the Limited Partnership Act (hereinafter referred to as the Act).</p> <p>Article 2 In case the amount of capital contribution applying for registration of formation or alteration registration of a limited partnership exceeds NTD 30 million, or the number of partners applying for such formation or alteration registration exceeds 35, unless such contribution is made by cash, the capital contribution shall be audited by an independent certified public accountant in accordance with the Regulations. When the responsible person of a limited partnership appoints a certified public accountant to audit and certify, a power of attorney shall be submitted.</p> <p>Article 3 Upon application for formation registration of a limited partnership or within 30 days after formation registration, or upon registration of changes for increase or reduction of the paid-in capital, the limited partnership shall prepare a statement of change of paid-in capital and submit it together with the following documents, depending on the nature of the case, to a certified public accountant for auditing in accordance with the Regulations: 1. Statement of capital contributions in cash; 2. Statement of capital contributions by creditor's right; 3. Statement of capital contributions by properties; 4. Statement of capital contributions by service; 5. Statement of capital contributions by goodwill; 6. Statement of capital contributions by other interests; and 7. Statement of capital reduction. When capital contribution in installments, the limited partnership shall also submit a photocopy of the limited partnership's agreement. The limited partnership's seal and its representative's seal shall be affixed to the statement of change of paid-in capital and the other documents listed in Paragraph 1.</p> <p>Article 4 The statement of capital contributions in cash set forth in above Subparagraph 1 of Paragraph 1 shall indicate the names of partners, the dates and amounts of share contributions, and the dates when contributions are deposited and the information of the bank account where the contributions are deposited. The photocopies of deposit slips shall also be submitted. In case of absence of such deposit slips, the photocopies of passbooks, statements of accounts or inquiry sheets may be submitted instead. If the limited partnership opened a special bank account to collect all the contributions, it may replace the photocopies of the deposit slips, passbooks, statements of accounts or inquiry sheets with the special account deposit contract or the contract entrusted for the collection of contributions, and the certificate of collection of all the contributions issued by the bank or photocopies of passbooks. In the event of any inconsistency between the bank deposits and the</p>

accounting books, a reconciliation statement shall be prepared. In case any contributions have been already utilized, a statement of capital utilization, indicating the purpose and affixed with the limited partnership's seal and its representative's seal, shall be submitted. If necessary, the competent authority may require the limited partnership to submit photocopies of certificates of primary utilizations.

If any contributions are transferred into term deposits, any pledge, termination of contract or assignment shall be specified.

Article 5

The statement of capital contributions by creditor's right set forth in Subparagraph 2 of Article 3 (1) shall indicate the names of partners, the reasons for and dates of incurrence of the creditors' rights, the amounts of the incurred creditors' rights, and the amount of contributions by claims, and shall bear the signatures or seals of the creditors with their consent, attached with the primary documents to prove the incurrence of the creditors' rights. In case any contributions have been already utilized, a statement of capital utilization, indicating the purpose and affixed with the limited partnership's seal and its representative's seal, shall be submitted. If necessary, the competent authority may require the limited partnership to submit photocopies of certificates of primary utilizations.

Article 6

The statement of capital contributions by properties set forth in Subparagraph 3 of Article 3 (1) shall indicate the names of partners, the types, quantities, prices or appraisal criteria of the properties, and the capital contributions or certificates allotted by the limited partnership. In case any technology, stock or other property is contributed, the relevant property shall be specified as having been registered in the name of the limited partnership in accordance with the law prior to the date of formation or the capital increase recordation date. If there is no registration requirement provided by the law, such property shall be specified as having been delivered to the limited partnership prior to the date of formation or the capital increase recordation date. When any stock is contributed, the appraisal criteria shall be specified.

Article 7

The statement of capital contributions by service set forth in Subparagraph 4 of Article 3 (1) shall indicate the names of general partners and the contributed amount agreed in the partnership agreement. The appraisal report, if any, shall also be submitted.

The statement of capital contributions by goodwill set forth in Subparagraph 5 of Article 3 (1) and the statement of capital contributions by other interests set forth in Subparagraph 6 of the same Article shall indicate the names of general partners, the contributed amount agreed in the partnership agreement, and percentage of such contribution. The appraisal report, if any, shall also be submitted.

If necessary, the competent authority may require the person making capital contributions through other interests to submit evidential documents.

Article 8

The statement of capital reduction set forth in Subparagraph 7 of Article 3 (1) shall indicate the names of partners, amounts and dates.

Article 9

The certified public accountant engaged to audit and certify the registered paid-in capital of formation registration of a limited partnership or the registration of alteration of increases in the paid-in capital shall verify the amount of the capital to be contributed by each partner, installment of capital contribution and the methods, conditions, durations, etc. under the partnership agreement. The certified public accountant auditing and certifying the contributions made by goodwill or other interests shall also

verify whether the amount of contributed goodwill or other interests agrees with such proportion of the total capital contribution of the limited partnership as announced by the competent authority.

The audit report shall indicate the source of the contributions as cash, creditor's right, technologies, goodwill, service, stocks, other properties or other interests. The capital contributions before and after the capital increase shall also be specified.

Article 10

The certified public accountant auditing and certifying contributions in cash shall verify the status of contributions. If the payments are deposited in a bank, the deposit certificates shall be verified.

If the payments are made by bills, whether these bills have been honored shall be verified. The certified public accountant auditing and certifying contributions by creditors' rights shall verify whether the reasons for incurrence of the creditors' rights are truthful.

In case any contributions have been already utilized, a statement prepared by the limited partnership to explain the purpose of utilization and the relevant certificates shall be verified.

When the contributions are deposited as time deposits, whether there is any pledge, cancellation of contract, or assignment shall be verified.

Article 11

The certified public accountant auditing and certifying contributions made through technologies, stocks or other properties shall verify the names of partners, the types, quantities, prices or appraisal criteria of the properties, and the capital contributions allotted by the limited partnership.

When auditing and certifying contributions made through technologies or other properties as mentioned in the preceding paragraph, except for limited partnership invested in by foreigners or overseas Chinese, the certified public accountant shall obtain opinions of relevant institutions, organizations or experts on the appraised prices and evaluate whether their opinions should be adopted, and verify whether the relevant property has already been registered in the name of the limited partnership in accordance with the law prior to the date of formation or the capital increase recordation date. If there is no registration requirement provided by the law, whether such property has already been delivered to the limited partnership prior to the date of formation or the capital increase recordation date should be verified.

When auditing and certifying contributions made through stocks as mentioned in Paragraph 1, the certified public accountant shall verify whether the appraisal is carried out in accordance with the following:

1. Shares issued by a company that is not listed on the Taiwan Stock Exchange, not traded on the Gre Tai Securities Market, or not emerging stocks, may be appraised based on the net worth of the company on the date of evaluation
2. Emerging stocks may be appraised based on the average trading price of such stocks on the date of evaluation. However, if there is no trading price of such stocks on the date of evaluation, the price shall be appraised based on the average trading price of the last day preceding the date of evaluation. In the event of severe fluctuation of the price, the price shall be appraised based on the average of the trading prices for the 30-day period before the date of evaluation.
3. Shares issued by a listed company or a company traded on the Gre Tai Securities Market may be appraised based on the closing price of such shares on the date of evaluation. However, if there is no transaction price of such shares on the date of evaluation, the price shall be appraised based on the closing price on the last transaction day preceding the date of evaluation. In the event of severe fluctuation of the price, the price shall be appraised based on the average of the closing prices for the 30-day period before the date of evaluation.

The date of evaluation indicated in the above three subparagraphs of the preceding paragraph shall fall within the two months prior to the recordation date.

Article 12

The certified public accountant auditing and certifying contributions made through goodwill, service or other interests shall verify the names of general partners and the contributed amount agreed in the partnership agreement and evaluate whether the attached appraisal report, if any, should be adopted.

Article 13

When a partner of a limited partnership retrieves his or her capital contribution or withdraws from the limited partnership, the certified public accountant engaged to audit and certify the registration of decrease in the paid-in capital of the limited partnership shall verify the partnership agreement, the names of partners, retrieved capital contribution, etc. and specify in the audit report the reason for capital decrease and the capital contributions before and after the capital decrease.

Article 14

The public accountant engaged for the audit shall verify whether capital contributions are truthful based on the statement of change of capital and the attached documents.

The certified public accountant engaged for the audit of a statement of change of a limited partnership's capital shall record the audit work performed in accordance with the Regulations. The competent authority may request to review the record any time.

The audit record set forth in the preceding paragraph shall serve as proof as to whether the certified public accountant has fulfilled his or her professional responsibilities, as well as the basis for the opinions that formed the audit report.

The opinions, facts and figures included in the audit report shall be supported by substantial evidence provided in the audit record.

Article 15

Unless otherwise provided in the Act a certified public accountant's audit report shall contain the following particulars:

1. Names and dates of the audited statement of change of capital or of working capital and attached documents;
2. The name of the limited partnership audited and its unified business number; in the case of application for formation of a limited partnership, the unified business number is not required;
3. The certified public accountant's audit scope and his/her professional opinions;
4. The signature and seal of the certified public accountant;
5. The date of auditing and certification; and
6. The name, location and telephone number of the accounting firm.

The date of auditing and certification set forth in above Subparagraph 5 of the preceding paragraph refers to the date on which the audit is completed, provided that certification shall commence from after the financial institution's business hours on the date of formation or the recordation date for capital increase or decrease.

The certified public accountant's audit report shall include the following sections in the order they are listed below:

1. Introduction Section: It states the names and dates of the audited statement of change of paid-in capital or of working capital and the attached documents, and the responsibilities of the limited partnership and the certified public accountant.
2. Scope Section: It states the scope and basis of the audit work.
3. Opinion Section: It states the results of the certified public accountant's audit and the audit opinions issued.
4. Restricted Purpose Section: It states the purpose for the issuance of the report and the restrictions on its use.

The certified public accountant shall attach the documents audited under Paragraph 1 of the preceding article to the audit report.

Article 16

When applying for an increase or reduction of its working capital in the Republic of China in compliance with the restriction set forth

in Article 2 (1), unless working capital is provided in cash, a foreign limited partnership shall prepare a statement of change of working capital, affixed with the foreign limited partnership's seal and the seal of its responsible person in the Republic of China, and submit it to the certified public accountant to audit. The certified public accountant shall attach the statement of change of working capital audited under the previous paragraph to the audit report. When the application is for an increase of its working capital in the Republic of China, photocopies of passbooks, bank statements, or inquiry sheets shall also be submitted.

Article 17

The Regulations shall take effect from Nov. 30, 2015.

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