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| Title :       | Act for Establishment of National Institutes Of Applied Research    |
| Date :        | 2002.06.19   |
| Legislative : | 1. Announced on June 19 ,2002  |
| Content :     | <p><b>Article 1</b><br/>This Act is enacted for the establishment of the National Institutes Of Applied Research (hereinafter “NIAR”) to meet the future needs of the country for research in science and technology, create a healthy research environment, make efficient use of common laboratory facilities, and promote advanced research in science and technology for the purpose of upgrading the level of scientific and technological research and nurturing outstanding talents.</p> <p><b>Article 2</b><br/>NIAR shall be incorporated in the form of a non-profit organization with a foundation in pursuance of this Act. Any and all matters not provided herein shall be governed by other applicable laws.</p> <p><b>Article 3</b><br/>The missions of NIAR are as follows:<br/>1. Matters in relation to formulation and implementation of laboratory and research projects;<br/>2. Matters in relation to operation and management of laboratory facilities and development and provision of special laboratory materials;<br/>3. Matters in relation to popularization of results and know-how achieved through laboratory and research projects;<br/>4. Matters in relation to collection of information on, training of talents for and international cooperation in laboratory and research activities; and<br/>5. Other matters relating to laboratory and research.</p> <p><b>Article 4</b><br/>The competent authority in charge of NIAR shall be the National Science Council under the Executive Yuan.</p> <p><b>Article 5</b><br/>The start-up funds of NIAR shall be five hundred million New Taiwan Dollars (NT\$500,000,000), which shall be donated by the central government by way of budget to be earmarked annually.<br/>In case any laboratory research institution or division operated by a government agency under the Executive Yuan is consolidated with and merged into NIAR upon government approval, all national public use property, if any, used by such institutions and division shall be donated to NIAR in pursuance of legal budgetary procedures without subject to the applicable restrictions set forth in the National</p> |

Property Act on the disposal of national property.

#### Article 6

The sources of funds of NIAR shall include:

1. Proceeds from the start-up funds;
2. Government subsidies for specific research projects;
3. Revenue from consignment research activities carried out, services and products provided;
4. Donations from foreign and domestic government, private institutions, organizations and/or individuals; and
5. Other revenues.

#### Article 7

NIAR shall have a board of directors to be composed of eleven (11) to seventeen (17) directors, all of whom shall be appointed by the Premier of the Executive Yuan from among the following persons, and one of whom shall be the chairman of NIAR:

1. Minister of the National Science Council and heads of other relevant government agencies; and
2. Foreign and domestic experts and scholars specialized in disciplines of science and technology with profound experience in research work.

All directors shall serve for a term of three (3) years and shall be eligible for re-appointment. The number of directors appointed under Subparagraph 1 of the preceding paragraph shall not exceed one-third of the total number of directors of NIAR, and each shall be appointed, removed or replaced respectively as he/she may be qualified or disqualified on account of his official position. In case any of the directors appointed under Subparagraph 2 of the preceding paragraph shall fall vacant before expiration of his term, a replacement director shall be appointed by the Premier of the Executive Yuan to serve for the remaining term of the director so replaced.

#### Article 8

NIAR shall have a board of supervisors to be composed of three (3) to five (5) supervisors, all of whom shall be appointed by the Premier of the Executive Yuan, and one of whom shall be the standing supervisor. All supervisors shall serve for a term of three (3) years and shall be eligible for re-appointment. In case any of the supervisors shall fall vacant before expiration of his term, a replacement supervisor shall be appointed by the Premier of the Executive Yuan to serve for the remaining term of the supervisor so replaced.

The standing supervisor shall attend meetings of the board of directors without the right to vote.

#### Article 9

NIAR shall have a president and one (1) or two (2) vice presidents, all of whom shall be appointed by the board of directors. The president shall take charge of all activities of NIAR, subject to the direction and supervision by the board of directors, and the vice president(s) shall have the duty to assist the president in handling activities of NIAR.

#### Article 10

To meet the needs for scientific and technological research and development, NIAR may, upon resolution adopted by the board of directors, establish affiliated laboratory research units, subject to approval of the competent authority. The same applies in case of change and/or dissolution thereof.

#### Article 11

The directors, supervisors, chairman and standing supervisor shall all serve without pay or remuneration.

The organization of NIAR and all rules of personnel management relating to matters such as appointment, removal, salaries, benefits, retirement and pension for full-time employees of NIAR shall, upon resolution adopted by the board of directors, be submitted to the competent authority for approval.

#### Article 12

The budget and final accounts of NIAR shall be prepared and audited in pursuance of the following procedures:

1. Before the commencement of each fiscal year, NIAR shall formulate its work plan and prepare a budget and shall, upon being adopted by the board of directors, submit the same to the competent authority for processing in pursuance of the budgetary procedures; and
2. At the end of each fiscal year, NIAR shall present its work achievements and final account to the board of supervisors for review and auditing and shall then submit the same to the competent authority for processing in pursuance of the final account procedures.

#### Article 13

The Articles of Donation of NIAR shall be established in accordance with this Act and other applicable laws and regulations.

#### Article 14

In the event of change of circumstance, making it impossible for NIAR to attain the objects for which it is established, NIAR may be legally dissolved, subject to resolution to be adopted by the board of directors or announcement to be made by the competent authority. Upon dissolution, NIAR shall undergo the legal process of liquidation. Any property remaining after such liquidation shall be turned to the central government, and all employees of NIAR shall be discharged.

#### Article 15

This Act shall become effective as of the date of promulgation.