

Regulations for the Establishment and Supervision of Communications Foundations

19 Articles were promulgated by the NCC on July 20, 2020 , Ref. Order Tong-Chuan-Zi-Yuan-Zi No.10943016700.

- Article 1 These Regulations are enacted in accordance with the provisions of Paragraph 1, Article 9, Paragraph 3, Article 24, Paragraph 5, Article 25, Paragraph 2, Article 50, Paragraph 2, Article 61 and Paragraph 3, Article 63 of the Foundations Act (hereinafter referred to as the Act).
- Article 2 The competent authority for these Regulations is the National Communications Commission (hereinafter referred to as the Commission).
- Article 3 The terms used in these Regulations are defined as follows:
1. Communications foundation: It refers to the foundation having the Commission as the national competent authority for business objectives for its main business.
 2. Salary: It refers to the remuneration received by the chairperson of the board of directors and other employees of the communications foundation for their work; it includes wages, salaries and allowances paid in cash or in kind by the hour, day, month, piece, and other recurring compensation payments.
 3. Bonus: It refers to the year-end bonus, appraisal bonus and performance bonus.
 4. Other compensation payment : It refers to non-recurring compensation payment other than salary or bonus, with the nature of benefit assistance, education grants, leisure and recreation, health promotion, incentives, etc.
- Article 4 The establishment and supervision of the communications foundation shall be handled in accordance with the relevant provisions of the Act and these Regulations.
- Article 5 Upon the establishment of the communications foundation, the total donated property shall not be less than NT\$10 million, unless the communications foundation has already been established and registered before the implementation of these Regulations.
- Article 6 The government- endowed communications foundation shall establish personnel, accounting, internal control and audit systems, and report them to the Commission for approval; the privately sponsored communications foundation whose total assets registered in the court amount to more than NT\$30 million shall establish an internal control and audit system, and report it to the Commission for reference.
- The financial statements of the communications foundation in the preceding paragraph shall be audited and attested by an CPA, and the ethical corporate management specifications shall be formulated in accordance with the Guidelines for the Ethical Corporate Management Specifications Guidelines for Communications Foundations (Annex 1).
- Article 7 For the communications foundation whose financial statements shall be audited and attested by a CPA, the formats, items, preparation methods and mandatory provision items of the work plan, budget, working report and financial statement that should be sent to the Commission for reference in accordance with the provisions of Paragraph 1, Article 25 of the Act shall be handled in accordance with the template examples (Annex 2 and Annex 3) stipulated in these Regulations and the format of the financial reports stipulated in Article 14 of the Standards Governing the Accounting and Preparation of Financial Reports of Communications Foundations.
- If the government- endowed communications foundation shall submit the budget statement and final accounts statement to the Legislative Yuan for review in accordance with the Budget Act and Financial Statement Act, the budget statement and final accounts statement shall be processed in accordance with the format specified in these Regulations (Annex 4 and Annex 5).
- Article 8 For a government- endowed communications foundation, if all or part of the funds are endowed or donated by a public legal person established in accordance with the law, there should be a certain proportion of directors and supervisors to be served by the representatives recommended to the Commission in writing by the originally endowing or donating public legal person.
- The ratio of the directors and supervisors served by the representatives recommended by public legal persons in the preceding paragraph to the total number of directors and supervisors of the said

communications foundation shall be based on the ratio of the total amount of donations and endowments of the public legal person to the said communications foundation's total funds at the time of each re-election. When it is not a whole number, it shall be rounded to the nearest whole number. The same shall apply to those with managing directors in the board of directors.

Article 9 If there is any change in the total amount and its type and quantity (amount) of property registered to the court of the government- endowed communications foundation, it shall be reported to the Commission for permission before the communications foundation applying to the court for change registration.

For the change in the total amount of endowed property referred to in the preceding paragraph, when the property type is securities, it is the situation with the posting of premium or discount generated when the securities are realized. For other types of property, it shall be recognized in accordance with relevant laws and regulations.

When purchasing and disposing of real property, the government-endowed communications foundation shall submit the appraisal report and evaluation plan, which shall be approved by the board of directors, to the Commission for approval.

Article 10 The government- endowed communications foundation shall state the annual work goals (Annex 6) in the said annual work plan (policy) listed in the budget statement, and prior to April 15 of each year, complete the previous year's work performance evaluation (Annex 7) and submit it to the Commission for reference after the board of directors has approved it.

When preparing the annual manpower expense budget, the government- endowed communications foundation shall consider the calculation and estimation of the operating conditions, surplus of budgetary revenue and expenditure, employment expense affordability, etc., to prepare the bonus budget.

Article 11 The government- endowed communications foundation shall submit its work plan (policy) to the Commission for reference five months before the beginning of the fiscal year (before the end of July of each year), and submit the prepared budget to the Commission for review. The Commission shall compile the budget statements of the government- endowed communications foundations to the Legislative Yuan together with a letter, four months before the beginning of the fiscal year (before the end of August of each year), prior to the end of May of each year.

The government- endowed communications foundation shall send the work results of the previous year to the Commission for reference prior to April 15 of each year, and submit the final accounts to the Commission for review. The Commission shall compile the final accounts statements of the government- endowed communications foundations to the Legislative Yuan together with a letter, prior to the end of May of each year.

Article 12 The Commission shall conduct an on-site inspection to the government- endowed communications foundation in accordance with the On-Site Inspection Plan for Government- Endowed Communications Foundations (Annex 8) prior to September 30 of each year. The frequency of on-site inspections may be increased if necessary.

Article 13 The concurrent serving fees of the directors and supervisors of the government- endowed communications foundation are paid monthly. The establishment or change of the payment basis shall be approved by the board of directors and submitted to the Commission for approval.

If the personnel mentioned in the preceding paragraph are subject to the Payment Table of Concurrent Serving Fees for Military, Government Employees, and Teachers, the upper limit of the payment shall be handled in accordance with the provisions of the said table's receipt restrictions.

Article 14 The establishment or change of the salary payment items and basis of the full-time chairperson and other employees of the government- endowed communications foundation shall be handled in consideration of the factors listed in Paragraph 2 of Article 53 of the Act, and be reported to the Commission for approval after being approved by the board of directors.

The upper limit of the salary payment basis in the preceding paragraph and exceptions are as follows :

1. The remuneration of the chairperson of the board of directors shall not exceed the remuneration of the chairperson of the Commission (excluding the survey and research fee).
2. Other employees: The remuneration of the managerial officers shall not exceed the remuneration of the chairperson of the Commission (excluding the survey and research fee);

the remuneration of the rest employees shall not exceed the remuneration of the vice chairperson of the Commission (excluding the survey and research fee).

3. If the employees belong to high-tech, scarce or other special research fields, with difficulties to recruit talents, the upper limit stipulated in the preceding two paragraphs may be exceeded, if necessary.

For the upper limit of the salary payment basis of the government- endowed communications foundation reported to the Commission for approval in accordance with Subparagraph 3 of the preceding paragraph, the following documents shall be submitted :

1. The title, number, job content, required qualifications, salary cap, salary payment method, and estimated time of employment of these employees
2. An explanation of the necessity of hiring these employees for the foundation and the benefits to improving operational performance, with supporting documents
3. Description of the high-tech, scarce or special research fields of these employees, with supporting documents
4. The average market salary level of the employees, with supporting documents
5. The expected performance and performance evaluation methods of these employees
6. Other documents required to be submitted by the Commission

When the application in the preceding paragraph is under preliminary review by the review team set up by the Commission, the foundation shall send personnel to state opinions or provide explanations at the review meeting.

Article 15 The government- endowed communications foundation shall conduct an annual performance appraisal to the personnel prescribed in Subparagraph 3, Paragraph 2 of the preceding article, and report the appraisal results to the Commission for reference; for those who fail to meet the work goals by the appraisal results, it shall review the consideration of reducing their salary standards from the next year.

The appraisal results of the preceding paragraph shall be sent to the Commission together with the legal person's work performance evaluation prescribed in Paragraph 1 of Article 10. The Commission may request the government- endowed communications foundations to submit or update the documents listed in Paragraph 3 of the preceding article.

Article 16 The government- endowed communications foundation shall determine the payment items, objects, amount (or upper limit) and other conditions in its management regulations for the bonuses and other payment to its full-time chairperson and other employees, and submit them to the Commission for approval after the board of directors has approved them, and the same applies to any changes thereof.

The bonus prescribed in the preceding paragraph is limited to the year-end work bonus or performance appraisal bonus of up to 2.5 months' salary per person per year. However, if the annual work results have reached the annual work goals and been approved by the Commission, the government-endowed communications foundation may provide an additional performance appraisal bonus of up to 1.9 months of salary per person per year. The Commission may also adjust the upper limit of the performance appraisal bonus according to the performance.

For the bonus in Paragraph 1, the government- endowed communications foundation may set a differentiated bonus payment standard, based on individuals' performance appraisal results, and report it to the Commission for reference after the board of directors has approved it.

The government- endowed communications foundation shall estimate the provision of the total amount of bonuses issued in the year-end final accounts, and the remaining amount of the current year surplus after the provision of performance appraisal bonus shall not be less than the budget surplus.

The other compensation payment prescribed in Paragraph 1 shall be limited to the scope equivalent to the payment items and basis provided to the Commission's employees.

Article 17 The dissolution or change of purpose, the selection and dismissal of the chairperson of the board of directors, and the investment business of the government- endowed communications foundation must be handled in accordance with the provisions on special resolutions of Article 45 of the Act.

Article 18 For those privately-endowed communications foundations to which the provisions of Paragraph 1, Article 63 of the Act apply, and designated by the Commission, the provisions of Article 9 and Article 12 to Article 16 shall apply mutatis mutandis to them.

Article 19 These Regulations are implemented since the promulgation date.