

Content

Title : Enforcement Rules of Act for Establishment and Administration of Science Parks **Ch**

Date : 2014.07.01

Legislative :

- 1.Promulgated by the Executive Yuan per Order Ke No.8421 June 19,1981
- 2 Amended by the Executive Yuan per Order Ke No.10351 May 20, 1987
3. Amended by the Executive Yuan per Order Ke No.23655 October 16, 1987
4. Amended by the Executive Yuan per Order Ke No.25031 July 1, 1994
5. Amended by the Executive Yuan per Order Ke No.09567 April 5, 2000
6. Amended by the National Science Council of the Executive Yuan per Order 90 Tai Huei Yuan Chi Zi No.033599 on December 28, 2001
7. Amended by the National Science Council of the Executive Yuan per Order Tai Huei Guei Zi No. 0930069769-1 on November 24, 2004
8. Amended by the National Science Council of the Executive Yuan per Order Tai Huei Hsie Zi No. 0980025568A on April 10, 2009
9. Amended by the Minister of Science and Technology per Order Tsan Zi No. 1030045626A on July 1, 2014

Content : Article 1

These Enforcement Rules are enacted in accordance with the provisions of Article 34 of the Act for Establishment and Administration of Science Parks (hereinafter referred to as the "Act")

Article 2

The requirement set out in Paragraph Two, Article 3 of the Act that the funds invested by a science-based industry in R&D activities shall account for a specific proportion to the total turn-over of the said science-based industry shall mean that the average proportion of the R&D funds invested by a science-based industry to its aggregate turn-over in the last three consecutive years has reached a level which is more than twice as much as the proportion achieved by the nation-wide manufacturing industries as a whole two years ago as revealed in the Indicators of Science and Technology published by the Ministry of Science and Technology(MOST). The requirement as set out in the same Paragraph of Article 3 of the Act that a science-based industry in a Science Park (hereinafter referred to as "SP") shall have adequate research and laboratory instruments and equipment shall mean that the aggregate value of the instruments and equipment procured by such science-based industry shall account for 10% or more of its gross investment, unless the said science-based industry is engaged in producing software products or providing technical services.

Article 3

The enterprises engaging in providing operation, management or technical services as set forth in Paragraph One, Article 4 of the Act include the following enterprises:

1. Power plants, suppliers of special-purpose gases, and enterprises engaging in

providing environment protection, seawater desalination, measurement and inspection services, or other specialized technology-based enterprises such as information or communication services.

2. Enterprises engaging in providing warehousing and transportation, bonded warehouse operation, or logistics centers, or other services.
3. Other enterprises approved by the Science Park Supervisory Committee (hereinafter referred to as the "Park Supervisory Committee") under the Ministry of Science and Technology.

The locations of the above-mentioned enterprises in a science park shall be decided by the Science Park Bureau (hereinafter referred to as the "Park Bureau ") or an appropriate branch office of the Park Bureau.

Article 4

The Term "research institutions" as set forth in Paragraph Two, Article 4 of the Act shall refer to the government institutions or juristic persons mainly engaging in science and technology or industrial R&D activities; and the term "innovation incubator centers" as set forth in the same Paragraph shall refer to the government institutions or juristic persons which provide space, equipment, and professional consulting, technology transfer, and operation and management services to assist the science-based industries using the foregoing services and assistance at the incubator centers to work out their respective business innovation, research, and development plans.

Article 5

The term "innovation and development of science and technology research" as set forth in Subparagraph 4, Paragraph One, Article 6 of the Act shall refer to the following activities:

1. Introduction of new technologies from abroad.
2. Review and promotion of the R&D activities being carried out by science-based industries.
3. Promotion of technology exchange among park enterprises.
4. Provision of incentives and assistance to park enterprises that carry out R&D activities.
5. Organizing academic lecturers or seminars on special topics.
6. Other relevant activities in connection with promotion of innovation and development of science and technology research.

Article 6

The term " one-stop issuance of certificates and/or licenses for industrial and commercial registrations" as set forth in Subparagraph 16, Paragraph One, Article 6 of the Act shall refer to the certification of the following registrations by the Park Bureau:

1. Company registration or recognition.
2. Commercial registration.

3. Factory registration.
4. Other registrations or permits required by the law or under any administrative order given with legal authorization.

One-stop issuance of certificates/licenses may be effected with respect to the registrations made under Subparagraphs 3 through 4 of the preceding Paragraph.

Article 7

Management of the matters under the charge of the Park Administration Bureau or its branch office(s) as set out under Subparagraphs 4, 5, 7 through 9, 17, 19, 22, 24 through 29, 31 and 32 of Paragraph One, Article 6 of the Act may be commissioned to appropriate private entities for handling, whenever such delegation is deemed necessary.

Article 8

Warehousing facilities or park enterprises may concurrently handle customs clearance operations in accordance with the law and may establish bonded warehouses or distribution centers in the park concerned.

Article 9 (Repealed.)

Article 10

The term "in-park investment applications" as set forth in Subparagraph 3, Paragraph Two, Article 7 of the Act shall refer to the applications to be filed by ROC nationals, overseas Chinese or foreign nationals for making investment in the incorporation or establishment, for increasing the equity capital, or for the combined operation or merger of park enterprises, research institutes and innovation incubators and the applications for approval of other investment related matters in accordance with relevant provisions set out in the Act, the Act for Investment by Overseas Chinese, or the Act for Investment by Foreign Nationals.

Except for the application, for investment in the incorporation of a park enterprise; research institutes; and incubation centers, which shall be subject to the approval of the Park Supervisory Committee, all other applications set forth in the preceding Paragraph may be approved by the Park Bureau, and a report of such approvals shall be filed with the Park Supervisory Committee for recordation.

Article 11

The land rental payable by a park enterprise under Paragraph Three, Article 12 of the Act shall be assessed and collected in accordance with Article 105 of the Land Law; and the construction costs of public facilities to be contributed by a park enterprise under the same Paragraph shall refer to the costs invested by the Park Bureau in the construction of roads, transportation facilities, underground pipelines, road lightings, sewerage facilities, water and electricity supply facilities, landscape facilities, and other infrastructures.

A land lessee shall reimburse the expenses actually incurred under the preceding Paragraph in 20 annual installments in proportion to the area of the land leased by

the lessee to the area of the land available for lease in the park.

Article 12

The term "specific area zoning plan(s) for science park" as set forth in Paragraph One, Article 13 and Article 14 of the Act shall refer to those specific area zoning plan(s) formulated by governmental authorities at various levels in support of the development of a science park and officially approved and published for implementation. The term "acquisition of land" as set forth in the same Articles hereinabove mentioned shall refer to the acquisition of the title to a piece of land or the right to use the same.

Article 13

The term "improper use of factory buildings or relevant buildings" as set forth in Subparagraph 2, Paragraph Two, Article 17 of the Act shall refer to any of the following situations:

1. The factory buildings or relevant buildings are used in a manner likely to endanger public safety or sanitation;
2. The factory buildings are not used in accordance with the original plan;
3. Half or more of the factory buildings or warehouses remain unused for a period exceeding the duration prescribed by the Park Bureau or its branch; or
4. Other facts of improper use found by the Park Bureau or its branch.

Article 14

The term "exorbitant selling price" as set forth in Subparagraph 3, Paragraph Two, Article 17 of the Act shall refer to the price offered for sale of an in-park building which, after deducting its depreciable value calculated based on the selling price of a newly constructed building of the same specifications, is 10% higher than the depreciated value of such newly constructed building of the same structure.

Article 15

Tax benefits enjoyable by a distinct science-based industry before its involvement in a corporate merger/consolidation project which have yet to expire or be fully offset shall include the tax benefits enjoyable by the said extinct industry before December 31, 1999 in accordance with the Act or other applicable laws and regulations.

If, after completion of a merger/consolidation project, the surviving or the newly established science-based industry succeeds, in accordance with the provisions of Paragraph One, Article 18 of the Act, to the tax benefits enjoyable by the extinct science-based industry, a separate account book with respect to the assets and business of the extinct science-based industry shall be established and be used as the basis for calculating the actual creditable sales income of or taxes payable for the products or services independently manufactured or provided by the extinct science-based industry.

The account book established under the preceding Paragraph shall contain full

information and independent calculations of the sales, the cost of sales and the gross profit earned by the distinct science-based industry. Beside, respective accurate and reasonable shares of the administration fee and non-operating profit and loss originally contributable by the extinct science-based industry should also be revealed.

Article 16

A bonded area designated under Article 19 of the Act shall be regarded as the area within which the taxation provisions governing bonded goods set forth in the Act shall apply. The different bonded areas in the same science park may be categorized into a single bonded area. The rules governing customs clearance operation applicable to such areas shall be separately formulated by the Customs.

Article 17

The duty-free raw materials, supplies, and semi-finished products imported under Paragraph Two, Article 20 of the Act shall include apparatuses and implements used in production.

The duty-free fuels imported under Paragraph Two, Article 20 of the Act shall be limited to those to be directly used in production by park enterprises in the bonded area.

The park enterprises, which imported from abroad finished goods for trading purposes, under Paragraph Two, Article 20 of the Act, shall mean those that have duly registered additionally for listed trading items, under their concurrent operation, relating to the business thereof.

The act "export of products or services by a park enterprise" as referred to in Paragraph Three, Article 20 of the Act shall include the following situations:

1. Transactions among park enterprises and those between park enterprises and their foreign customers, enterprises in domestic export processing zones, enterprises of Agricultural Science & Technology parks, and bonded factories;
2. The sale of products by any park enterprise to exporters for direct export or for storage in bonded warehouses or logistics centers for pending exportation; and
3. The sale of products by any park enterprise to enterprises of a free harbor zone for operation purposes.

Article 18

Duty-free vehicles imported by park enterprises may be put into use or allowed to run only within the bonded area of the science park and shall be marked with the words "This vehicle is authorized to run within the Bonded Area of the Science Park Only" at conspicuous places on all sides of such vehicles with inerasable paint and in typeface easy to discern.

Article 19 (Repealed.)

Article 20 (Repealed.)

Article 21

Where a park enterprise is importing or exporting products by sea or air transportation, the Park Bureau or its branch offices may demand the harbor or airport authority's consent on ship-side or airplane-side delivery at no additional charge of any warehousing fee.

Article 22 (Repealed.)

Article 23

A park enterprise intending to sell any self-use machines and equipment imported from abroad that was originally exempted from import duties, commodity tax, and business tax to a buyer located outside the bonded area shall get an approval for such sale from the Park Bureau or its branch offices provided that any of the following situations exists:

1. The park enterprise no longer needs such machinery or equipment due to change of its production plan;
2. The park enterprise has declared its dissolution;
3. The court has ordered a compulsory execution against the park enterprise for its performance of debts;
4. The park enterprise is ordered by the Park Bureau or its branch offices to move out of the park area;
5. Old machines and equipment need to be phased out; and
6. Any special situation caused by the operation thereof.

Article 24 (Repealed.)

Article 25

The proper causes required under Paragraph One, Article 24 of the Act shall refer to any of the following circumstances:

1. Loss is incurred due to earthquake, typhoon, flood, fire, drought, insects, war and other acts of God, and loss incurred during transportation;
2. Loss is incurred due to theft;
3. Errors in the records of inventoried raw materials, products under manufacturing, semi-finished products, and finished products in stock, which have not been subject to spot check, are discovered after the inventory-taking process;
4. The actual quantities of bonded raw materials, products under manufacturing, semi-finished products, samples, and finished products in stock taken after inventory-taking process do not correspond to those recorded in the stock record books;
5. Material attrition actually generated in the course of production does not exceed the attrition rate approved by the customs office;
6. Material attrition resulted from inspection conducted by the inspection and test laboratory;
7. Material attrition resulted in the course of R&D activities;
8. Material attrition otherwise resulted on account of the properties of products.

Article 26

The term "park enterprises" as used in Paragraph One, Article 27 of the Act shall refer to the following:

1. Science-based industries and the enterprises that have been officially approved for establishment in the park for providing operation, administration, and technical services;
2. Incubation centers;
3. Research institutes; and
4. The branch offices and divisions set up in accordance with Subparagraphs 3 through 5, Paragraph 1, Article 8 of the Act, and the service businesses having entered into contracts with the Park Bureau or its branch offices.

Article 27 (Repealed.)

Article 28 (Repealed.)

Article 29

The Park Bureau or its branch offices may establish sanitation corps and a fire brigade to maintain environmental sanitation and to meet fire prevention and fire fighting requirements, respectively.

The organizational structure of the sanitation corps and the fire brigade to be formed under the preceding Paragraph and the pay scale for the crew members thereof shall be formulated by the Park Bureau and shall be filed through the Ministry of Science and Technology with the Executive Yuan for approval.

Article 30 (Repealed.)

Article 31

The Enforcement Rules shall come into force from the date of promulgation with exception of Article 6, which amended on April 10, 2009, coming into force from April 13, 2009.