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Content

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Content: Chapter I General Principles

Article 1

The regulations are prescribed in accordance with provisions in Paragraph 3, Article 5 of the Act for

the Establishment and Administration of Technology Industrial Parks (hereinafter referred to as the "Act").

Chapter II Application for Establishment, Change, and Cancellation of Investment Plan and Registration of Business in the Park

Article 2

The establishment, mergers and acquisition, segmentation, cash injection, capital decrease, factory expansion, divestiture, transfer of investment to tax area, establishment of branch in tax area and change of investment plan of business in the Park shall be applied to the Bureau of Industrial Parks, Ministry of Economic Affairs (hereinafter referred to as the "Bureau") or branches, attaching the application form and relevant documents. Format and number of copies of application form in the previous paragraph required are determined by the Bureau.

Article 3

The branches should draft the preliminary opinions regarding applications of establishment, mergers and acquisition, segmentation, cash injection, capital decrease, factory expansion, and change of investment plan of business in the Park to the Bureau within one week, except for cases which should be approved by the Bureau or branches. The Bureau shall grant the approval within one month and inform the applicant of approved contents and the items that should be attended to.

Article 4

As soon as business establishment is approved, the business entity should apply to the Bureau or branches for company registration or commerce registration in accordance with relevant provisions. If there is any change, dissolution, or shutdown that occurred to the aforementioned registration, the

application of change, dissolution, or shutdown should be handled within fifteen days starting from the date of occurrence.

When the Bureau or branches handles the company registration or commerce registration, one copy of the documents should be sent to the local Tax Administration. Additionally the Bureau or branches should announce the registration items after approval is granted.

Article 5

Once the establishment, mergers and acquisition, segmentation, cash injection of business entity is approved, the plan should be completed within two years starting from the approved date of the investment plan. If the plan is unable to start or complete owing to actual difficulties, the business entity may apply to the Bureau or branches for postponement before the deadline.

Article 6

Once the business entity is approved to establish a branch within the technology industrial park (hereinafter referred to as the "Park"), its accounting title, ledgers, evidence, and report should be separated. Additionally its sale amount should be reported to the local Tax Administration.

Article 7

If the business intends to move to non-bonded area, re-invest in the non-bonded area, or establish branches in the non-bonded area, it should be handled by relevant provisions of the Statute and Company Law or Commerce Registration Law.

Chapter III Land Use and Building

Article 8

Investors applying to establish business in the Park (hereinafter referred to as the "investors"), who reserve public land or building at the Bureau or branches, shall pay the down payment and ink the reservation contract according to the following standards:

1. Land down payment: It is calculated on the basis of six months' rent for the land area.

2.Building down payment: The purchaser should pay 5% of the selling price for reserved building area, and the lessee should pay six months' rent for the building area. For reserved public land in the previous paragraph on which there are private buildings, no land down payment and signing of reservation contract is required. The investors in Para graph 1 who reserve, rent, or purchase the land or building from a private owner shall prepare the land or building use certificate or other relevant documents upon submitting investment application. Representatives of the investors in foregoing three paragraphs who reserve and present investment plan on behalf of a corporate entity before the establishment of the corporation shall remark:

"Representative of provisional office of the name of corporation to be established (i.e. the company to be established)" under his/her name. The source of capital shall also come from the name of provisional office of the corporation.

If lease and purchase of additional building or land is needed because of cash injection, mergers and acquisition, or expansion of investment plan, provisions of Paragraph 1, Paragraph 2 or Paragraph 3 are applicable to business entities in the Park.

Article 9

The preference of building allotment is as follows:

- 1. The preference allotment is granted in accordance with Paragraph 4, Article 19 of the Act.
- 2. Owing to expansion, the business entity submits the expansion plan, obtains the approval, and pays the down payment according to provision of the aforementioned Article.
- 3. If the approval notice of new investment states as soon as the building is about to transfer, then the preference allotment is granted. Yet the business entity must pay the down payment according to provisions of the aforementioned article.
- 4. If the building used by the business entity is not able to meet the business requirements, then the business entity needs to purchase another building, enter the registration to the Bureau or branches, and pay the down payment according to provisions of the aforementioned Article.

Article 10

After an investor makes the down payment, he should submit the investment application within 30 days. If the investor has any legitimate reason, he or she may apply for a postponement at the Bureau or branches within the time limit. The time limit may be extended by 30 days, but the extension is limited to once only.

The Bureau or branches shall notify the investor in writing 10 days prior to expiration of the said time limit.

An investor may apply for a refund of the down payment without interest prior to the expiration of the time limit, as stated in the first paragraph. The land or building will not be reserved.

Article 11

If the investment application of a business entity in the Park is not approved, the land or building down payment submitted shall be refunded by the Bureau or branches in total and without interest. For those approved for incorporation, the Bureau or branches shall inform the applicant of the allotted land or building as reserved, and sign a contract with the applicant pursuant to Article 12. The land or building down payment will then be refunded in total and without interest. If the contract is not signed within the specified period, the paid down payment will be transferred to the national treasury, and any request for refund will not be entertained. Applications for extended deadlines with legitimate reasons may be approved by the Bureau or branches. There is no limitation to the number of applications approved; however, the total extended

period shall be no longer than one year.

The Bureau or branches shall notify the investor in writing 10 days prior to expiration of the said period for contract signing.

If the lease and purchase of additional building or land is needed because of cash injection, mergers and acquisition, or expansion of investment plan, the provisions of the preceding two paragraphs are applicable to the refund or non-refund of the down payment.

Article 12

When the business entity within the Park leases the land, or when it leases or purchases the building, it should sign the rent and purchase contract according to allotted area within 60 days starting from the notice date by the Bureau or branches. Its renting duration should be 20 years maximum, and the

contract can be renewed as soon as it expires.

Starting from the contract signing date, the business entity within the Park should pay the rental or the cost to share the public facility construction expense. After the Bureau or branches approve the investment case and before the contract is signed, the expense of land or building use should be traced back to the usage date.

If the business entity within the Park in the aforementioned paragraph pre-purchases the newly-built building, then the expense is calculated starting from the notice of construction completion.

Article 13

If the business entity within the Park leases the land to build the building by itself, it should apply to the Bureau or branches for building permit within six months according to provisions of Construction Law after the renting contract is inked. After construction license is obtained, the construction should be proceeded in accordance with relevant provisions of Construction Law.

Article 14

If a business entity within the Park fails to begin building construction and complete the construction as scheduled, or fails to complete construction within the approved investment period, the Bureau or branches may terminate the lease of land, and the Bureau may revoke its investment application. The paid rent will not be refunded, and the land will be taken

back by the Bureau or branches for other uses. If construction work is ongoing or a change of the land's appearance has been made, the foresaid business entity shall restore the land to its original condition within the specified period. If the business entity fails to restore the land to its original condition within the specified period, the Bureau or branches may work on its behalf, with the costs attributable to the business entity. However, if the construction work or change of the land's appearance does not hinder other users, the business entity may be free from the restoration responsibility, provided that approval of the Bureau or branches has been obtained.

Article 15

If the business entity leases the land or building, it should be restricted to actual business demand. In the lease duration, if part of or all of the leased area are not needed, the business entity should apply to the Bureau or branches for refund. The business cannot sublease or re-lend to others. If the building's sublease or re-lending is approved by the Bureau or branches, it is beyond this restriction. The paid rental and public facility construction expense in the aforementioned Paragraph shall not be refunded in the case of return, sub-lease or re-lending.

All buildings of the business entity should be leased or lent to business of approved establishment within the Export Processing Park. Additionally, the business entity should report to the Bureau or branches for its lease or lending. However, in the case of the building's sub-lease or re-lending by

the business entity of incubator services, it will be allowed not to report to the Bureau or branches.

Article 16

The business entity within the Park should apply to the Bureau or branches for registration in the transference of business building. When both transaction parties settle the price, the business entity should report to the Bureau or branches for future references.

Article 17

The buildings in the Park should adopt inflammable materials which are permanently constructed.

Article 18

The construction line in the Park should be appointed by the Bureau or branches.

Article 19

If owing to construction demand, the business entity has to pile up material that may use or ruin public facilities; the business entity should apply to the Bureau or branches for approval in advance, and restore the public facilities to its original form before deadline.

Chapter IV Occupational Safety and Health and Labor Administration

Article 20

The business entity within the Park should apply to the Bureau or branches for check before operation is proceeded regarding its installation of machinery and equipment within building, safety and sanitation facilities, labor conditions, pollution prevention, fire-fighting equipment and other related affairs.

The Bureau or branches should complete the check within five days after accepting the application. If the check conforms to provisions and implementations are according to investment plan, then the business operation is permitted. When the business within the Park is allowed to start operation according to aforementioned provisions, the Bureau or branches should conduct the check on a regular or non-scheduled basis. If the check finds out items to be improved, it will be handled according to relevant laws and decrees about labor, fire-hazard, and environmental protection.

Article 21

The business entity should prepare the names, positions and other information of employees on duty,

and send this information to police brigade for spot check at any time.

Chapter V Trade Management

Article 22

If a business entity is required to apply for a certificate of origin or a certificate of processing when exporting commodities, it shall submit an application in accordance with the Regulations Governing Issuance of Certificates of Origin and Certificates of Processing.

Article 23

When the business entity exports commodities; the commodities should be labeled their certificate of origin in accordance with labeling provisions for certificate of origin in the commodity export management measures.

In accordance with aforementioned measures, the application may apply to the Bureau or branches for approval in special cases.

Article 24

When business entity exports and imports commodity, it should comply with the commodity export management measures as well as export and import provisions of commodity import management measures. If it's exported and imported commodities are restricted by promulgation of competent authorities

in charge of trading, the business entity should fill out the application of export and import permit, prepare other documents prescribed in the relevant provisions, and apply to the Bureau or branches for approval in accordance with.

Article 25

If the exported commodities are classified by promulgation of relevant authorities in charge of trading as strategic high-tech ones, the business entity should fill out the application of export

permit for strategic high-tech commodity, prepare the relevant documents prescribed in the relevant provisions, and apply to the Bureau or branches for approval in accordance with provisions for export and import management measures of high-tech commodities.

According to the regulations of exporting country, when the business entity imports commodities, it is necessary to obtain international import certificate, delivery verification certificate and written assurance certificate for strategic hi-tech commodities issued by the R.O.C. government in advance; it should first apply to the Bureau or branches for such certificate.

Article 26

In accordance with provisions of foregoing two articles, the business entity could apply for export and import certificates using the online service or information transmitted through e-mail that has record in the computer. This application will be regarded as being handled according to provisions.

Article 27

If the business entity imports commodities from bonded factories, free trade ports, science park, agricultural biotechnology park or other bonded areas, it is exempted from applying to the Bureau or branches for the import permit except provisions in other laws and decrees. The commodities imported from bonded warehouse should be handled in accordance with provisions of Article 26. If the commodities of business entity are exported to bonded factories, bonded warehouses, free tread ports, science park, agricultural biotechnology park or other bonded areas, they are exempted from applying to the Bureau or branches for the export permit except provisions in other laws and decrees.

Chapter VI Entry and Exit Management of Personnel and Vehicles

Article 28

For any vehicle that enters or exits the Park, a request for the vehicle pass shall be made to the Bureau or branches. If no pass has been obtained, the guards may refuse its entry and exit, and may request the personnel or vehicles in the Park to leave. A business entity in the Park may be commissioned by the Bureau or branches to issue, renew, or cancel the pass for its employees or vehicles.

Article 29

The drivers of all automobiles or other vehicles that enter or exit the Park shall hang the vehicle pass at a significant front place of the vehicle. At the exit, the Customs and guards may conduct necessary check.

Article 30

The personnel pass is divided into the following three classifications:

- 1. Employee pass: It is for the use of employees in the Bureau, branches, various destination business entity, business entity, civil organization, and operational or liaison office of manufacturers only.
- 2. Short-term pass: It is for the use of personnel that is in and out of the Park for the short term.
- 3. Temporary pass: It is for the use of personnel that is and out of the Park for one day.

Article 31

If a vehicle enters or exits the Park on a temporary basis, a temporary vehicle pass may be issued.

Article 32

For the purpose of issuance of a vehicle pass, the vehicle using department shall submit an application form along with the vehicle license and driver's license to the stationed police brigade for examination, and then apply to the Bureau or branches for issuing a vehicle pass and Data Source: Ministry of Economic Affairs R.O.C.(Taiwan) Laws and Regulations Retrieving System returning the enclosed documents. If a vehicle often enters or exits the Park in a short term, then a short-term vehicle pass will be issued.

When a vehicle is no longer used, the vehicle pass receiving department shall, within three days, return the vehicle pass to the pass issuing Bureau or branches for cancellation. When the driver is changed, an application shall be submitted along with the original pass for replacement. If a vehicle needs to enter and exit the Park on the same day, the driver may leave his/her driver's license or ID card with the guards at the entrance in exchange for a temporary vehicle pass. Upon leaving, the driver shall return the pass in order to retrieve his/her driver's license or ID card. The pass receiving departments and the departments commissioned to issue the pass on their own, as set forth in the preceding four paragraphs, shall not apply for the pass for non-employees.

Article 33

A vehicle pass is renewed every two years. The pass receiving department shall apply for renewal and have the checking chop affixed by the end of the second year according to notice of the Bureau or branches. The new pass shall be used starting in January of next year. The previous pass shall be returned to the pass issuing Bureau or branches for cancellation before January 10.

If a business entity in the Park is commissioned to cancel, issue, or renew the vehicle pass in accordance with the second paragraph of the preceding article or the preceding paragraph, it shall submit a list to the Bureau and branches for recording upon completion of such cancellation, issuance, or renewal.

Article 34

When the pass receiver loses the vehicle pass issued by the Bureau or branches, the employer shall prove the loss in order to apply for reissuance.

Article 35

When container truck, dray and other delivery vehicles of entry and exit (hereinafter referred to as "transportation vehicles"), loading and unloading machinery, or shipped commodities enter and leave the Park, they should accept the necessary check by stationed personnel.

Article 36

When a transportation vehicle or loading and unloading machine leaves the Park, the driver shall carry the exit documents issued and signed by the receiver or sender. The guards may randomly inspect such documents before release.

All transportation vehicles or loading and unloading machines in the Park, except for those owned by business entities in the Park, shall leave the Park before 9 pm on the same day. If such vehicles or machines must stay in the Park for overtime work due to legitimate reasons, a record shall be filed with the police brigade.

Article 37

To maintain smooth traffic flow and traffic safety, transportation vehicles, loading and unloading machinery cannot take up the roads.

Article 38

The business entity should constrain its employees not to carry bonded goods out of the Park without authorization. The business entity should conduct necessary check when the employees leave the factory.

Chapter VII Supplementary Provisions

Article 39

The regulations come into effect upon the date of promulgation.

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