

Taipei Municipal Self-Government Ordinance for Industrial Development (臺北市產業發展自治條例) is written in Chinese language. In case of any discrepancy between the Chinese version and any translation thereof the Chinese text shall govern.

- Chapter One General Provisions

Article I This Self-Government Ordinance is hereby duly enacted by Taipei City (hereinafter referred to as "the City") in an effort to boost industrial development, encourage innovation and investment, support small and medium enterprises, and enhance industrial competitiveness.

Article II The competent authority in charge of this Self-Government Ordinance is the Taipei City Government (hereinafter referred to as "the City Government"). The Taipei City Department of Economic Development shall be in charge of enforcement.

Article III The terms specified in this Self-Government Ordinance are defined as follows:

1. "Investor" refers to a company, or a small or medium enterprise.
2. "Small and medium enterprise" refers to a small or medium enterprise as defined by the Standards for Identifying Small and Medium Enterprises.
3. "Company" refers to a corporate entity incorporated in Taipei City in accordance with the Company Act also foreign companies which are registered and located within Taipei City.
4. "Industry" refers to agriculture, industry, commerce, and the service sector.
5. Other organization or institution or cooperation: except for investors, other according to related law in Taiwan registered school, institution, cooperation or foundation constituted as a juristic person whose major office is in Taipei.

- Chapter Two Incentives and Subsidies

Article IV Incentives are available, on application, for new investment or each time capital increase for the expansion of a small and medium enterprise meeting one of the following conditions:

1. With an investment of NT\$1 million or above directly related to facilities or technologies for innovation, or improvement of management or services.
2. Investment project deemed, on review, to be innovative, or to have character or potential for development.

Article V Incentives are available, on application, when the actual capital is NT\$80 million and above for companies with new spinoffs or for each time capital increase, and when the investment is made in one of the following industries:

1. Recreation and Tourism
2. Biotechnology
3. Information Services
4. Telecommunications
5. Cultural Creative
6. Health Care
7. Sports and Leisure
8. Convention and Exhibition
9. Renewable Energy

10. Other industries promoted and supported by the City Government

- Article VI Investors satisfying the requirements stipulated in Article IV or Article V are entitled to apply to the Taipei City Government for provision of job training programs and new hired employees' payroll but each investment can only apply for one time. Taipei City may provide investor subsidies up to 50% of the education and training costs, and the maximum amount of the subsidy is NT\$800,000. However, the job training subsidy may be increased to a maximum of NT\$1 million for enterprises, with reference letters from public job-placement agencies, which have hired middle-aged jobless workers up to 1% of their total workforce. Taipei City may provide new hired employee's payroll subsidy if it's related to the new investment also the new employee must be Taipei citizen. In addition, the amount of subsidy is up to NT\$ 10,000 per month and the duration is up to 1 year, the total amount of this subsidy shall not exceed NT\$5,000,000. Job training program and job training program subsidy can only be alternative.
- Article VII Investors meeting the requirements specified in Article IV or Article V may apply to the City Government for a subsidy of annual housing tax, land-value tax, and rental subsidy. The subsidies above shall be limited to one per project. The housing tax, land-value tax subsidy may be provided for the investment project which has purchased or newly constructed real property within the city. Taipei City may provide full subsidy for the first two years and 50%subsidy for the following three years depending on the amount of investment. The maximum amount of this subsidy is NT\$50million. The rental subsidy may be provided for renting private property within Taipei city also it's directly use for the investment project. The amount of this subsidy depends on the investment amount and the rental price on market. The subsidy is up to 50% of the rental costs, duration up to five years and totally under NT \$5,000,000.
- Article VIII Investors meeting the requirements specified in Article IV or Article V may apply to the City Government for help obtaining, a low-interest loan from a financial institution. The City Government may offer subsidies for interest payments for two years, up to 2.5 percentage points of the annual interest. The subsidy in the preceding paragraph shall be limited to one per project, up to NT\$50 million.
- Article IX Where an Investor meets the requirements specified in Article IV or Article V, who has to use City-owned real estate for investment purposes, the City Government may lease out such property or sell superficies rights via open tender. In any of the situations below, the City Government may grant the leasehold directly:
1. Where the City-owned land is less than 500 square meters in area and there is no other City-owned land available for consolidated use.
  2. Where the City-owned building is less than 1,000 square meters in floor space and where the building lot is less than 500 square meters in size.

In case of leasehold or sale of superficies rights mentioned in the preceding paragraph, the City Government may grant the following preferential treatment:

A. Leasehold:

1. The term of the lease shall not exceed a maximum of fifty years. In the event that the lease exceeds five years, the lease agreement shall be duly notarized; the notary fees incurred thereby shall be borne by the lessee.
2. In the event that the Investor leases the land from the City Government to construct a building, the rent is exempted during the construction period; after the usage license is obtained, half rent is charged for two to five years. In case of leasehold of an existing building from the City Government, the rent is halved for two to five years.

B. Establishment of superficies rights:

1. Duration of superficies rights shall be limited to fifty years.
2. Royalty for superficies rights may be equally proportioned by years. The period of proportioning may be up to five years' maximum.
3. Rent is exempted during the construction period, and after the usage license is obtained, half rent is charged for two to five years.

- Article X To encourage industrial innovation and research and development, the City Government offers, on application, subsidies to investors for develop new technology, innovative service model or brands establishment.  
The subsidy in the preceding paragraph shall be limited to one per project, the total amount not to exceed 50% of the overall project budget, up to NT\$5 million.
- Article X-I In order to stimulate industrial cluster, investors and other organization or institution or cooperation could apply for subsidies if it's related to innovative nurture and incubator.  
The subsidy in the preceding paragraph shall be limited to one per project, the total amount not to exceed NT\$3 million.
- Article X-II In order to motivate entrepreneur to start business, investor could apply for subsidies if it's innovative, creative or having potential.  
The subsidy in the preceding paragraph shall be limited to one per project, the total amount not to exceed 50% of the overall project budget, up to NT\$1 million.
- Article XI In the event that an identical incentive or subsidy has been granted by another government entity, the Investor shall not be allowed to apply for such incentive or subsidy in accordance with this Self-Government Ordinance.
- Article XII Investors applying for incentives under Article VI to Article IX of this Self-Government Ordinance must file an application within one year starting from the day after a change of registration for new investment or capital increase. Investors applying for incentives under Article X-II must file an application within one year starting from the day after registered a new company. Investors applying for subsidies under Article X-I must file an application within six months till one day preceding implementation of the project.
- Article XIII The City Government accepts applications for incentives or subsidies in accordance with this Self-Government Ordinance at regular intervals. When the combined amount of all applications

exceeds the current budget, incentives and subsidies for small and medium enterprises shall be prioritized.

Article XIV The funds required for incentives and subsidies under this Self-Government Ordinance shall come from the Industrial Development Fund established by the City Government. The ordinance governing revenues and expenditures, custody, and utilization of the Industrial Development Fund mentioned in the preceding paragraph shall be separately enacted.

- Chapter Three Guidance and Management

ArticleThe City Government may do the following in an effort to boost

XV industrial innovation and value-adding:

1. Provide technological and financing guidance.
2. Help with product design, brand development and marketing.
3. Provide development and training for human resources.
4. Encourage exchange and cooperation between start-ups and venture capitalists.
5. Set up a mechanism to encourage collaboration and interchange among industries, schools and research institutions.
6. Implement other measures to boost industrial innovation and value-adding.

ArticleTo address the need for industrial development, the City Government  
XVI may map out and designate industrial areas or parks for science and technology and relevant industries, and develop such industrial areas preferentially.

For industries located in the industrial areas or parks mentioned in the preceding paragraph, the City Government may establish competent entities and enact ordinances and regulations pertinent to sound guidance and management.

ArticleThe City Government shall review industrial land and use-effectiveness  
XVII of such land and adjust relevant control specifications as needed to promote and rejuvenate such properties.

ArticleWhere the land required by an Investor meeting the requirements set  
XVIII forth in Article IV or Article V is not owned by the City Government, the City Government may assist in obtaining such land within the scope permitted by law

ArticleThe City Government shall survey current industrial and economic  
XIX conditions and trends and promulgate the results.

Business principals and relevant personnel shall not evade, obstruct, or refuse such a survey without justification.

ArticleIn the event that an incentive or subsidy already approved in  
XX accordance with this Self-Government Ordinance proves to have violated Article 119 of the Administrative Procedure Act, or any other laws or ordinances, the incentive or subsidy already approved shall be officially documented and withdrawn, with interest accrued. In the event that the Investor fails to repay within the time limit specified in the notice, such Investor shall be referred to the compulsory enforcement authority.

ArticleIn case of violation of Article XIX, Paragraph II, the principal or actor of  
XXI that enterprise shall be subject to a fine ranging from NT\$10,000 to NT\$30,000, and may be subject to repeated penalty for subsequent offenses.

- Chapter Four Bylaws

ArticleThe City Government shall establish a Review and Evaluation

XXII Committee to review and evaluate incentive and subsidy applications

under this Self-Government Ordinance. The Guidelines for Establishment of such a Committee shall be promulgated by the City Government.

Article XXIII For application for incentives or subsidies under this Self-Government ordinance, the City Government shall prescribe the required documents, review and approval procedures, and other relevant items.

Article XXIV To address issues under this Self-Government Ordinance, the City Government may establish a one-stop service counter to do the following:

1. Provide and answer legal questions consultation services.
2. Accept applications for incentives or subsidies.
3. Help Investors overcome obstacles to investment.

Article XXV This Self-Government Ordinance comes into effect upon the date of promulgation.

