

Budget Act

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Chapter One General Provisions

Article 1 The planning, compilation, review, formation and implementation of the budget of the central government of the Republic of China shall be governed by this Act.

The objective of the budget is to provide the government with the needed funds for completion of its operations within a certain period of time.

The compilation and implementation of the budget shall be based on financial management and observe the macro-economic balance principle.

Article 2 Revenues and expenditures initially estimated by each and every competent government agency according to its administrative plan shall be referred to as a "budget estimate"; a budget that has not gone through the legislative procedure shall be referred to as a "budget proposal"; a budget that has gone through the legislative procedure and announced shall be referred to as a "legal budget."
The budget distributed for each and every government agency to conduct its implementation plan within the scope of a legal budget shall be referred to as a "distribution budget."

Article 3 The term "each and every government agency" shall refer to each and every agency at the central government level. The term "agency unit" shall refer to the main agency and its subordinate units; where there is no subordinate unit, the main agency itself shall be an agency unit.

The main agency as referred to in the preceding Paragraph shall be the competent agency of the agency unit.

Classification of agency units at all levels shall be determined by the central budget accounting and statistics agency.

Article 4 The term "Fund" shall refer to cash or other property collected or to be collected for use for a designated-purpose. The Fund is divided into two categories:

1. General Fund: refers to annual revenues for general-purpose use.
2. Special Fund: refers to annual revenues for special-purpose use, which is further divided into the following categories:
 - (1) Enterprise Fund: refers to the Fund for revolving business use.
 - (2) Debt Service Fund: refers to the Fund raised in accordance with statutory or contractual terms for the purpose of debt repayment.
 - (3) Trust Fund: refers to the Fund managed or disposed in accordance with contractual terms for the interest of domestic and foreign agencies, entities or individuals.
 - (4) Operations Fund: refers to the Fund to be used for any recoverable expenditure not for business purposes.
 - (5) Special Revenue Fund: refers to the Fund with a specific source of revenue and for specific-purpose use.
 - (6) Capital Project Fund: refers to the Fund for use in major public construction projects initiated by government agencies.

Management of the Special Fund may be stipulated by another law separately.

Article 5 The term "allocations" shall refer to the amount to be disbursed in accordance with statutory use and terms. The allocations can be divided into the following three categories by the allowable duration of disbursement:

1. Allocations for Annual Expenses: shall refer to allocations to be disbursed within one fiscal year only.
2. Allocations for Continuous Expenses: shall refer to phased-in continuous allocations to be disbursed in accordance with the given terms or duration.
3. Allocations for Legal Expenses: shall refer to allocations to be disbursed annually during the duration of the specific law in accordance with the given terms.

The establishment, alteration or abolishment of the Allocations for Legal Expenses shall be set by law.

Article 6 The term "annual revenues" shall refer to all revenues during a fiscal year, excluding debt raising and revenues from the surplus from the previous fiscal year.

The term "annual expenditures" shall refer to all disbursements during a fiscal year, excluding debt repayment.

The difference between annual revenues and annual expenditures may be made

up by government bonds, borrowing or the surplus from the previous fiscal year.

Article 7 The term "Financial Commitment" shall refer to the case wherein the legislative authority authorizes the administrative authority to bear debt through juristic act for the national treasury during the current budgetary fiscal year and commit itself to disburse the expenses in the following fiscal years.

Article 8 The legislative authority may make a Financial Commitment to authorize disbursement of expenses in the next four fiscal years as required by government agencies.

The Financial Commitment as referred to in the preceding Paragraph shall be stated as a fixed amount in the budget.

Article 9 Probable disbursement in future fiscal years due to guaranty, surety or contract shall be described with tables in the budgetary statement; where it will have a material impact on the national treasury, the case shall be reported to the Legislative Yuan.

Article 10 The budget for annual revenues and annual expenditures shall, by the nature of revenues and expenditures, be divided into current accounts and capital accounts.

Annual revenues, except reduction in assets and recovery of investment that are capital revenues belonging to capital accounts, are all current revenues and shall be listed in the current accounts.

Annual expenditures, except addition or expansion, improvement of assets and increased investment that are capital expenditures belonging to capital accounts, are all current expenditures and shall be listed in the current accounts.

Article 11 Government budget shall be processed once each fiscal year.

Article 12 Government fiscal year shall commence from January 1 and end on December 31 each year whereas the current fiscal year shall be given the title of the current calendar year of the Republic of China.

Article 13 Annual revenues and annual expenditures, raising of debt, use of the surplus from the previous fiscal year and debt repayment of the government shall all be compiled in the budget. Probable cash disbursement and Financial Commitment required during the fiscal year may also be compiled therein.

Article 14 The fiscal year for government annual revenues shall be determined as follows:

1. Where the period of an annual revenue account is defined clearly, the annual revenue shall be put under the fiscal year to which said period belongs.
2. Where the period of an annual revenue account is not defined, but a period for payment is given, the annual revenue shall be put under the fiscal year in which the payment period commences.
3. Where the period of an annual revenue account is not defined and there is no given period for payment, the annual revenue shall be put under the fiscal

year in which the collection right arises.

- Article 15 The fiscal year for annual government expenditures shall be determined as follows:
1. Where the period of an annual expenditure account is defined clearly, the annual expenditure shall be put under the fiscal year to which said period belongs.
 2. Where the period of an annual expenditure account is not defined, but a period for disbursement is given, the annual expenditure shall be put under the fiscal year in which the disbursement period commences.
 3. Where the period of an annual expenditure account is not defined and there is no given period for disbursement, the annual expenditure shall be put under the fiscal year in which the disbursement obligation arises.
- Article 16 The budget may be classified into the following categories:
1. general budget.
 2. unit budget.
 3. sub-budget of a unit budget.
 4. subordinate unit budget.
 5. sub-budget of a subordinate unit budget.
- Article 17 The general budget is the entire budget the government compiles in each fiscal year, covering annual revenues, annual expenditures, raising of debt, revenue from surplus of the previous year and debt repayment.
- The annual revenues and annual expenditures of the general budget as referred to in the preceding Paragraph shall be compiled according to the overall annual revenues and annual expenditures of each unit budget and the annual revenues and annual expenditures of the subordinate unit budget which shall be included. In the general budget and unit budget, except for the budget for the Special Fund, all items shall be classified as budget for the General Fund.
- Article 18 The following budgets are classified as unit budget:
1. The budget of an agency unit with a legal budget in a government agency.
 2. The budget for the Special Fund in which all the annual revenues and annual expenditures of the Fund budget shall be compiled into the general budget.
- Article 19 The budget for the Special Fund, in which only part of the annual revenues and annual expenditures of the budget shall be compiled into the general budget, shall be classified as a subordinate unit budget.
- Unless otherwise provided for by law, the Special Fund, which is subject to a subordinate unit budget, shall be governed by this Act.
- Article 20 The budget compiled by the classification of agencies or Funds in a unit budget or subordinate unit budget shall be classified as a sub-budget of a unit budget or a sub-budget of a subordinate unit budget.
- Article 21 The compilation procedure of the Special Fund established by the government

shall be governed by this Act; provided, however, that revenues, expenditures as well as custody of the Special Fund shall be governed by regulations stipulated by the Executive Yuan and further submitted to the Legislative Yuan.

Article 22 The budget shall establish reserve funds, divided into the first reserve fund and the secondary reserve fund:

1. The first reserve fund shall be set under the unit budget of a government agency, which shall not exceed one-hundredth (1/100) of the total current expenditures.

2. The secondary reserve fund shall be set under the general budget, the amount of which shall be determined according to the financial conditions.

No reserve funds shall be used for any budget items deleted or budget amount cut down by the Legislative Yuan at the review unless used for Allocations for Legal Expenses or otherwise agreed upon by the Legislative Yuan.

Use of reserve funds in excess of NT\$50 million each time by each and every government agency shall be subject to prior filing with the Legislative Yuan for reference, save those cases of emergency disbursement for calamities.

Article 23 Current revenues and expenditures of the government shall be balanced.

Unless due to abnormal conditions in the budgetary fiscal year, capital revenue, government bonds and borrowing, as well as surplus from the previous fiscal year, shall not be used for current expenditures; provided, however, that if there is a surplus from the current revenues and expenditures, the surplus may be used for capital expenditures.

Article 24 Unless otherwise provided for by law, revenue from tax collection, service fees and revenue generated from implementation of control or other compulsory revenue shall be subject to the budgetary procedure as specified under this Act.

Article 25 The government shall not, outside of the scope of the budget, use public money or funds, dispose of public property or make investments.

Disbursement in violation of the preceding Paragraph shall be restituted in accordance with the provisions provided for in the Civil Code for management of affairs without mandate or torts.

Article 26 The procurement, sale or exchange of bulky movable property and real property of government shall be conducted pursuant to the budgetary procedure provided for in this Act.

Article 27 Unless provided for by law, the government shall not add extra debt outside the scope of the budget; provided, however, that treasury bills may be issued to balance short-term revenues and expenditures of the national treasury in accordance with the National Treasury Act.

Chapter Two Planning and Compilation of Budget

Article 28 The central budget accounting and statistics agency, competent central economic planning agency, auditing agency, competent central finance agency

and all other relevant agencies shall, prior to planning and compilation of budget estimates, forward the information within the following scopes that could serve as a reference for determination of administrative policies to be implemented in the next year to the Executive Yuan:

1. The central budget accounting and statistics agency shall provide the accounting statistics and analysis concerning financial and economic conditions of the previous fiscal year, the trend for the supply and demand of national resources for the next fiscal year as well as suggestions for the enhancement of official and financial efficiency.
2. The competent central economic planning agency shall provide the review and comments on major economic projects of the previous fiscal year as well as the outlook for the future.
3. The auditing agency shall provide information related to the auditing of the budget implementation of the previous year, and suggestions for enhancement of financial efficiency and reduction of non-economic expenditures.
4. The competent central finance agency shall provide information regarding the revenues of the previous year, and suggestions for enhancement of financial efficiency and reduction of non-economic expenditures, financial measures for the next year, as well as the probable maximum revenues.
5. Other relevant agencies shall provide information related to the determination of administrative policies.

Article 29 The Executive Yuan shall try to compile Statistics on National Wealth, Green National Income Account and report on tax expenditures and transferring expenditures.

Article 30 The Executive Yuan shall set the administrative policies for the next fiscal year nine (9) months prior to the beginning of the next fiscal year.

Article 31 The central budget accounting and statistics agency shall, in accordance with the administrative policies, prepare budget compilation directions for the next fiscal year and submit the same to the Executive Yuan for approval and distribution to each and every government agency to act accordingly.

Article 32 All competent agencies shall, in accordance with the administrative policies and the budgetary compilation principles and budget compilation directions approved by the Executive Yuan, prepare a policy implementation plan and a business plan, as well as budget estimates for annual revenues and annual expenditures covering the scope of their jurisdictions and forward the same to the Executive Yuan.

Where newly prepared or altered parts of the policy implementation plan as referred to in the preceding Paragraph covers a period over one fiscal year, the complete plan must be attached.

- Article 33 The policy implementation plan as referred to in the preceding Article and budget estimates may, depending on actual needs, be compiled for long-term application; the regulations for which shall be stipulated by the Executive Yuan.
- Article 34 With respect to major public construction projects and major policy implementation plans, before the budget estimates and budget proposals are compiled, a cost efficiency analysis report on the alternative measures and substitute measures must be first drawn up and attached with a description of the financing and capital employment. And the report should be forwarded to the Legislative Yuan for its files and reference.
- Article 35 The central budget accounting and statistics agency shall audit budget estimates of all kinds in accordance with the law and, depending on actual needs, listen to the description of the budget estimate contents briefed by the competent agency that compiles the budget estimates.
- Article 36 When the Executive Yuan approves the budget estimates of each and every competent agency on the basis of the audit report made by the central budget accounting and statistics agency, for the annual expenditures, it may only approve a quota and notify the relevant competent agency respectively to instruct its subordinate unit to prepare the next year's budget according to its plan and the budget compilation directions.
- Article 37 The unit budget of each and every government agency shall be compiled by the accounts of source for annual revenues and, by accounts of function, program, operation or objective for the annual expenditures. Each program shall, unless unable to measure the workload, choose a respective working measurement unit to calculate the official cost.
- Article 38 The allocations subsidized by each and every government agency unit to the local government shall be collectively described by a table in the general budget proposal.
- Article 39 The compilation of the budget of Allocations for Continuous Expenses shall state the contents, total expenses, implementation period, and quota for each fiscal year of the complete plan. The budget for each year shall be prepared according to the quota of each fiscal year.
- Article 40 The source accounts and their amounts of the annual revenues of the unit budget and the program and operation accounts and their amounts of the annual expenditures shall be compiled into the general budget; provided, however, that where national secrets are involved, they may be compiled separately.
- Article 41 The unit budget and subordinate unit budget of each and every government agency shall be forwarded to the respective competent agency before the given time limit.
- Where the profit or loss of each and every department of the state-owned enterprises or other business it invested in is independently computed, the

sub-budget of the department or other business it invested in shall be attached. With respect to businesses invested in or managed by each and every department or foundation donated to by the government, the competent agency shall, after the efficiency assessment of the investment or donation in the previous fiscal year is made and brought into the final accounting of budget, draw up the operation and capital employment plan, respectively, for submission to the Legislative Yuan every year.

Competent authority shall submit the annual budgetary statement to the Legislative Yuan for deliberation, in the case of a foundation with the accumulated government-donated fund exceeding over 50%, and a foundation being formed by the Japanø remaining assets due to Japan retreat and Taiwan takeover.

Article 42 Each and every competent agency shall audit the budget of annual revenues, annual expenditures and business budget within the scope of its jurisdiction with comments. The competent agency shall forward its comments together with the collected unit budgets of each and every subordinate unit and the main agency, as well as subordinate unit budgets, to the central budget accounting and statistics agency within the given time limit. The competent agency shall also forward the compiled budget of annual revenues to the competent central finance agencies at the same time.

Article 43 Each and every competent agency shall, by the sequence of priority, arrange the annual expenditures budget estimates of its agency unit for review and reference by the Legislative Yuan.

The preceding Paragraph shall apply, mutatis mutandis, to the general budget proposal for the central government compiled by the central budget accounting and statistics agency.

Article 44 The competent central finance agency shall, with respect to the budget for annual revenues submitted by each and every competent agency, add its comments and, together with the budget for annual revenues under its jurisdiction, forward the combined budget to the central budget accounting and statistics agency.

Article 45 The central budget accounting and statistics agency shall prepare the general budget proposal of the central government by combining the various annual expenditures budget and the combined annual revenues budget compiled by the competent central finance agency, and compile the subordinate unit budgets, including the business and non-business ones, in a consolidated table with a description. The central budget accounting and statistics agency shall submit the above-mentioned consolidated table and its comments together with each and every subordinate unit budget along with the general budget proposal to the Executive Yuan for forwarding to the Executive Council of the Executive Yuan. In case the annual revenues and annual expenditures of the general budget

proposal as referred to in the preceding Paragraph are not balanced, the central budget accounting and statistics agency shall seek and propose solutions jointly with the central competent finance agency.

Article 46 The general budget proposal of the central government, subordinate unit budget and its consolidated table shall, after a decision is made by the Executive Council of the Executive Yuan, be turned over to the central budget accounting and statistics agency for compilation and, along with the policy implementation plan, submitted by the Executive Yuan to the Legislative Yuan for its review four (4) months before the beginning of the fiscal year.

Article 47 Unless otherwise stipulated by this Act, compilation of budget estimates and the budget of each and every government agency, approval and the deadline of the approval as well as the number of copies of the prepared budget to be submitted shall be determined by the Executive Yuan.

Chapter Three Review of Budget

Article 48 During the review of the general budget proposal by the Legislative Yuan, the premier, the director-general of the Directorate General of Budget Accounting and Statistics Executive Yuan, the minister of finance shall be present to report respectively on the policy implementation plan and the process of compilation of the annual revenues and annual expenditures of the budget.

Article 49 Review of the budget proposal shall focus on the scale of annual expenditures, surplus or shortage of the budget, performance and efficiency of the plan, and sequence of priorities. For annual revenues, the main focus of review shall be on the annual revenues contemplated to be altered or set, as determined by the accounts of source. For annual expenditures, the main focus of review shall be on annual expenditures contemplated to be altered or set, as determined by the accounts of the agency, function and the Fund.

Article 50 Review of the budget for the Special Fund shall be primarily centered on the business plan, business revenues and expenditures, production costs, employment of capital, reinvestment and major construction projects for the Enterprise Fund; for other categories of the Special Fund, the main focus shall be centered on the employment plan of the Fund.

Article 51 The general budget proposal shall be forwarded to the Legislative Yuan for review and approval one (1) month prior to the beginning of a new fiscal year, and announced by the President fifteen (15) days prior to the beginning of a new fiscal year. For the part of the budget containing any secret information, it shall not be announced publicly.

Article 52 The additional conditions or duration for a legal budget shall govern, unless not permitted by law.
Each and every agency unit shall, with reference to related laws and regulations, implement the additional resolutions attached to the budget proposal adopted by

the Legislative Yuan.

Article 53 During the review of the general budget proposal at the plenary meeting of the Legislative Yuan, the issues and number of attendees may be limited for pro and con debate or debate between or among political parties.

During the review of the general budget proposal at each committee of the Legislative Yuan, the head of each and every government agency should be invited to give a report or a statement, to present their views and to provide related documents, shall not refuse or delay in executing.

Article 54 In case review of the general budget proposal cannot be completed within the given time limit as provided in Article 51 hereof, implementation of the budget by each and every government agency may be conducted in accordance with the following rules:

1. On the part of revenues, the revenues shall be received and verified temporarily according to the standards used in the previous fiscal year and actual number of occurrences.
2. On the part of expenditures:
 - (1) New capital expenditure and new plan expenditure may be disbursed only after the completion of the review procedure for the budget of the current year unless the expenditures are disbursed in accordance with Article 88 hereof or otherwise agreed upon by the Legislative Yuan.
 - (2) For plans other than those mentioned in the preceding Item, disbursement may be carried out in accordance with the originally authorized plan or the number of budgets actually implemented in the previous fiscal year.
3. Revenues and expenditures may be performed to meet the relevant statutory obligations.
4. Raising of debt in response to the needs of revenues and expenditures for the preceding three Sub-paragraphs may be conducted.

Chapter Four Implementation of Budget

Article 55 Each and every government agency shall, in accordance with its legal budget and the rules set by the central budget accounting and statistics agency, compile the distribution budget for annual revenues and annual expenditures.

The distribution budget as referred to in the preceding Paragraph shall be distributed by the month or by term in accordance with the implementation plan, and shall be completed prior to implementation of the budget.

Article 56 The distribution budget made by each and every government agency shall be forwarded to the central budget accounting and statistics agency for approval.

Article 57 The central budget accounting and statistics agency shall notify the competent central finance agency and auditing agency with respect to the distribution budget approved under the preceding Article and notify the competent agency

and the agency that originally compiled the distribution budget.

- Article 58 During the implementation period of the distribution budget by each and every government agency, if a revision of the distribution budget is necessary because of alteration of the original implementation plan or adjustment of the implementation progress and the distributed quota, the procedural rules under the preceding three Articles shall apply *mutatis mutandis*.
- Article 59 In implementing the distribution budget for annual revenues, each and every government agency shall examine actual revenues by the month or by term; any excess amount shall be turned into the national treasury and shall not be unilaterally offset or used for other purposes.
- Article 60 For national property or stocks permitted for sale by law, they shall be sold according to the market price when the ongoing market price is higher than the budget.
- Article 61 In implementing the distribution budget for annual expenditures, each and every government agency shall examine actual expenditures by the month or by the completed progress of the phase-in plan and actual disbursement of allocations item by item. The central budget accounting and statistics agency shall forward the review report on major matters to the Legislative Yuan for file and reference. Allocations for the following month or the following term shall not be disbursed in advance. Unless processed in accordance with Article 69 hereof, the surplus, if any, may be carried over to the following month or the following term for continued application; provided, that it shall be in the same fiscal year.
- Article 62 Within the general budget, there shall be no interaccount use of allocations between separate agency accounts, between separate function accounts and between separate program or operation accounts; provided, however, that this provision shall not apply to the statutory unified accounts appropriated by the Executive Yuan and the first reserve fund.
- Article 63 With respect to the distribution budget for annual expenditures of each and every government agency, if there are no adequate and sufficient allocations in any objective accounts under the program or operation accounts while there is surplus in other accounts, interaccount use may be conducted in accordance with the rules set by the central budget accounting and statistics agency; provided, however, that the surplus shall not be used for expenses on personnel.
- Article 64 In case any government agency finds the allocations are not adequate and sufficient in implementing the distribution budget for annual expenditures, it shall seek the approval of a higher competent authority and forwarding the approval to the central budget accounting and statistics agency for file and reference before the first reserve fund is disbursed. The central budget accounting and statistics agency shall notify the auditing agency and competent

central finance agency of the above situation.

- Article 65 Each and every government agency shall, in accordance with the rules set by the central budget accounting and statistics agency, prepare a report on the implementation status of the budget and the programs to be filed with its competent agency for forwarding to the central budget accounting and statistics agency, auditing agency and competent central finance agency.
- Article 66 The central budget accounting and statistics agency may, depending on actual needs, assign its auditors to check the budget implementation status of any government agency from time to time.
- Article 67 In case the budget for any major construction investment plan of any government agency has not been disbursed within five (5) years, the budget shall be subject to renewed review.
- Article 68 The central budget accounting and statistics agency, auditing agency and competent central finance agency may, from time to time, make an on-site audit of the budget and its employment status as to disbursement, and may further demand the following personnel for furnishing a report:
1. Budget implementation agency.
 2. Contractor of a public construction project.
 3. Providers of goods or services.
 4. Recipients of national investment, cooperation, subsidies or commissions for any project.
 5. Manager of national allocations or property.
 6. Recipient of national distribution budget.
 7. Recipients of loans, guarantees or sureties provided by the budget allocations.
 8. The principal commissioned for investigation, test or study.
 9. Other final recipients of allocations or benefits.
- Article 69 In reviewing reports filed by each and every government agency, or the results of an on-site audit in accordance with Article 66 hereof, if the central budget accounting and statistics agency finds the concerned agency has failed to complete its scheduled work by the quarter or term, or there is a necessity to save the original budget for annual expenditures, the central budget accounting and statistics agency may negotiate with its competent agency for reporting the case to the Executive Yuan for approval to have part or the entire approved distributed quota or distributed quota in each term in the future listed as a reserve to be disbursed on a special project basis when actual needs arise or to be listed as surplus.
- Article 70 In case any government agency is found to have any of the following circumstances, the concerned agency may, subject to approval by the Executive Yuan, use the secondary reserve fund and adjust the amount in the original

account to which it belongs and the Executive Yuan shall compile a table of disbursed amount and forward the same to the Legislative Yuan for review afterward:

1. Allocations for a plan originally approved become inadequate and insufficient as a result of approved adjustment on the allocations in response to actual needs.
2. The original plan requires additional allocations due to an increase in the volume of operations.
3. Additional plans and allocations are required in response to a sudden political event.

Article 71 In the course of budget implementation, if a special event in the nation occurs that makes it necessary to reduce the budget allocations, reduction of the budget may be conducted by a presidential order subject to a resolution by the Executive Council of the Executive Yuan.

Article 72 At the end of the fiscal year, the revenues that have already accrued, but have not been received by an agency, shall be carried over to the next fiscal year as accounts receivable; the use of the allocations that have not been used shall immediately cease. However, for the obligations or contractual responsibilities that have already occurred, but not yet repaid or released, it maybe carried over to the next fiscal year as accounts payable for the previous year or expenditure encumbrances subject to approval.

Article 73 At the end of a fiscal year, the national treasury shall carry over the surplus to the next fiscal year.

Article 74 According to Article 72 hereof, the accounts payable from the previous year or expenditure encumbrances carried over to the next year shall, within ten (10) days after the end of a fiscal year, be reported to the competent agency forwarding it to the Executive Yuan for approval and notifying the central budget accounting and statistics agency, auditing agency and competent central finance agency of the approval, respectively.

Article 75 For any amount paid by error or overdraft, the amount paid in advance but to be reimbursed in accordance with law, and surplus of prepaid payment or payment by estimate, if any of the amount is turned in after the end of a fiscal year, the amount shall be deemed as surplus and shall be carried over to the next fiscal year as revenues.

Article 76 For the quota of Allocations for Continuous Expenses distributed by year, the unused portion after the end of each year may be carried over to next fiscal year for disbursement.

Article 77 If there is any difference in the budget amount that shall be turned in to the national treasury by a subordinate unit as listed in the general budget after review of the legislative process, the Executive Yuan shall, in accordance with

the final Legislative Yuan-approved amount, adjust the budget and implement it accordingly.

Article 78 The budget amount that shall be turned in to the national treasury by each and every subordinate unit shall, in accordance with the budget, be listed as distribution budget for annual revenues and reported for being turned in by each term by the competent agency. At the final accounting of the budget, an adjustment shall be made in accordance with the result of final accounting of the budget as well as the distribution results made pursuant to statutory procedure. Where the amount that shall be turned in to the national treasury that exceeds the budget, the entire amount shall be turned in to the national treasury.

Chapter Five Additional Budget and Special Budget

Article 79 Each and every government agency may apply for an additional annual expenditures budget under either of the following circumstances:

1. Increase of operational work or business in accordance with the law, thereby causing an increase in expenses.
2. Newly added agency established in accordance with the law.
3. Expenses for the business being handled exceeds the legal budget due to a major incident.
4. Where additional budget is required under related laws and regulations.

Article 80 The funds for the additional annual expenditures budget under the preceding Article shall be raised by the competent central finance agency in order to maintain a balance.

Article 81 In case there is an unusual special shortage of legal annual revenues for which Article 71 hereof is not applicable, the competent central finance agency shall make plans to offset the shortage and the Executive Yuan shall make adjustments by increasing or decreasing the budget.

Article 82 The provisions regarding the general budget of this Act shall apply, mutatis mutandis, to compilation, review and implementation procedures of the additional budget.

Article 83 In any of the following circumstances, the Executive Yuan may, outside of the annual general budget, propose a special budget:

1. National defense emergency facilities or war.
2. Major national economic event.
3. Major calamities.
4. Major political event that takes place irregularly or once every few years.

Article 84 For the review procedure for a special budget, the provisions regarding the general budget in this Act shall apply mutatis mutandis; provided, however, that part of the budget may be appropriated in response to emergency needs under the circumstances as specified in Paragraphs One to Three of the preceding

Article.

Chapter Six Subordinate Unit Budget

Article 85 The Enterprise Fund budget in the subordinate unit budget shall be compiled according to the following rules:

1. Each and every competent agency of state-owned enterprises shall, in accordance with the administrative policies and the Executive Yuan-approved general principles for business plan and budget compilation directions, prepare the business plan for the enterprises under its jurisdiction and instruct its subordinate enterprises respectively to draw up a business plan and, based on the business plan, compile the budget.
2. The major contents of the Enterprise Fund budget are as follows:
 - (1) Estimate of revenues and expenditures from business.
 - (2) Construction, improvement, expansion of fixed assets and source of capital, as well as, cost and efficiency analysis of investment plans.
 - (3) Raising and repayment of long-term debt.
 - (4) Estimate of capital reinvestment and its profit and loss.
 - (5) Estimate of profit distribution and loss replenishment.
3. The rules specified in the preceding Sub-paragraph shall apply *mutatis mutandis* to the budget for newly established enterprises.
4. For transfer, suspension of operation or cancellation of state-owned enterprises, the budget shall be compiled on the basis of liquidation of assets and liability and related revenues and expenditures.
5. Computation standards for the estimate of business revenues and expenditures shall be set in accordance with the individual business situation. Where cost accounting applies, the cost computation method, unit cost, consumption of labor and quantity of materials, as well as related information, shall be attached by products, and variable costs and fixed costs shall be analyzed.
6. Items for distribution of surplus and replenishment of loss are as follows:
 - (1) Distribution of surplus:
 - (i) Replenishment of losses over the years.
 - (ii) Appropriation of legal reserves.
 - (iii) Distribution of dividends or bonus, or profits to be paid to the national treasury.
 - (iv) All matters for distribution in accordance with the law.
 - (v) Undistributed surplus.
 - (2) Replenishment of loss:
 - (i) Appropriation of undistributed surplus.
 - (ii) Appropriation of legal reserves.
 - (iii) Decrease of capital.

(iv) Increase of capital to make up for the loss.

7. With respect to investment, which requires over a year to complete, the contents of the plan, total amount of investment, period of implementation, and annual distribution quota for each year shall be described clearly. The respective annual budget shall be compiled in accordance with the annual distribution quota for each year.

Transfer, suspension of operation of state-owned enterprises shall be conducted in accordance with the budgetary procedure.

Article 86 The amount of profits to be paid to the national treasury, losses to be made up by the treasury and the increase or withdrawal of government investment of the Enterprise Fund of subordinate unit budgets shall be compiled into the general budget; for other categories of the Special Fund, losses to be made up by the treasury and the amount to be paid to the treasury shall be compiled into the general budget.

When each and every agency of a subordinate unit budget processes capital increase by legal reserve of the previous fiscal year appropriated in accordance with the statutory procedure, the Legislative Yuan-approved amount in the subordinate unit budget for the current year shall govern, without being required to compile the amount into the general budget as set forth in the preceding Paragraph.

Article 87 Each and every agency that compiles the Enterprise Fund budget shall, according to its business condition and Article 76 hereof, draw up the phase-in implementation plan and table of estimate for revenues and expenditures; the revenues and expenditures required to be adjusted in conjunction with the fluctuation of the business shall be handled in the final accounting of the budget.

The execution of the phase-in implementation plan and table of estimates for revenues and expenditures as referred to in the preceding Paragraph shall be first approved by the competent agency; the approval shall also be forwarded to the central budget accounting and statistics agency, auditing agency and competent central finance agency for their files and reference.

Article 88 Implementation of the subordinate unit budget, if there are major changes in the management environment or for normal operation needs, may, with approval by the Executive Yuan, proceed in advance without being restricted by Articles 25 to 27 hereof. However, when it involves construction, improvement, expansion of fixed assets, capital reinvestment, sale of assets, raising of long-term debt and debt repayment, supplementary budget procedure shall be required. When a transaction from the Enterprise Fund is in excess of NT\$300 million and NT\$100 million for other Funds, the case shall be forwarded to the Legislative Yuan for their files and reference; provided, however, Funds

processed according to Article 54 hereof or for emergency disbursement for calamities shall be exempted.

The preceding Paragraph shall apply to the implementation of the budget for official agencies that have enterprise or business behavior attached to its operations.

The normal operation of the subordinate unit budget in Paragraph One shall refer to the current scope of operations of the subordinate unit.

Article 89 In the subordinate unit budget, the losses to be made up by the treasury and the amount to be paid to the national treasury of the Special Fund budget, rather than the Enterprise Fund, shall be compiled into the general budget; provided, however, the surplus of operations or Funds appropriated from legal reserves are not included. For the compilation, review and implementation of the profit-loss and cost accounting of the budget, the provisions related to the Enterprise Fund shall apply mutatis mutandis; provided, however, that the Trust Fund shall be governed according to its given terms and conditions.

Article 90 For any matters related to compilation, review and implementation of subordinate unit budgets not provided for in this Chapter, the provisions of other Chapters of this Act shall apply mutatis mutandis.

Chapter Seven Supplementary Provisions

Article 91 Where legislators propose bills that largely increase annual expenditures or decrease annual revenues, legislators shall seek comments from the Executive Yuan and point out sources of funds; and, when necessary, proposals for amendments to other laws shall also be presented.

Article 92 Agencies established not in accordance with the related organization laws and regulations shall not be allowed to compile a budget.

Article 93 The Judicial Yuan may independently compile its judicial budget estimates. The Executive Yuan may offer its comments on the judicial budget estimates compiled by the Judicial Yuan and compile the same into the general budget for review by the Legislative Yuan.

In case the president of the Judicial Yuan deems it necessary, he or she may ask to be present at the Judiciary, Organic Laws and Statutes Committee meeting of the Legislative Yuan.

Article 94 Unless otherwise provided for by law, grant of quota, frequency, or other limited or fixed amount special licenses shall be conducted by open auction or public invitation to tender and the proceeds of which shall be turned in to the national treasury.

Article 95 Members of the Control Yuan, Budget Accounting and Statistics commissioners, assistant auditor general, and prosecutors may, with regard to budget matters, prosecute, appeal or join the lawsuit for the agency or subordinate unit.

- Article 96 Budget for local governments shall be separately set by law.
Prior to enactment of the law as referred to in the preceding Paragraph, this Act shall apply *mutatis mutandis*.
- Article 97 Nomenclature of budget accounts shall reflect the nature of the matter. The nomenclature of accounts for sources of annual revenues and the classification shall be governed by the Government Revenue and Expenditure Jurisdiction Demarcation Act. For nomenclature of accounts for function, program or operation and objective and the classification of annual expenditures, they shall be determined by the central budget accounting and statistics agency.
- Article 98 The forms for budgetary statement shall be determined by the central budget accounting and statistics agency.
- Article 99 After the amendment of this Act takes effect, the Executive Yuan shall prepare a one-time 18-month budget to link the new and old fiscal year so that due adjustment can be made accordingly.
- Article 100 This Act shall take effect on the date of promulgation.
The implementation date for amended provisions of this Act shall be announced by the Executive Yuan within two fiscal years after promulgation of the amended provisions of this Act.