

A stylized globe is the central focus, rendered in shades of orange and yellow. It is surrounded by several concentric, semi-transparent circular bands. From the top left, a series of thin, curved yellow lines sweep across the upper portion of the cover, creating a sense of motion and connectivity. The overall color palette is warm, dominated by yellows and oranges.

2012

**Annual Report of**  
National Treasury Administration

National Treasury Administration, Ministry of Finance

July 2013

**National Treasury Administration**



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# I. Preface

The National Treasury Administration (NTA) is responsible for the revenues and expenditures of the National Treasury and the administration of relevant affairs. It also handles related businesses regarding tobacco and alcohol administration, the management of public welfare lottery and the administration of government-owned shareholdings etc. We play an important and active role in the administration of the nation's policies. To meet funding required for boosting the government's various initiatives, we are actively raising funds and carefully utilizing fiscal policies, as well as through advanced financial management strategy, to explore new financial resources and reducing non-economic expenditures in support of government policy implementation. To maintain a stable and sound financial structure, we improve the management of the National Treasury, work to increase fiscal revenues, enhance financial performance, reinforce management in government-owned sharesholds, implement the autonomy of finance for local government. At the same time, to safeguard the health of the public, we strengthen the seizure of illegal alcohol and tobacco products and promote the Alcohol Quality Certification System. In future prospect, the fiscal planning of the government needs not only to respond to the international trend but also to review the advanced strategy so that we can speed up infrastructure and bring about economic growth. We shall continue to pursue "Project for Improving Government Financial Performance", "Strengthening the Financial Plan for Major Public Infrastructure Projects" etc, so as to achieve financial efficiency. Major achievements of this year are as follows :

1. Due to the worsening debt crises in the Euro Zone and the U.S., and the stagnation of global economic growth as well as the continuous decrease in our exports, the NTA, through careful review and coordination, completed the preparation of the FY 2013 Central Government general budget as scheduled, with a small scale growth in both annual revenues and expenditures. To maintain the balance of the momentum of domestic demand and a sound financial situation, both the deficit and the net increase of the outstanding debt of the central government budget in 2013

(including General and Special Budgets) are also gradually being reduced.

2. In order to enhance debt transparency, the NTA set up the web pages of “the Latest National Debt Clock” and “the Latest Local Debt Clock” as well as released the local government debt status during the tenure of each mayor of the local government from 2001 to 2011. In addition, the NTA set up a link to the web page of the DGBAS and disclosed the implicit contingent liabilities so as to completely disclose the overall debt status of the government.
3. In order to improve the finance of local government, the MOF proposed the draft amendment of the “Act Governing the Allocation of Government Revenues and Expenditures”. The draft amendment was approved by the Executive Yuan Meeting and sent to the Legislative Yuan for review. In addition, to meet the requirement of budget preparation of all levels of government for 2013, the MOF coordinated with the local governments in a consensus on 29<sup>th</sup> June, 2012 to adopt continuously the matching mechanism of “Centrally-Funded Tax Revenues to be paired with General and Special Subsidies”, so as to safeguard the local finance. The actual amount of centrally-funded tax revenues was NT\$193.1 billion in 2012, NT\$0.7 billion in excess of collection. When compared with the figure for 2011, it represented an increase of NT\$4.1 billion, or 2.16 %. This higher amount would help to ease the fiscal pressure on the local governments.
4. The MOF has been promoting continuously “Strengthening the Financial Plan for Major Public Infrastructure Projects” in order to meet the substantial funding needs of the government's major public infrastructure projects. We held workshops to assist the various government agencies to use innovative ideas to increase construction financing and speed up the public infrastructure projects. The 2012 financial performance included an increase in revenues by about NT\$125.85 billion, and a reduce in expenditures by about NT\$298.43 billion.
5. Supervising the Issuance of Public Welfare Lottery. As of 31<sup>st</sup> December, 2012, the surplus amount was NT\$27.21 billion, distributed to the Ministry of Interior with NT\$12.25 billion for national pension, the Central Health Insurance Bureau with approximately NT\$1.36 billion for reserve of universal health insurance and the

local governments with NT\$13.61 billion to assist their social welfare programs.

6. For the purpose of improving the effectiveness of tobacco and alcohol administration, we amended regulations related to the tobacco and alcohol administration as well as promoted the alcohol certification system, the inspection system for imported alcohol products, and seizure of illegal alcohol and tobacco products to protect the rights of consumers and the health of the public. To promote the development of domestic alcohol industry, we continued to hold “The Nectar Cultural Carnival of Alcohol Products Industry” in 2012. The MOF also processed a total of 48,186 applications for inspection in 2012, effectively prevent the import of low qualified alcohol products of unknown origin or with harmful ingredients.
7. The MOF amended the “Selection Regulations for Agent Bank of Local Government Treasury”, “Regulations on the Management of the Central Government Agency Account”, “Regulations for the Payment of Tax Revenue Collected by the Commissioned Bank, Agency Institute, and Tax Collections Institute of Government Treasury at Each Level” and “Handbook for Treasury Management” to improve the efficiency of government treasury management.
8. To carry out the vision of the President to develop Taiwan in the next decade, we took the responsibility to compile the chapter on the strategies of sound and stable finance in the “Golden-Decade” from June 2011. The compilation tasks such as major policy reform directions, priority policies and the national development plan were completed in FY 2012.

We hereby compile our tasks of the year into this annual report. For further information and the latest updates on our work, please visit our website at <http://www.nta.gov.tw>. We would appreciate your comments.



Director-General  
National Treasury Administration



## **II. Organization and Functions**

## II. Organization and Functions

### 1. Organizational History

From the early years of the Republic of China, the Central Government had already established the Ministry of Finance directly under the great president as the supreme agency governing the national finance. Under the director general of the Ministry were five departments namely, the National Treasury, Government Bonds, Taxation, Currency, and Accounting. The Department of National Treasury was in charge of the utilization of national funds and the administration of receipts and payments. The Ministry of Finance under the Beijing government promulgated the official system and changed the Chinese name of the Department of National Treasury from Kuo-Ku to Ku-Tsang, and changed the name of the Department of Currency from Chien-Fa to Chien-Pi.

After the National Government established its capital in Nanjing, the government enacted and promulgated the Organizational Act of the Ministry of Finance on 8<sup>th</sup> December, 1928. The Ministry consisted of two agencies, six departments, and three offices. The Department of National Treasury was responsible for the utilization of national assets, examination of appropriations, safekeeping of funds, and the administration of the receipts and payments of the National Treasury. On 26<sup>th</sup> March, 1940, the National Government amended and promulgated the Organizational Act of the Ministry of Finance, the Ministry was changed to consist of three agencies, five departments, and two offices. The Department of National Treasury was then upgraded as an agency and the Organizational Act of the National Treasury Administration was promulgated on the same day. There were 4 sections and 1 office in the Agency: First Section was responsible for the formulation and review of the public treasury system, interpretation of regulations, and general secretarial works. Second Section was in

charge of the audit of the National Treasury revenues and reports. Third Section was responsible for the audit of the National Treasury expenditures, reports, and the appropriation of special funds for all central agencies. Fourth Section was in charge of the audit of special fund revenues of the Central Government. The Accounting Office was responsible for the annual accounting of the Agency's funds and statistical affairs.

The National Government amended and promulgated the Organizational Act of the National Treasury Agency on 10<sup>th</sup> February, 1942, and expanded the organization into 6 sections and 2 offices: First Section was responsible for the planning of the public treasury system. Second Section was in charge of the examination of National Treasury revenues. Third Section was in charge of the examination of National Treasury expenditures. Fourth Section was responsible for the audit of local government annual expenditures and reports. Fifth Section was in charge of the administration of special funds and the examination of receipts and payments of government-owned properties. Sixth Section was responsible for the audit of public debt, government bonds and donations. The Statistics Office was in charge of the statistical affairs regarding the receipts and payments of the National Treasury and county (city) treasuries. The Accounting Office was responsible for the annual accounting of the Agency funds and the statistics of the National Treasury. On 22<sup>nd</sup> July, 1981, the President promulgated the amended Organizational Act of the National Treasury Administration, which stipulated that the Agency was to have 1 Director-General, 1 or 2 Deputy Director-Generals, four business divisions and three offices (secretariat, personnel office, and accounting office).

## 2. Present Organization

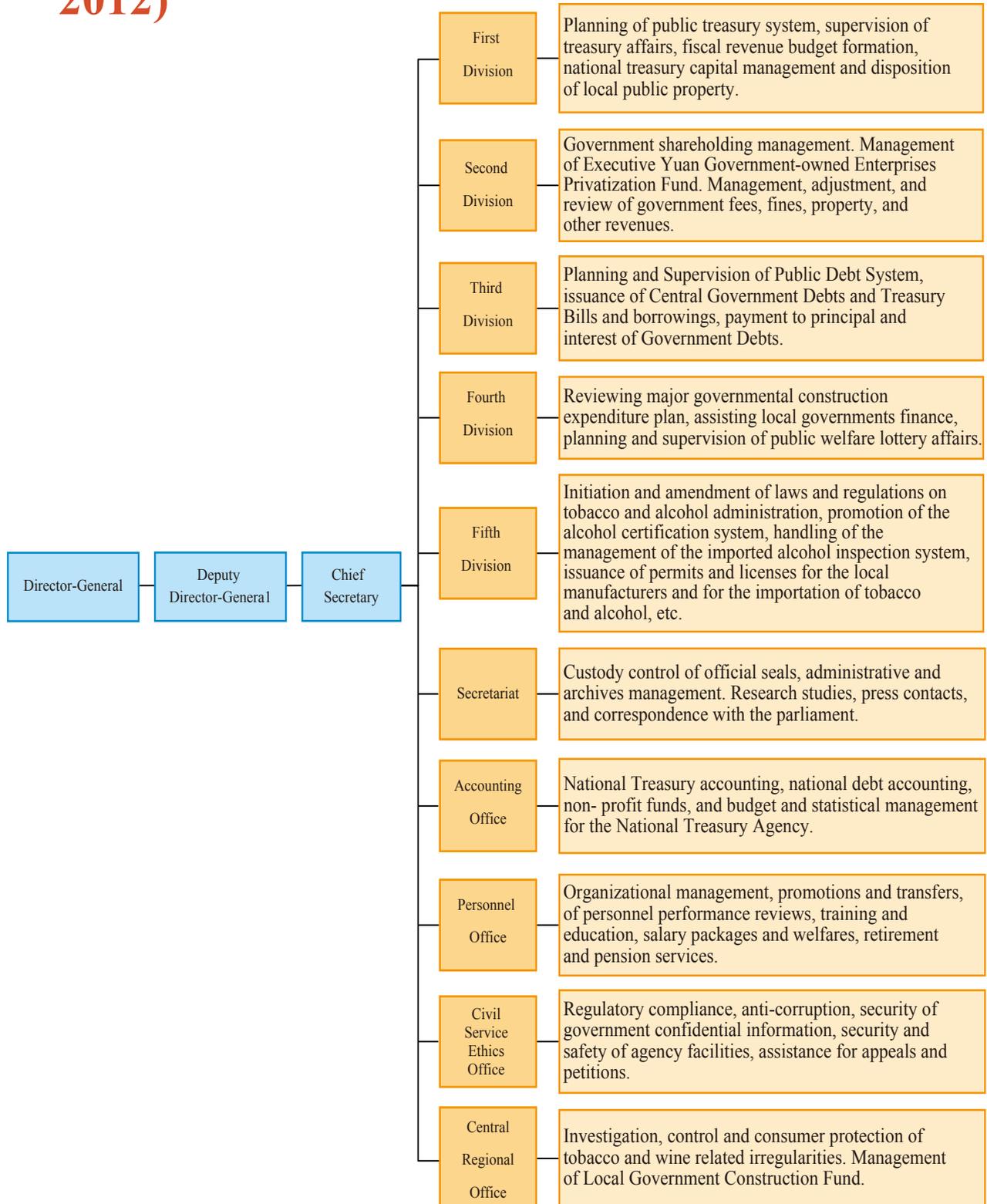
- (1) On July 1<sup>st</sup>, 1999, based on the Principles of the Taiwan Provincial Government Functional Business and Organizational Adjustment issued by the Executive Yuan, the Agency took over the Provincial Government's

employees and operations that had originally belonged to the former Provincial Department of Finance, and continued its business operations at the same location after renaming it as the Central Regional Office (The National Treasury Affairs) under the Ministry of Finance. Four different Sections were established to administer the supervision and advisory of local government treasuries; to supervise financial planning for major local government projects; to provide advice for public debt of local government; to supervise and examine local government financial affairs; to monitor and audit funding and budget execution, fund management utilization; as well as to investigate and control tobacco and wine irregularities.

- (2) To operate in accordance with the provisions in Article 10 of Public Debt Act, Central Government Debt Service Fund is to be set up in the second half of 1999 and 2000 to handle the financial operation of the repayment of the debt due, early repayment of the outstanding debt, and the conversion of high interest rate debt to low interest rate debt, the agency will handle those new business.
- (3) In line with ending of the tobacco and alcohol monopoly and the opening up of the tobacco and alcohol market in Taiwan to private sector operators, “The Organizational Act of the National Treasury Agency” was amended and promulgated by the Presidential Order on April 19<sup>th</sup>, 2000, and the Agency set up one more division to handle tobacco and alcohol affairs.
- (4) In line with the establishment of the Financial Supervisory Commission on July 1<sup>st</sup>, 2004, the NTA took over some of the business affairs originally handled by the Bureau of Monetary Affairs.
  - I. The Bureau of Monetary Affairs was originally responsible for the issuance and administration of Public Welfare Lottery. The NTA is responsible for handling the affairs of the Public Welfare Lottery Supervisory Committee and appropriation of earnings. In responding to the establishment of the

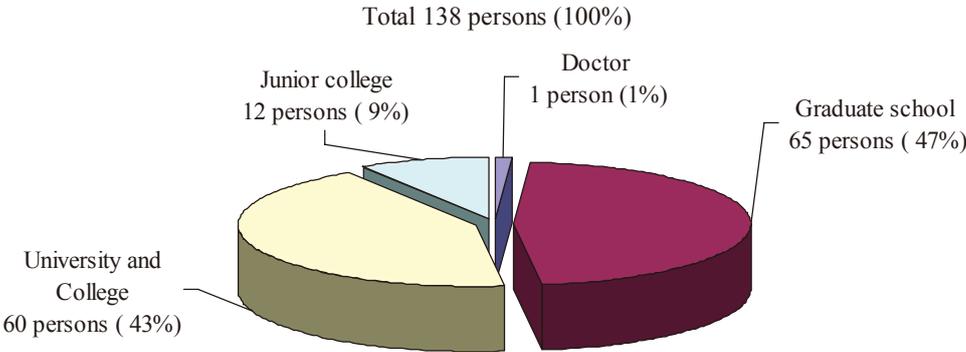
- Financial Supervisory Commission on July 1<sup>st</sup>, 2004, the issuance and administration of Public Welfare Lottery was transferred to the Fourth Division of the NTA from January 1<sup>st</sup>, 2004.
- II. The Bureau of Monetary Affairs was originally responsible for handling the business affairs of four international financial organizations including the Asian Development Bank (ADB), Central American Bank for Economic Integration (CABEI), European Bank for Reconstruction and Development (EBRD) and Inter-American Development Bank (IDB). It was resolved in the “Meeting for Discussion of the Allocation of International Financial Organization Affairs” convened by the Executive Yuan on July 22<sup>nd</sup>, 2004 that the affairs be handed over to the Ministry of Finance. The Deputy Minister of Finance shall continue to serve concurrently as the Alternate Governor of the ADB and CABEI. The Financial Supervisory Commission and NTA completed the handover on September 30<sup>th</sup>, 2004 and the Third Division of the NTA officially took over the handling of the affairs.
- III. Starting from May 20<sup>th</sup>, 2004, the NTA took over the management of government-owned financial institutions. Upon the approval of the “The Guidelines for the Establishment of Government Shareholding Management Unit of the Ministry of Finance” by the Executive Yuan, the Unit went into operation on March 1<sup>st</sup>, 2005. Besides, in order to centralize management, the administration of government shareholdings was incorporated into the existing organizational structure on January 1<sup>st</sup>, 2007 with the Second Division responsible for the affairs. To ensure a balanced allocation of workload, responsibilities and staff, the handling of annual revenue administration, planning and financing of the budget and management of national treasury funds that originally belonged to the First Section of the Second Division was transferred to the First Division together with its staff.

### 3. Organization Chartt and Functions of the National Treasury Administration (Year of 2012)

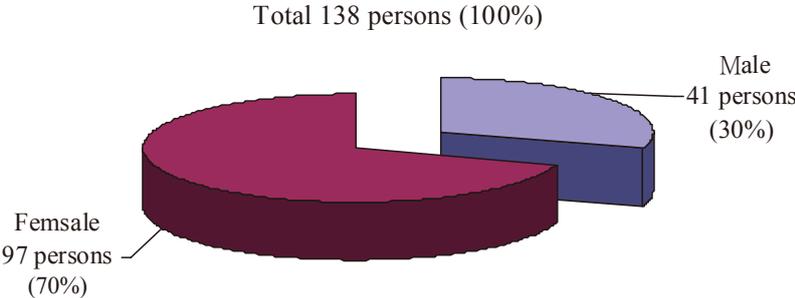


# 4. Personnel Overview

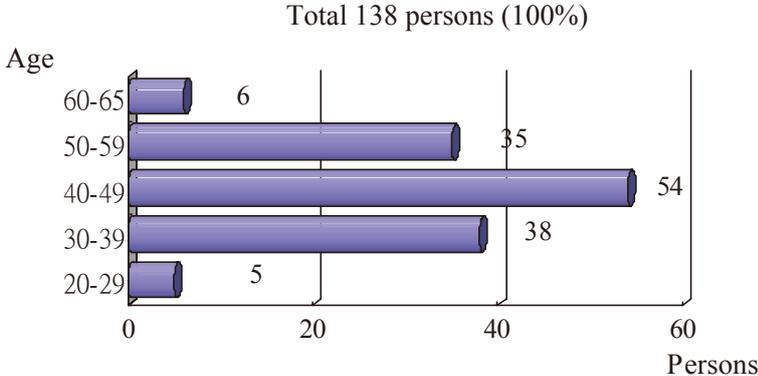
## (1) Staff by Level of Education



## (2) Statistics of Gender



## (3) Staff by Age Group





## **III. Business Overview**

## III. Business Overview

### 1. Major Business in 2012

#### (1) Improving the Administration of Treasury Affairs

A. Improving the administration of the government treasury; reviewing the laws and regulations pertaining to government treasury regulations continuously

(A) The MOF amended Article 5 of the “Selection Regulations for Agent Bank of Local Government Treasury”

In order to maintain the stability of local treasury affairs and ensure the safety of treasury funds, the government relax the current regulations on the collateral or association guarantor provided by the agent institution commissioned by the treasury agent bank to maintain the smooth operation of local treasury affairs. The content of Article 5 of the above regulations was amended via the document Tai-Tsai-Ku-Tzu No.10103669800 on 25<sup>th</sup> June, 2012.

(B) The MOF amended Article 5 of the “Regulations on the Management of the Central Government Agency Account”

In response to the restructure form of government organization, and in order to simplify organization administrative procedures, reduce the burden of treasury agent banks in opening and closing accounts and maintain the accuracy of data in the treasury account information management system, the operational procedures for the renaming of agency accounts and agency codes, have been changed to record for

future reference, and the related provisions under Article 5 of the above regulations were amended and announced via the document Tai-Tsai-Ku-Tzu No.10103687780 on 3<sup>rd</sup> August, 2012.

- (C) The MOF amended partial articles of the “Regulations for the Payment of the Tax Revenue Collected by the Commissioned Bank, Agency Institute, and Tax Collections Institute of Government Treasury at Each Level”

To make the over-the-counter tax collection system in financial institutions sound and healthy and to protect the interests of treasuries at all levels, enhance the willingness of financial institutions to operate over-the-counter tax collection services, assist the tax authorities in collecting taxes, and achieve the policy objectives of convenient government service, the related provisions under Article 3, Article 6, Article 9, Article 11, Article 12 and Article 17 of the above regulations were amended and announced via the document Tai-Tsai-Ku-Tzu No.10103693070 on 17<sup>th</sup> August, 2012.

- (D) The MOF amended Article 21 of the “Handbook for Treasury Management”

As the electronic (internet) banking has become a trend, to carry out the e-government policy, and enhance the government’s financial management efficiency, a new innovation to allow all the agencies to conduct transfer and payment operations through internet or special network by using financial certificate was adopted. The relevant regulations in Article 21 of the “Handbook for Treasury Management” were amended through the letter of Yuan-Shou-Tsai-Ku-Tzu No.10103732090 on 15<sup>th</sup> November, 2012.

B. Establishing sound treasury management system, enhancing government administration efficiency

In order to act in concert with the promoting policy of internal control system for the Executive Yuan, the MOF has implemented the visitation and inspection of treasury affairs of all the organizations, agencies and national schools under the Executive Yuan (hereinafter referred to as “all the organizations”) since year 2012; and on 24<sup>th</sup> December, 2012, the MOF notified all the organizations of “The Ministry of Finance Common Recommendations for Year 2012 Annual Visitation and Inspection Operation on Treasury Affairs”. The MOF will be continuously guiding (counselling) the concept of the treasury affairs to help complete the relevant job and achieve the objective of creating a sound internal finance control system.

C. Continuing to push for funds held in custody, and special government funds subsidized by the treasury to be included in the Treasury Single Account

In order to strengthen government treasury management and improve government financial efficiency, we continue to push for funds held in custody and the special government funds subsidized by the treasury to be included in the Treasury Single Account. After the consolidation, the total capital reserve stay in the Treasury Single Account for overall planning and utilization has reached NT\$60.041 billion, please refer to Table 1. Which were injected to the National Treasury's pooled funds in an efficient and timely manner and which helped reduce the interest expenditures.

**Table 1 Centralized Fund Held in Custody and the special government funds in the Treasury Single Account** Unit: NT\$

Project	Fund Held in Custody and the Special Government Funds	Injecting to the Treasury Single Account
Funds Held in Custody	Safekeeping deposits of all central government agencies	45,323,919,888
The special governmental funds	Fund for Privatization of Government-owned Enterprises under the Executive Yuan	0
	Hualien and Taitung Region's Sustainable Development Fund	3,997,346,543
	Military Barracks and Facilities Construction Fund	3,388,352,786
	Social Welfare Fund	25,788,172
	Safeguard and Utilization of the Fund to Care for Foreign Spouses of the R.O.C. Citizens	182,103,934
	Safety Funds to Police Officers/Fire-Fighters/ Coastguards/ Crewmen /Immigration of National Airborne Service Corps and Members of Volunteers Forces	164,398,700
	Local Industries Development Fund	91,733,135
	Agricultural Development Fund	2,627,382,725
	Rural Regeneration Fund	2,724,660,035
	Fisheries Development Fund	2,952,000
	National Health Insurance Poverty Relief Fund	263,286,388
	Vaccine Fund	134,134,155
	Chinese Development Fund	2,371,237
	Fund of Employment Development and Assistance Coping Trade Liberalization	1,092,975,702
Labor Rights and Interests Fund	20,165,003	
<b>Total</b>		<b>60,041,570,403</b>

D. Promoting “Program for Improving the Efficiency of Government Finance”

(A) In order to assist central government agencies to cut down uneconomical expenditures, increase treasury revenues and improve financial efficacy, the MOF continues to promote the “Program for Improving the Efficiency of Government Finance”. The program triggered revenue totaling NT\$475 billion, other financial efficacy revenue totaling NT\$11.3 billion while at the same time achieving a reduction in uneconomical expenditures by NT\$86.1 billion in FY 2011.

(B) For the purpose of strengthening the concept of improving the government’s financial efficacy and turn it into action, the MOF organized the seminars during September 2012, inviting business supervisors from various central government agencies to share experience. The attendants shared a high level of recognition for the event.

E. Strengthening the Information Management System of Treasury Affairs and Improving the Information Security Level

In order to strengthen the Information Management System of Treasury Affairs, improve the backup operation of the Tobacco and Alcohol Administration information system, maintain Treasury authority accounts and revenue payment online system, integrate the inner network and maintain the platform for common systems, “the platform for online calculating system of the Distribution of Centrally-Funded Tax Revenues”, “the expanded functions to Imported Alcohol Inspection System”, “the software implement for the Tobacco and Alcohol Administration and Seizure” have been built.

At the same time, to improve the Information Security Level, the practical examine of Information Security has been performed and ISMS Work Instructions have been promoted in accordance with the Information Security

Management Audit Implementation Plan. To make sure the efficiency of the Information Security Operation of the Agency, the external audit meetings have been performed continuously regarding Information Security Management System.

## **(2) Enhancing Revenue Administration**

A. Mobilization and coordination of the annual revenues and funding resources to support government administration

(A) Completion of the Preparation of the FY 2013 Central Government General Budget Revenues

In order to implement various government policies, the National Treasury Administration worked in co-operation with the DGBAS to finish the preparation of the FY 2013 Central Government general budget revenues as scheduled. The FY 2013 General Budget of the Central Government was then passed by the Legislative Yuan. Total revenue drawn is NT\$1,733.3 billion, an increase of NT\$3.9 billion, or 0.2% up from the previous year's NT\$1,729.4 billion. Total expenditure drawn is NT\$1,907.6 billion, a decrease of NT\$31.0 billion, or -1.6% down from the previous year's NT\$1,938.6 billion. After numerous reviews of the FY 2013 central government budget which aimed at increasing revenue and decreasing expenditure, the difference after an offset of annual revenue and expenditure is NT\$174.3 billion in FY 2013. Combined with the debt repayment of NT\$77 billion, which should be included according to the Public Debt Act, the amount required for financing totals NT\$251.3 billion, which will be covered entirely by government bonds and long-term borrowings. For details, please refer to Table 2.

**Table 2 Preparation of the FY 2013 Central Government General Budget  
Revenues**

Unit: NT\$ 100 million ; %

Item	FY 2012 General Budget	FY 2013 General Budget		
	Amount (1)	Amount (2)	Comparison Between FY 2013 and 2012	
			Amount (3) = (2) - (1)	Increase Rate (%) (4) = (3) / (1)
1. Revenues	17,294	17,333	39	0.22
A. Revenues from Taxes	12,501	12,803	302	2.42
a. Inland Taxes	11,525	11,814	289	2.51
b. Customs Duties	976	989	13	1.33
B. Non-Tax Revenues	4,793	4,530	-263	-5.49
a. Surplus of Public Enterprises & Public Utilities	2,610	2,533	-77	-2.95
b. Revenues from Properties	934	736	-198	-21.20
c. Fees and Revenues from Fines & Indemnities and Others	1,249	1,261	12	0.96
2. Expenditures	19,386	19,076	-310	-1.60
3. Deficit	2,092	1,743	-349	-16.68
4. Principal Repayment	940	770	-170	-18.09
5. Financing	3,032	2,513	-519	-17.12
A. Government Bonds & Borrowing	2,885	2,513	-372	-12.89
B. Surplus of Previous Fiscal Year	147	0	-147	-100.00

(B) The government financial situation has been improved

The ratio of deficit of the central government budget (including General and Special Budgets) to GDP decreased from 3.5% in FY 2009 to 3.0% in FY 2010, to 1.8% in FY 2011, to 1.6% in FY 2012, and then to 1.3% in FY 2013. Please refer to Table 3. The net increase of outstanding debt of the central government budget (including General and Special Budgets) declined from NT\$410.6 billion in FY 2010 to NT\$247.0 billion in FY 2012, and to NT\$203.6 billion in FY 2013. For details, please refer to Table 4. Due to appropriate elasticity in carrying out financial policy and the amount of bond-borrowing is still within the legal limits, which is below the major industrial countries, Moody's Investor Service provided a positive statement on our overall financial governing ability with deficit-cutting policy and on the possibility of our being able to restore a healthy financial situation. Moody's also noted that the outlook for Taiwan's Aa3 foreign and local currency sovereign rating is stable.

**Table 3 Analysis of the Central Government Budget Revenues and Expenditures (Including General and Special Budgets)**

Unit: NT\$ 100 million; %

Fiscal Year	Revenues		Expenditures		Surplus(+) or Deficit(-) (5)=(1)-(3)	Ratio of Deficit to Expenditures (%) (6)=(5)/(3)	Surplus or Deficit as Percentage of GDP (%) (7)
	Amount (1)	Rate of Increase (%) (2)	Amount (3)	Rate of Increase (%) (4)			
2009	15,538	-5.3	19,930	14.0	-4,392	-22.0	-3.5
2010	14,977	-3.6	19,039	-4.5	-4,062	-21.3	-3.0
2011	16,715	11.6	19,210	0.9	-2,495	-13.0	-1.8
2012	16,672	-0.3	18,977	-1.2	-2,305	-12.1	-1.6
2013	17,333	4.0	19,161	1.0	-1,828	-9.5	-1.3

Note: 1. Fiscal years prior to 2011: Final Accounts of the Central Government, edited by National Audit Office, R.O.C (Taiwan). FY2012: Final Accounts of the Central Government (edited by the Executive Yuan). FY2013: Figures of the General Budget of the Central Government.

2. Source of GDP: Announced by DGBAS on February 22<sup>nd</sup>, 2013.

**Table 4 Central Government Public Debt**

Unit: NT\$ 100 million; %

Fiscal Year	Debt Issue Amount			mandatory principal payments	Net Debt Increase Amount/rate		Outstanding Debt	
	debts were included in the yearly debt limit	debts were excluded from the yearly debt limit	Total Amount		Amount	Increase rate	Amount	Outstanding Debt/Average last three FY GNP
2009	1,650	2,486	4,136	650	3,486	9.23	41,274	31.97
2010	2,247	2,519	4,766	660	4,106	9.96	45,380	34.84
2011	1,278	1,648	2,926	660	2,266	5.06	47,646	35.90
2012	2,885	526	3,411	940	2,470	5.53	50,116	36.72
2013	2,513	292	2,805	770	2,036	4.04	52,152	36.78

Note: Fiscal years prior to 2011: Final Accounts of the Central Government, edited by National Audit Office, R.O.C (Taiwan). FY2012: Final Accounts of the Central Government (edited by the Executive Yuan). FY2013: Figures of the General Budget of the Central Government.

(C) The Execution of Revenues of the Central Government General Budget in FY 2012

The amount of the annual revenues of FY 2012 Central Government general budget, was about NT\$1,667.1 billion as of the end of December, a decline of NT\$4.2 billion or 0.25% as compared with the same period of Audit Report in FY 2011. Of this figure the amount of revenues from taxes was about NT\$1,222.1 billion compared with the Audit Report in FY 2011, an increase of NT\$18.7 billion, mainly due to higher income tax. The budget amount of earnings of public enterprises and others was about NT\$261 billion and the accumulated amount of revenues was NT\$262.3 billion, compared with the Audit Report in FY 2011, a decline of NT\$2.4 billion; mainly due to the decrease in the hand-over of operating fund surplus and investment income to the treasury. The revenues from regulatory fees, punitive fines, properties and other income was NT\$182.7 billion, a decrease of NT\$20.5 billion, compared with the Audit Report in FY 2011, mainly due to the offsetting of one-time revenue injection by the National Stabilization Fund, the recall of CAA Operating Fund, one-time revenue of Chunghwa Telecom company Ltd., due to reducing in cash capital, as well as the newly added punitive fines. For details, please refer to Table 5.

**Table 5 The Execution of Revenues of the Central Government General  
Budget in FY 2012**

Unit: NT\$ 100 million:%

Items	Budget for FY 2012	Final Accounts edited by the Executive Yuan, FY 2012		Final Accounts edited by National Audit Office FY 2011		Difference Between Budget and Final Accounts edited by the Executive Yuan, FY 2011
		Amount	Budget Realization rate (%)	Amount	Difference Between FY 2011 and 2012 (%)	
Total Revenues	20,326	19,770	97.26	18,004	1,766	9.81
Annual Revenues	17,294	16,671	96.40	16,713	-42	-0.25
Revenues from Taxes	12,501	12,221	97.76	12,034	187	1.56
Earnings Of Public Enterprises	2,610	2,623	100.52	2,647	-24	-0.91
Others Revenues	2,183	1,827	83.65	2,032	-205	-10.10
Sources of Financing	3,032	3,099	102.22	1,291	1,808	140.04
Bond Issuance and Borrowing	2,885	2,881	99.86	1,291	1,590	123.11
Surplus of Previous Fiscal Year	147	218	148.30	0	218	100.00

Note: The mantissa does not conform due to rounding up or down of the figures.

(D) The Preparation of the Special Budget of the Central Government

Raising financial resources for the Central Government special budget is regarded as a means of sustaining the momentum of domestic economic growth and accelerating the implementation of public works. There is no additional special budget for government expenditure for FY 2013. The original 2013 government expenditure of NT\$8.5 billion is a continuation of previous years' the "Special previous years' Budgets for the Central Government Project on the Regulation of Flood-Prone Areas Phase III", which is aimed at effectively resolving the flood problem.

B. Active raising of non-tax revenue, strengthening of the financial performance of funds and review of the effectiveness of fee collection

(A) Surplus of public enterprises & public utilities and Revenues from Administrative Businesses and Properties of Central Government

The Agency co-operated with the DGBAS to complete on time the preparation of the FY 2013 Central Government general budget of the Surplus of Public Enterprises & Public Utilities and Revenues from Administrative Businesses and Properties of Central Government, which was passed by the Legislative Yuan. The annual revenues of the former totaled NT\$253 billion, and the latter totaled NT\$199.7 billion.

(B) Participation in fund-related meetings and visits to fund operators

This Agency Participated in the 2013 Annual Central Government Special Fund Budget Review Seminar in a total of nine meetings and coordinated with other departments to call fund-related meetings, participated in several public construction project review and fund-related regulation amendment meetings to provide concrete opinions. In order to study the status of the capital utilization for fees collected and included in large-scale funds, the agency visits the operating units of the Highway Operations Fund and the Civil Aeronautics Administration Operating Fund in October 2012.

## (C) The Review of Relevant Regulations for Service Fees and Charges

In 2012, the reviews of the relevant regulations of government service fees in a total of 49 laws, with 166 newly-added service charges and adjustments to 372 charges, and additional review of the relevant regulations of local government service fees in a total of 52 laws were completed. From 2008 to 2012, the consolidated table for the administrative and property income for each year is shown as in Table 6.

**Table 6 The Consolidated Table for the Administrative and Properties Income of Central Government from 2008 to 2012**

Unit: NT\$100 million; %

Item	2008	2009	2010	2011	2012	
	final audit accounts	final audit accounts	final audit accounts	final audit accounts	Change Between Budget and Final Accounts edited by the Executive Yuan	
Revenues from Fines & Indemnities	273.65	232.23	256.82	243.56	491.83	
Fees	557.56	548.38	558.95	566.79	589.25	
Others	214.31	516.31	218.81	581.36	144.13	
Revenues of Public Properties(Current)	70.22	70.38	81.92	82.66	90.87	
Revenues of Public Properties (Capital)	330.16	466.65	385.31	557.30	510.37	
Total	Amount	1,445.89	1,833.95	1,501.82	2,031.66	1,826.43
	Growth %	—	26.84	(18.11)	35.28	(10.10)

Notes: "others", Revenues of 2009 include stocks of Taiwan Sugar Corporation; Revenues of 2011 include the payment to the Treasury from the National Financial Stabilization Fund and the asset conversion from the The Taoyuan International Airport Corporation hold by the Ministry of Transportation and Communications.

### (3) Strengthening the Management of Government-Owned Shareholdings

For status of Government-Owned Share Enterprises in the Ministry of Finance and Shareholding conditions, please refer to Table 7 and Table 8, the performances of strengthening government-owned shares management in 2012 are as follows:

- A. Amendment of the “The Guidelines of the Management of the Representatives, Managers, Directors, and Supervisors of Government- Wholly-or-Partially-Owned Enterprises Appointed by the Ministry of Finance”

In response to changes in the operational environment and to complete the regulatory scheme, “The Guidelines of the Management of the Representatives, Managers, Directors, and Supervisors of Government-Wholly-or-Partially-Owned Enterprises Appointed by the Ministry of Finance” were amended on 11th September, 2012, to enhance efficiency in the management of government-owned shares and strengthen the accomplishment of policy objectives.

- B. “The Government Shareholding Management and Supervisory Unit” performance

In a bid to integrate the available resources of the enterprises of government agencies with government-owned shareholdings effectively, make the management strategy jointly, and assess results of the implementation, the Government Shareholding Management and Supervisory Unit held three meetings in 2012, In addition to re-evaluate and amend “Strengthening Government-Owned Share Management Operation Plan”, in order to comply with the international trend on Corporate Governance, actively promote government-owned share enterprises controlled by different departments

within the Executive Yuan to follow through on Director/Supervisor diffidence, study to improve the election method for independent director and operation improvement plans on state-owned enterprises via enterprise management model to strengthen government-owned share enterprises' business advantages and enhance operation synergy.

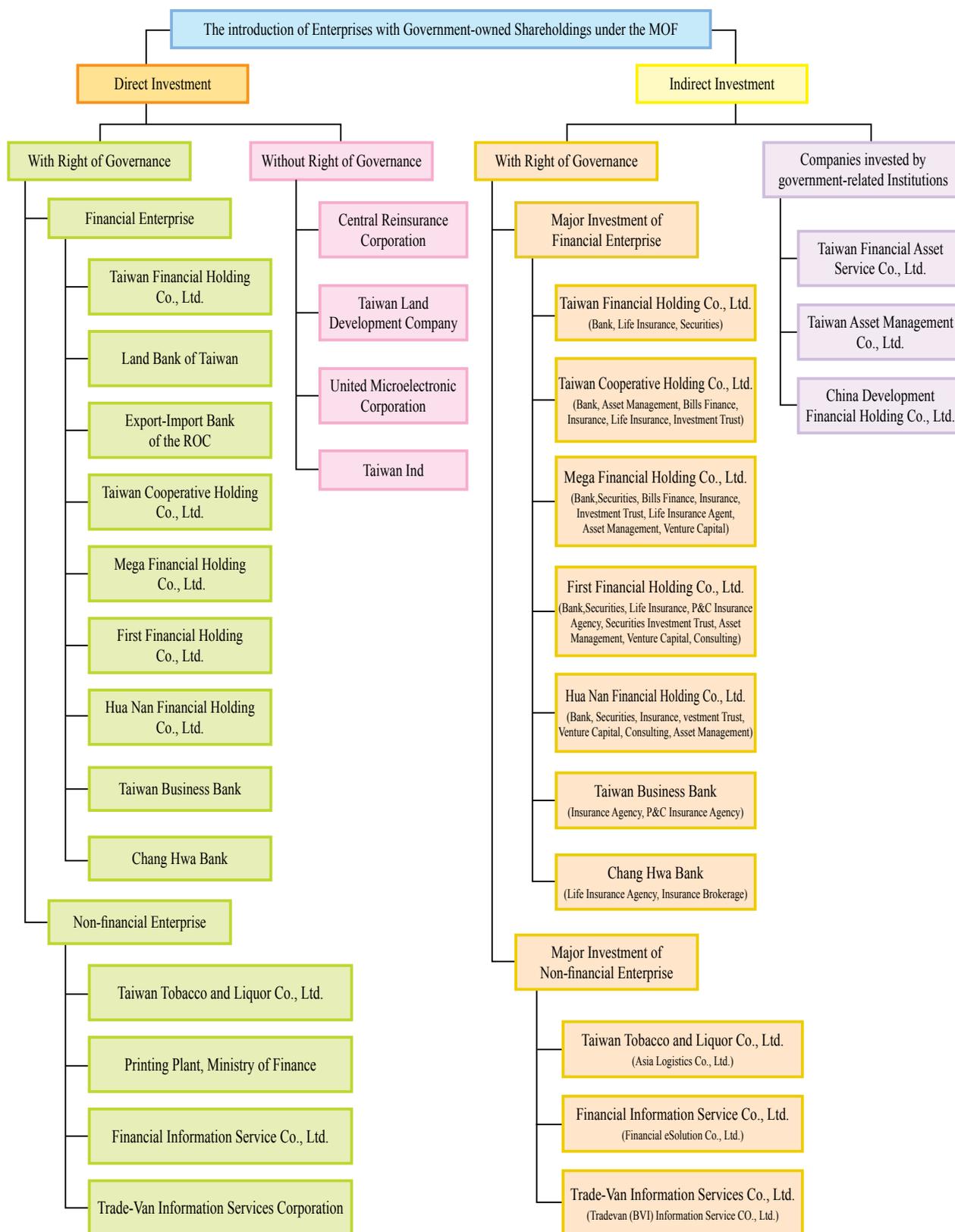
C. Hosting of “The Cultivation Program for Senior Managerial Personnel of Government-Owned Share Enterprises”

From March to May, 2012, the MOF held “The Cultivation Program for Senior Managerial Personnel of Government-Owned Share Enterprises” to enhance the leadership abilities, professional competency, and global vision of senior managerial personnel of the MOF's publicly-owned agencies or their privately-owned invested companies as well as to cultivate talented personnel possessing the potential to be promoted to vice-president positions within the various enterprises with government- owned shareholdings.

D. Continuously Administration of the Preferential Housing Loan for the Young

In order to assist young people to purchase their own houses, the Ministry of Finance launched the “Preferential Housing Loan for the Young” offered by the eight banks with government-owned shareholdings with the banks' own capital from 1<sup>st</sup> December, 2010. The implementation period extends to the end of 2014 in principle. At the end of December 2012, the above mentioned preferential loan administered by the government-owned share banks had been granted to 80,283 households to the amount of NT\$280.3 billion.

**Table 7 The introduction of Enterprises with Government-owned Shareholdings under the MOF**



**Table 8 The Holding Ratios of Institutions with Government-Owned Shareholdings**

(Date: 31<sup>st</sup> December, 2012)

Institutions	Holding Ratio (%)		
	MOF	MOF, Government- Owned Enterprise	Including shareholdings of Government-Related institutions
1. Taiwan Financial Holdings Co., Ltd.	100.00	100.00	100.00
2. Land Bank of Taiwan	100.00	100.00	100.00
3. Export-Import Bank of the Republic of China	100.00	100.00	100.00
4. Mega Financial Holding Co., Ltd.	9.98	19.07	19.07
5. First Financial Holding Co., Ltd.	13.35	22.10	25.07
6. Hua Nan Financial Holdings Co., Ltd.	1.70	29.85	32.83
7. Taiwan Cooperative Holdings Co., Ltd.	30.39	33.10	33.17
8. Taiwan Business Bank	2.21	21.86	35.15
9. Chang Hwa Bank	12.19	14.94	17.52
10. Central Reinsurance Corporation	22.68	22.68	22.68
11. Financial Information Service Co., Ltd.	37.00	41.97	51.75
12. Trade-Van Information Services Corporatin	36.11	36.11	40.59
13. Taiwan Land Development Company	0.075	0.075	0.075
14. Taiwan Tobacco and Liquor Co., Ltd.	100.00	100.00	100.00
15. Printint Plant, Ministry of Finance	100.00	100.00	100.00
16. United Microelectronic Corporation	0.07	0.07	0.07
17. Taiwan Industrial and Mine Corporation	0.47	0.47	0.47

## (4) Debt Management

### A. Government Public Debt Planning and Management

#### (A) Strengthening management of the public debt of all levels of government

Pursuant to the provisions of the Public Debt Act on the debt ceiling of all levels of government and the rectification measures stipulated in “The Guidelines on Reducing/Suspending Grants to Municipal and County Governments for Failing to Make Debt Relief in Accordance with Article 8 of the Public Debt Act”, the National Treasury Administration aimed to improve its supervision of the debt management of local governments. In addition, the National Treasury Administration continued to compile and disclose debt statistics of all levels of government to further enhance the efficiency of debt management.

#### (B) Management of the debts of all levels of government

According to Article 4 of the Public Debt Act, the unpaid balance of all levels of government debt with maturity of one year and above shall not exceed 48% of the average of nominal GNP for the previous three years, of which 40% and 8% are allocated to the central government and all local governments, respectively. The outstanding amount of the short-term debt maturing within one year, for the purpose of counterbalancing treasury income and expenditures, against the sum of general and special budget shall not exceed 15% for the central government and 30% for the local governments. For details, please refer to Table 9.

**Table 9 All Levels of Government Outstanding Debt with Maturity of One Year and Above**

Unit: NT\$ 100million, %

FY	The Outstanding Debts of All Levels of Government					Total Outstanding Debts / GNP average over the previous 3 years (%)
	Central Govt.	Special Municipalities	Counties /Cities	Townships /Towns	Total	
2004	33,621	3,055	2,014	94	38,784	36.59
2005	35,499	3,110	2,316	84	41,009	36.82
2006	36,230	3,040	2,519	77	41,866	36.10
2007	37,187	3,045	2,678	68	42,978	35.50
2008	37,788	3,102	2,798	62	43,750	34.70
2009	41,274	3,129	2,975	61	47,439	36.74
2010	45,380	3,154	3,306	44	51,884	39.84
2011	47,646	5,290	1,870	18	54,824	41.31
2012	50,116	5,698	1,869	16	57,699	42.28

Note: 1. "Outstanding Debt," as defined in the Public Debt Act, refers to the outstanding public debt extending more than one year as taken out by the central and local governments, on the general budgets, special budgets and in the form of extraordinary fund budgets beyond the operating funds and trust funds. However, self-redeeming public debt shall be excluded.

2. FY 2004-2011: Final audit accounts for all levels of government, edited by the Ministry of Audit, Control Yuan, FY 2012: Final accounts for the central government, special municipalities and counties/cities; actual accounts for townships/ towns.

3. In line with the adjustment of administrative divisions of the local government on 25<sup>th</sup> December, 2010, the special municipalities in 2011 included Taipei, Kaohsiung, New Taipei, Taichung, and Tainan City.

## B. Promoting the amendment of the Public Debt Act

In response to the adjustment of administrative divisions and the need of local government policies, the Ministry of Finance reviewed the base used to calculate the debt ceiling, in order to gear with international standards and provide a reasonable adjustment on the debt ceiling for all levels of the government. Moreover, for purpose of maintaining fiscal discipline, the draft amendment added a complete set of measures including debt repayment, debt warning and control mechanism, full disclosure of debt information, among others. The Executive Yuan approved the draft amendment of the Public Debt Act on 22<sup>nd</sup> November, 2012 and sent it to the Legislative Yuan for deliberation on 23<sup>rd</sup> November, 2012. The Finance Committee of the Legislative Yuan deliberated the aforementioned bill on 24<sup>th</sup> December, 2012. However, People First Party raised objection at the 17<sup>th</sup> council meeting in the second session of the eighth plenary meeting of the Legislative Yuan, dated 14<sup>th</sup> January, 2013, and the Legislative Yuan made a resolution that the bill will be handed over to the party for caucus negotiations.

## C. Public debt policy planning

In order to establish interest rate indicator, the bonds and treasury bills have issued regularly with moderate amounts, and a two-staged announcement adopted, too. With predictable and transparent issuance plan, bonds market becomes more stable and efficient.

(A) First-stage: Announce the bonds type (New or reopen bond: strippable or general bond) and maturity years as well as the treasury bills maturity days of each month for the coming year. The information was published on December 23<sup>th</sup>, 2011.

- (B) Second-stage: Announce detailed information seasonally for the next quarter (three months), such as the issue amount, auction date, and issue date, etc. The information was published on Mar. 23, Jun. 23 and Sep. 23, 2012 respectively (1 or 2 days announcement in advance in case of holiday).

#### D. Enhancing transparency of government debts

- (A) The disclosures of all levels of government debt

In order to enhance debt transparency and strengthen the effectiveness of debt management, the Ministry of Finance compiled the public debt tables, including the long-and short-term self-redeeming and non-self-redeeming debts of ordinary fund and non-operating special fund for fiscal year 2011 of all levels of government, and posted the preliminary accounts of these tables on the website of the National Treasury Administration in June, 2012, and later the final accounts in December, 2012 which fully disclosed the compliance status of all levels of government according to the definitions set out in the Public Debt Act. In addition, to provide more comprehensive and updated information for the public, the Ministry of Finance starting from October 2011 releases monthly debt statistics of the central and local governments. The above measures are not only to enhance the transparency of government debts but also to improve a sound finance for the local government.

- (B) Set up “the National Debt Clock” and “the Latest Local Debt Clock” in public places

Starting from December of 2012, more central and local government debt information was disclosed in Ministry of Finance subordinate agencies

such as National Taxation Bureau, National Property Administration and Customs Administration, and the Executive Yuan set up public bulletins in all Railway and Bus Stations, Motor Vehicles Office (Stations), medical institutions which belongs to the Department of Health, and the LED Marquee in National Freeway Service Areas about 195 public places, substantial increase in locations for disclosing the National Debt Clock and the Latest Local Debt Clock.

### (C) The National Debt Clock

Set up the web pages of “the National Debt Clock”: According to the resolution of the Legislative Yuan, starting from the December of 2010, fixed on the 7<sup>th</sup> day of each month, the Ministry of Finance had to publish the latest national debt on the homepage and electronic billboards, the content included 3 data such as “the Central Government Outstanding balance of short-and long-term debt”, and “Average Burden of Debt Amount per Person”. In order to further strengthen the debt information exposure, after deliberately consider the contents and method for disclosing debt information on U.S. Department of the Treasury website, the Ministry integrated series of central government debt information and setup the web pages of “the National Debt Clock” in June of 2012, the content included 14 items of debt information such as the Central Government Outstanding Debt as a Percentage of GDP, government bonds and national treasury bill issuance, short-and long-term borrowings and principal and interest payments to completely disclose the national debt information.

(D) The Local Debt Clock

The Ministry of Finance coordinated with special municipalities, county and city governments to release its debt information on the website of all levels of government every month on the 10<sup>th</sup> since July 2012. The information included the balance of short-and long-term and self-redeeming public debt of previous month as well as debt burden per person. Simultaneously, the National Treasury Administration set up the web page of “the Latest Local Debt Clock” which linked to the web pages showing the debt of the local governments. In addition, the MOF compiled and released the local government debt status during the tenure of each mayor or magistrate from 2002 to 2011, helping to clarify the financial responsibilities of the public debt of the local government.

(E) The implicit contingent liabilities

The National Treasury Administration set up a link to the web page of the DGBAS and released the implicit contingent liabilities of all levels of government since November 2012, and completely disclosed the overall debt status of the government so as to facilitate public supervision and enhance the performance of government financial operations.

E. The issuance of Government Bonds and Treasury Bills

(A) The issuance and tender of Government Bonds

The substantial interest rates of government bonds will be incorporated with market rates through the auction procedure. The way of auction not only produces the medium-and long-term interest rate indexes of the capital market, but also reduces government’s debt cost. The bonds were

issued nineteen terms with a total issue amount NT\$665 billion in FY2012 (in form of book-entry and uniform-rate auction). For details, please refer to Table 10.

“The Operational Directions for the Issuance of Type B Government Bonds of the Non-Profit Special Fund” has been revised. Type B government bonds will be included in 2-stage announcement and regular issuance to reduce the government's overall financing costs and promote bond market development.

**Table 10 Issuance of Central Government Bonds**

Unit: NT\$ ; %

Term	Issue Amount (NT\$100 million)	Issue Date	Maturity	Coupon Rate	Competitive Bid (NT\$100 million)			Non-Competitive Bid (NT\$100 million)	Accepted Bid Rate (%)	Premium (Discount) (NT\$)	Remarks
					Amount (1)	Total Amount (2)	Times (2)/(1)				
2012A1	400	101.01.06	5	1.000	399.882	853.00	2.13	0.118	1.000	0	
2012A2	400	101.01.20	20	1.625	399.981	734.50	1.84	0.019	1.733	-724,925,921	
2012A3	300	101.02.04	2	0.750	299.946	692.50	2.31	0.054	0.780	-17,791,565	
2012A4	350	101.02.13	30	1.750	349.939	638.00	1.82	0.061	1.823	-586,404,609	
2012A5	400	101.03.07	10	1.250	399.919	782.00	1.96	0.081	1.265	-56,028,345	
2012B1	400	101.03.16	20	1.625	399.978	574.00	1.44	0.020	1.708	-558,480,836	
2012A1R	400	101.01.06	5	1.000	399.981	634.50	1.59	0.019	1.029	-53,712,797	Re-open on 2012.04.13
2012A2R	400	101.01.20	20	1.625	399.988	566.50	1.42	0.012	1.725	-665,280,409	Re-open on 2012.04.27
2012A4R	350	101.02.13	30	1.750	349.999	522.00	1.49	0.001	1.835	-678,831,641	Re-open on 2012.05.04
2012B2	300	101.05.24	10	1.250	299.989	441.50	1.47	0.011	1.271	-58,810,973	
2012A5R	400	101.03.07	10	1.250	399.975	561.00	1.40	0.025	1.210	144,873,638	Re-open on 2012.06.27
2012A6	300	101.07.20	5	2.000	299.978	585.00	1.95	0.022	0.877	1,641,072,059	Strippable
2012A7	300	101.08.10	20	1.500	299.990	527.50	1.76	0.010	1.597	-494,862,600	
2012A8	300	101.08.24	30	1.625	299.999	421.00	1.40	0.001	1.738	-787,318,761	
2012A9	350	101.09.24	10	1.125	349.992	742.00	2.12	0.008	1.187	-203,480,686	
2012A6R	300	101.07.20	5	2.000	299.980	459.00	1.53	0.020	0.908	1,522,018,464	Re-open on 2012.10.12 Strippable
2012A7R	300	101.08.10	20	1.500	300.000	519.00	1.73	0.000	1.580	-405,470,286	Re-open on 2012.11.01
2012A8R	300	101.08.24	30	1.625	299.999	470.00	1.57	0.001	1.705	-557,162,128	Re-open on 2012.11.23
2012A9R	400	101.09.24	10	1.125	400.000	653.00	1.63	0.000	1.147	-81,331,543	Re-open on 2012.12.18

## (B) The issuance and tender of Treasury Bills

In order to establish the short-term interest rate indicator, treasury bills were issued ten terms (all issued in the form of book-entry) in FY 2012. The total issue amount was NT\$265 billion. The implementation of book-entry treasury bills can lower short-term capital costs, prevent risk in settlement and liquidation regarding transactions in the treasury bills market, and achieve the goal of dematerialization for the entire central government securities. For details, please refer to Table 11.

**Table 11 Issuance of Treasury Bills**

Unit: NT\$ ; %

Term	Days	Issue Date	Maturity Date	Issue Amount (NT\$ 100 million)	Accepted Bid Rate (%)	Interest Expenses (NT\$ Dollar)
F101-1	91	101.04.20	101.07.20	300	0.800	59,850,000
F101-2	182	101.05.02	101.10.31	250	0.835	104,100,000
F101-3	364	101.06.22	102.06.21	250	0.834	207,925,000
F101-4	273	101.07.25	102.04.24	300	0.770	172,770,000
F101-5	364	101.08.14	102.08.13	200	0.780	155,580,000
F101-6	91	101.09.06	101.12.06	150	0.630	23,565,000
F101-7	182	101.10.30	102.04.30	300	0.630	94,230,000
F101-8	273	101.11.27	102.08.27	300	0.650	145,860,000
F101-9	364	101.12.03	102.12.02	300	0.700	209,430,000
F101-10	182	101.12.14	102.06.14	300	0.618	92,460,000

#### F. Short-term and long-term loans

In order to flexibly balance the treasury revenues and expenditures and elevate the efficiency in funding of the National Treasury, in accordance with Article 1, paragraph 3 of the “Treasury Bills and Short-Term Loans Act”, the Ministry of Finance, in search of balancing the treasury revenues and expenditures, may negotiate for loans maturing in less than one year, and the outstanding short-term debt shall not exceed 15% of the total annual expenditures against the central government general budget and special budget of the current fiscal year. In line with the requirement of balancing and in cooperation with the issuance of treasury bills, the short-term loans may be made or repaid at any time through price negotiation with the purpose to save interest expenses. Upon the requirement of balancing the National Treasury in FY 2012, there were twenty-one terms of short-term loans to a total of NT\$262 billion. Upon the requirement of balancing the National Treasury and fiscal finance of the Debt Service Fund in 2012, there were sixteen terms of long-term loans to a total of NT\$323.7 billion.

#### G. Principal and interest payments, auditing and settlement, of Government Bonds and Treasury Bills

##### (A) The repayment of Government Bonds

The principal of Type A bonds totaling NT\$ 340 billion and the interest totaling NT\$108 billion were paid as scheduled in 2012. The total amount was NT\$448 billion.

##### (B) The repayment of Treasury Bills

The principal and interest totaling NT\$250 billion was paid as scheduled.

### (C) Auditing and settlement of bond and treasury bill certificates

The redeemed bond certificates entrusted to the financial institutions to handle the principal and interest payments of central government bonds, the principal and interest payment of government bonds in 2012 was NT\$517 billion, and the principal and interest payment of the treasury bills was NT\$250 billion.

### H. Strengthen public debt management, savings bond interest expenses

January and June in FY 2012, the use of significant amounts of tax revenue the national treasury surplus funds, the early repayment of short-term borrowings, the interest expenditure saved was NT\$ 96 million.



## **(5) Assist the Local Governments Finance**

### **A. Promote the Draft Amendment of the “Act Governing the Allocation of Government Revenues and Expenditures”**

The draft amendment of the “Act Governing the Allocation of Government Revenues and Expenditures” was sent to the Legislative Yuan on 5<sup>th</sup> January, 2010, which failed passing by the end of the seventh session of the Legislative Yuan and needed to be sent to the Legislative Yuan for reexamination. Considering that the relevant planning on the draft has been fully discussed with local governments and has reached consensus, the MOF submitted the original draft to the Executive Yuan and it was sent to the Legislative Yuan on 23<sup>rd</sup> February, 2012 for discussion. The Finance Committee of the Legislative Yuan held meetings on 17<sup>th</sup> October, 26<sup>th</sup> November, and 26<sup>th</sup> December 2012 completing the review of the amended articles. In order to establish a sustainable legal system of the local finance, the MOF will dedicate to the amendment process consistently.

### **B. Held the Regional Seminars of the Task Force on Sound Finances**

In order to gather the opinions on fiscal reforms, the MOF held seminars in the northern, central, southern and eastern regions in July and August of 2012 and invited representatives from central government, local officials, scholars and experts to jointly discuss two main issues-“The review of local finance and responsive measurements” and “The development of state-owned properties”. The MOF compiled effective practices implemented by local governments for broadening the sources of income and economizing on expenditure and provided them to all levels of government for reference in order to assist them to increase revenues and enhance financial efficiency.

### C. Conduct Local Finance Training Classes

The MOF has conducted regular local finance training classes to enhance the professional ability of local government employees and to promote financial strategies since 2007. The MOF conducted two finance training classes of local finance in mid-November 2012. The finance training classes included the introduction of regulations of local finance and financial strategies. Local governments were invited to share their successful experiences. Attendees are very enthusiastic about the classes and expressed a hope that the classes will continue to be offered in the future. Over nine hundred local government employees attended the training classes during the periods from 2007 to 2012. The training classes were highly beneficial in assisting local governments to improve fiscal operation and the financial performance.



● 2012 Regional Seminars of The Task Force on Sound Finance

#### D. Conduct Local Performance Assessment

The MOF promulgated the “Program for Assisting Local Government Finance” to carry out reviews on six major administration including “Public Treasury Management”, “Finance Management”, “Debt Management”, “Management of Public Properties”, “Utilization of Surplus from Public Welfare Lottery and Promotion of Image” and “Crack-down of Inferior Tobacco and Alcohol Products”. The Minister convened the Meeting on Local Finance on 11<sup>st</sup> December, 2012 to present merit awards to outstanding agencies to express encouragement. In addition, the local performance assessment was completed in October 2012. The assessment result, in comparison to the year before, revealed an increase in identification on each government’s efforts, and the change had met the purpose of the assessment. Furthermore, the result was delivered to the Directorate-General of Budget, Accounting and Statistics, Executive Yuan as reference for the addition or subtraction of general grants.



● 2012 Meeting on Local Finance

#### E. Held the “2012 Meeting on Local Finance”

To strengthen the fiscal operations of local governments, coordination and experience-sharing between central and local governments, the MOF invited chiefs of local finance authorities to attend the “Meeting on Local Finance” on 11<sup>st</sup> December, 2012. In addition, six outstanding county (municipal) governments, Taipei City, New Taipei City, Kaohsiung City, Taitung County, Taoyuan County, and Hualien County were invited to present the review of their work in the meeting. Through the cases discussing and the successful experiences sharing, it can help the local governments create financial resources and improve financial performance. Most attendants are satisfied with this meeting.

#### F. The Overview of the Distribution of Centrally-Funded Tax Revenues

The centrally-funded tax revenues are allocated by central government to local governments as their tax revenues. Once the actual centrally-funded tax revenues exceed the forecast amount, the exceeding amounts should be distributed to local governments. However, if there is a shortfall in the forecast centrally-funded tax revenues, they shall not be made up by central government. During the period from July 1999 to 2003, the actual centrally-funded tax revenues had been lower than the forecast amount owing to a sluggish economy and tax exemptions. Also, there was a shortfall in 2009 due to the severe impacts of global financial tsunami. Except the above-mentioned years, the actual centrally-funded tax revenues had been higher than the forecast amount. There were about 0.36% higher than forecast in 2012. This higher amount would help ease the fiscal pressure on local governments. For details, please refer to Table 12.

**Table 12 The General Centrally-Funded Tax Revenues Distribution Amount**

Unit:0.1 billion

Year County/city	The year of 2003				The year of 2004			
	Notified allocated amount	Actual amount	Over-(short) Levy		Notified allocated amount	Actual amount	Over-(short) Levy	
			Amount	%			Amount	%
Total	1,405	1,332	(74)	(5.23)	1,399	1,545	147	10.50
Municipal City	602	569	(33)	(5.41)	607	654	47	7.80
County City	635	603	(32)	(5.01)	622	709	86	13.85
Country Town	168	159	(9)	(5.41)	169	183	13	7.80
Year County/city	The year of 2005				The year of 2006			
	Notified allocated amount	Actual amount	Over-(short) Levy		Notified allocated amount	Actual amount	Over-(short) Levy	
			Amount	%			Amount	%
Total	1,489	1,728	239	16.04	1,553	1,729	176	11.35
Municipal City	640	739	99	15.45	669	742	73	10.88
County City	670	783	112	16.76	697	780	83	11.93
Country Town	179	206	28	15.45	187	207	20	10.88
Year County/city	The year of 2007				The year of 2008			
	Notified allocated amount	Actual amount	Over-(short) Levy		Notified allocated amount	Actual amount	Over-(short) Levy	
			Amount	%			Amount	%
Total	1,735	1,830	95	5.46	1,816	1,854	38	2.09
Municipal City	752	790	37	4.95	500	513	12	2.42
County City	772	820	47	6.10	1,092	1,112	20	1.86
Country Town	210	220	10	4.95	224	229	5	2.42
Year County/city	The year of 2009				The year of 2010			
	Notified allocated amount	Actual amount	Over-(short) Levy		Notified allocated amount	Actual amount	Over-(short) Levy	
			Amount	%			Amount	%
Total	1,966	1,588	(378)	(19.24)	1,636	1,748	112	6.86
Municipal City	875	703	(173)	(19.72)	725	763	39	5.33
County City	847	689	(158)	(18.60)	709	772	63	8.87
Country Town	244	196	(48)	(19.72)	202	213	11	5.33
Year County/city	The year of 2011				The year of 2012			
	Notified allocated amount	Actual amount	Over-(short) Levy		Notified allocated amount	Actual amount	Over-(short) Levy	
			Amount	%			Amount	%
Total	1,760	1,890	130	7.38	1,924	1,931	7	0.36
Municipal City	1,129	1,204	75	6.62	1,235	1,233	(2)	(0.16)
County City	464	508	44	9.42	506	516	10	1.97
Country Town	167	178	11	6.84	182	181	(1)	(0.55)

Notes: 1. The above-mentioned information does not include special grants provided in accordance with Article 11 of the Value-added and Non value-added Business Tax Act.

2. The figures in the column contain the net interest of the specific account in that year.

## (6) Supervising the Issuing the Public Welfare Lottery

### A. Issuing the Public Welfare Lottery to infuse the surplus into Social Welfare Activities

Public welfare lottery has been introduced for several years. Sales growth in recent years was rather limited. The MOF hopes to assist the issuing agency in time to launch new games and top-up promotions to appropriately expand the scale of the industry. As of 31<sup>st</sup> December, 2012 total sales stood at NT\$105,246 million, representing a increase of 17% against 2011. The surplus amount of the Public Welfare Lottery was NT\$ 27,211 million, representing a increase of 16% against 2011. Among them, NT\$12,245 million was distributed to the Ministry of the Interior, NT\$1,360 million to the Bureau of National Health Insurance, and NT\$13,606 million to the local governments. The said surplus was used for the national pension system, the safety reserve of the national health insurance program, and social welfare. For details, please refer to Table 13.

**Table 13 The Accumulated Sales Amount and Surpluses Distribution of the Public Welfare Lottery**

Unit: NT\$ million

Year	Surpluses Distribution				Sales Amount		
	Local Governments (social welfare) 50%	Ministry of the Interior (national pension system) 45%	National Health Insurance Bureau (national health insurance's reserve) 5%	Total	Public Welfare Lottery (PWL)	Sports Lottery (SL)	
2000	3,622	1,652	277	5,551	24,894		
2001	1,100	990	110	2,200	9,013		
Liquidation Surplus	257	231	26	514	--		
Total (2000-2001)	4,979	2,873	413	8,265	33,906		
2002	14,833	13,350	1,483	29,666	99,074		
2003	11,305	10,174	1,130	22,609	80,184		
2004	12,420	11,177	1,242	24,839	86,399		
2005	10,175	9,158	1,018	20,351	71,885		
2006	10,181	9,163	1,018	20,362	74,024		
Liquidation Surplus	1,392	1,253	139	2,784	--		
Total (2002-2006)	60,306	54,275	6,030	120,611	411,566		
2007	7,767	6,990	777	15,534	55,934		
2008	PWL	10,407	9,366	1,041	20,814	75,048	5,228
	SL	340	306	34	680		
	Total	10,747	9,672	1,075	21,494		
2009	PWL	9,827	8,844	983	19,654	71,098	13,932
	SL	924	831	92	1,847		
	Total	10,751	9,675	1,075	21,501		
2010	PWL	10,605	9,545	1,061	21,211	78,689	
	SL	98	89	10	197		
	Total	10,703	9,634	1,071	21,408		
2011	PWL	11,729	10,556	1,173	23,458	89,954	
	SL	83	75	8	166		
	Total	11,812	10,631	1,181	23,624		
2012	PWL	13,606	12,245	1,360	27,211	105,246	
	SL	98	88	10	196		
	Total	13,704	12,333	1,370	27,407		
Accumulated Total	130,769	116,083	12,992	259,844	921,442	19,160	

B. Supervising local governments to use allotted revenues for designated purposes

The MOF collaborated with the Ministry of the Interior and the representatives of social welfare groups and the Public Welfare Lottery Supervisory Committee to conduct reviews on the utilization of surplus earnings from public welfare lottery to ensure that the funds are being utilized for designated purposes. As at the end of November, we have completed the paper reviews, initial reviews and reviewing of cases submitted for a second review. Results of the reviews were presented to the Public Welfare Lottery Supervisory Committee as of December 31<sup>st</sup>.

C. Promote the core values of Public Welfare Lottery, enhance the welfare image of lottery

To promote the core values of Public Welfare Lottery and enhance the welfare image of lottery, the Ministry directs Taiwan Lottery Corporation to launch a large outdoor activity named “2012 Ministry of Finance Public Welfare Lottery Achievement Exhibition” on the square of Dream Mall in Kaohsiung City on November 16, 2012, it attracts more than four thousand people to participate in the activity, through the exhibition of the achievement of public welfare lottery surplus and feedback fund, the general public can take a step further to understand the execution results via the transformation of the love of community to social welfare policy through welfare lottery surplus.

D. Handle the selection of issuing institution for the 4<sup>th</sup> Public Welfare Lottery

In response to the expiration of the 3<sup>rd</sup> Public Welfare Lottery issuing right at the end of December in 2013, for smooth continuation of the lottery business, the Ministry of Finance actively plans the selection matters for the 4<sup>th</sup> issuing

right from January of 2012 and the Ministry has completed the forming of the selection committee, the Selection Committee has 12 members in total, in addition to the 3 members representing the government agencies, there are 9 external members which has exceeded 2/3 of all members. All the following and relevant substantive review on the operating procedures and assessment method all have to be discussed and approved by the Committee meeting.

After the Ministry of Finance held a Selection Committee meeting on 22<sup>nd</sup> October, 2012, in sequence and conducted substantive examination on the items such as “Bank Soundness”, “Operation and Management Capability”, “Tender specifications”, “Public Welfare Feedback”, “Public Interests”, “Financial Planning”, “Dealer Management” and “Others” on the applicants, and China Trust Commercial Bank was selected as the 4<sup>th</sup> issuing institution and the issuing right is granted to China Trust Commercial Bank from 1<sup>st</sup> January, 2014 to December 31<sup>st</sup>, 2023.



● 2012 Ministry of Finance Public Welfare Lottery Achievement Exhibition

## (7) Strengthening the Financial Plan for Major Public Infrastructure Projects

A. The MOF actively promote the “Strengthening the Financial Plan for Major Public Infrastructure Projects” to enhance project self-liquidation rate and make proper use of financial resources in response to the needs of national development.

In responding to people's needs of public services while subject to limited government budget scale and human resources, the MOF continues to promote the “Strengthening the Financial Plan for Major Public Infrastructure Projects” to assist all authorities to strengthen their overall planning on public infrastructure projects in external benefits and increasing self-liquidation finance, and reinforce public private partnership (PPP), actively guide the private sector to participate in public infrastructure to reduce the government's financial burden and accelerate the completion of major infrastructure projects. With the joint efforts of the Council for Economic Planning and Development (CEPD), the Public Construction Commission of the Executive Yuan, the DGBAS and other related agencies, for details, please refer to Table 14.

B. Promoting the concept of financial planning for public infrastructure projects and achieve the effect of “raise public finance with business, support business with public finance.”

In order to accelerate public infrastructure developments effectively, the MOF has been promoting continuously to assist the various government agencies to plan construction projects with creative new ideas, propagate the concept of financial strategies such as value-added, cost-reduced, integration of available resources and long-term financial planning to expand the efficacy of public infrastructure construction. We hope to achieve the effect of “raise public finance with business, support business with public finance.”

**Table 14 The Performance of “Strengthening the Financial Plan for Major Public Infrastructure Projects” in 2012**

Unit: NT\$ billion

Strategy		Sound Budget Preparation and Financial Planning (Overall)	Sound Budget Preparation and Financial Planning (By Project)	Increase the self-liquidation rate of projects and encourage private-sector investments	Explore new sources of revenue	Enhance medium and long-term fund utilization	Total Amounts
Implementation Results	Increase revenues	--	--	102.8	0.051	23	125.851
	Reduce expenditures	134.377	3.749	160.3	0.002	--	298.428
	Other results	Conducted 3 workshops, with a total of more than 300 attendees.	Reviewed 115 cases of individual public infrastructure projects and requesting evaluations on the effects and self-liquidation results.	1. Mobile project activation projects and consultation services-27 projects. 2. Public infrastructure investments by the private sector-99 projects.		1. Postal Savings invested in infrastructure projects totaling NT\$ 133.2 billion. 2. Reviewing a fund to be deactivated, and two funds, to be merged.	

Note: The results shown were compiled based on the information provided by the CEPD, Public Construction Commission, DGBAS and the National Property Bureau of the MOF.

(A) Conducting Workshop

In 2012, the MOF conducted two workshops on “Strengthening the Financial Plan for Major Public Infrastructure Projects”.

The contents of workshops include financial strategies theory and practices and successful cases, in an effort to plan the public infrastructure projects in the direction such as Cross-Field Collaboration, Value-added and combining public land development, and internalize external benefits into real financial income; and through value engineering assessment to improve construction functions or reduce costs in a hope to give the performance of resources invested and accelerate the promotion of all kinds of public infrastructure.

(B) Participation in the review of major infrastructure projects

In cooperation with the FY 2012 preliminary work for public infrastructure by the Council for Economic Planning And Development, Executive Yuan, the Agency reviewed the entire 254 projects submitted by various departments and ministries in terms of the ability of entire resources, importance of the administrative implementations, and the urgency, priority, feasibility and executive performance of each project during June and July in 2012. As a result of the review, the budget were reduced from the original of NT\$287.2 billion to NT\$191.2 billion, significantly reducing the budget.

C. Assist public infrastructure authorities to follow through the “Financial Planning Project for Cross-Field Value-add of Public Works” for improving overall economic and financial benefits of the projects

According to the “Financial Planning Project for Cross-Field Value-add of

Public Works” approved by the Executive Yuan on July 24<sup>th</sup>, 2012, the public infrastructure projects should be planned toward integration concept. The MOF will continue to promote the relevant contents through project reviews and seminars, and asset all agencies to implement such concept in the project planning stage, that is using the way of creating value-added of infrastructure projects to reduce the government’s financial pressure.

In that planning, the MOF is in charge of the drafting of Tax Increment Financing (TIF) mechanism. Under the premises of respecting local autonomy, not raising taxes and no need to amending laws and regulations, the MOF drafts “Tax Increment Financing Mechanism Operation Procedure and Division of Labor”, the contents cover matters such as the operation process of TIF, division of labor and tax revenue estimation. In addition, in order to ensure the financial resources for future repayment, it’s planned to let the local governments to enact self-governing and relevant regulations, or provide the agreement documents passed by the legislative assembly and setup special funds for the repayment purpose.

## **(8) Improving the Administration of Tobacco and Alcohol**

### **A. Amendment to the Relevant Tobacco and Alcohol Administration Regulations**

For the purpose of improving the effectiveness and performance of tobacco and alcohol administration, the relevant regulations are amended from time to time with consideration in regard to both the regulatory and implementing aspects. The draft amendment to “The Tobacco and Alcohol Administration Act” was submitted to the Legislative Yuan by Executive Yuan on 22<sup>th</sup> November 2012. The Legislative Yuan has adopted the draft on 7<sup>th</sup> December,

2012 and sent the draft to Finance Committee for examination. The amendment to Article 46 of “The Tobacco and Alcohol Administration Act” was promulgated on 8<sup>th</sup> August, 2012. In order to coordinate the implementation of the admendment, the MOF promulgated an interpretation of the specific amount of imported illegal tobacco/alcohol products set in Paragraph Three of Article 46 of “The Tobacco and Alcohol Administration Act” on 26<sup>th</sup> November, 2012; and amended “Directions for Handling of Seizure and Accusation for Tobacco and Alcohol-Related Products” on 7<sup>th</sup> December, 2012. Also in order to protect consumers’ right and strengthen the labeling administration of alcohol products, the MOF promulgated an interpretation of labeling regulation of products named millet spirit on 26<sup>th</sup> March, 2012. The amendments to Article 6 and the appendix to Article 5 of “Hygiene Standards for Alcohol Product Containers” were promulgated on 29<sup>th</sup> March, 2012. The MOF and The DOH jointly promulgated “Testing Method for Sulfur Dioxide Test in Alcoholic Beverages (1)” on 9<sup>th</sup> July, 2012, and “Testing Method for Alcohol Product Containers-Test of Plastic Products” on 3<sup>rd</sup> August, 2012. To prevent the denatured ethyl alcohol from being illegally manufactured into bootleg alcohol, the amendments to Article 19 and the appendix to Article 11 of “Regulations Governing Undenatured Ethyl Alcohol” were promulgated on 22<sup>th</sup> November, 2012.

#### B. Review on Interpretation and Order of “The Tobacco and Alcohol Administration Act”

Since the promulgation of “The Tobacco and Alcohol Administration Act” in 2000, it has been revised three times. In order to keep applications

in consistence with the act, we started to conduct the decree compilation management by bringing scholars, experts and local government representatives together to form a task force, and called four reviewing meetings in 2012, as well as completed the review of compilations on 109 explanation decrees of “The Tobacco and Alcohol Administration Act.” These decrees are expected to be completed compilations and be edited into books in 2013 to facilitate the execution by local government on tobacco and alcohol administration and be as references for the public.

#### C. Issuance of License for Manufacturers and Importers of Tobacco and Alcohol

The manufacturing and repackaging for sales of alcohol products were deregulated on 1<sup>st</sup> January, 2002 upon implementation of the new tobacco and alcohol system. Subsequently, the manufacturing and repackaging for sales of tobacco products were liberalized on 1<sup>st</sup> January, 2004. At the same time, the manufacturers and importers were also required to obtain a license issued by the MOF prior to commence any business operation. As of 31<sup>st</sup> December, 2012, the MOF had issued 2,979 licenses for tobacco and alcohol importers, 389 for alcohol manufacturers, and two for tobacco manufacturers.

#### D. Continuous Promotion for Alcohol Quality Certification System

In an effort to prohibit the sales of privately-produced and inferior alcohol products so as to ensure the safety of consumers, the MOF introduced Alcohol Quality Certification System in 2003. As of 31<sup>st</sup> December, 2012, 14 manufacturers of rice spirit and cooking alcohol (46 types of alcohol products), 11 manufacturers of sorghum spirits (112 types of alcohol products), 8 manufacturers of grape wine (26 types of alcohol products), 2 manufacturers of

fruit wine (4 types of alcohol products), one manufacturer of fruit reprocessed alcoholic beverage (1 type of alcohol product), one manufacturer of grain spirit other than rice spirit and sorghum spirit (2 types of alcohol products), and 3 manufacturers of beer (22 types of alcohol products ) have been certified.

To coordinate the implementation of certification system, we amended “Directions for Using Certification Logo on the Certified Alcohol” “Procedures for Evaluating Certification Logo on the Certified Alcohol,” and the “MOF Standard for Evaluation of the Certification of Alcohol Quality” for grain spirit, other than rice spirit and sorghum spirit, sorghum spirit, grape wine, fruit wine, and fruit reprocessed alcoholic beverage. The certification ensures the quality of alcohol products. In addition, through promotion by the government, quality control by the manufacturers, and with the knowledge of consumers, it will not only create a positive influence on domestic alcohol industry and serve to elevate alcohol production technology, but also add to the market value of the certification so as to produce a win-win situation in production and consumption of alcohol products.

#### E. Inspection of Imported Alcohol

In order to enhance the safety of alcohol consumers, the amended Article 39 of the “Tobacco and Alcohol Administration Act” prescribes that alcohol products may be permitted to be imported only after being inspected by the central competent authority in accordance with the hygiene requirements. The Imported Alcohol Inspection System was enforced in its entirety from 1<sup>st</sup> July, 2006. In 2012, a total of 48,182 applications for inspection were processed through the system. The system has functioned smoothly and helped to

enhance the hygiene management of alcohol products and to protect the safety of consumers. Total amount of domestic and imported tobacco as well as alcohol products are shown separately in Tables 15 to 17.

F. Organizing Workshops and Conferences for Enterprises

(A) To assist the development of the alcohol industry and to promote the marketing capacity of domestic alcohol manufacturers, the MOF held “The Seminar on Marketing for Alcohol Manufacturers in Taiwan” on 1<sup>st</sup> June, 2012. The topics covered the marketing of alcohol products, and the further development of the alcohol industry. The goal of the seminar is to strengthen marketing capacity of domestic alcohol manufacturers and to enhance the upgrading of the industry.

(B) To promote the Alcohol Quality Certification System, the Food Industry Research and Development Institute hosted “The Orientation on Alcohol Quality Certification System and the Practical Technique for Alcohol Manufacturers in Taiwan” on 30<sup>th</sup> October, 2012. The certification system and its standards were introduced to domestic alcohol manufacturers. We also invited experts to present special topics in order to upgrade the manufactures' technology used in alcohol production. The orientation thus provided an opportunity to exchange ideas with and gather opinions from domestic alcohol manufacturers so as to increase the visibility and to add value on the certification.

(C) To strengthen professional knowledge and capability on tobacco and alcohol administration of related personnel of central and local governments, the MOF conducted “Workshop on Chemical Theorem of Alcohol Production” on 9<sup>th</sup> and 10<sup>th</sup> August, 2012.

**Table 15 Total Amount of Domestic and Imported Cigarettes**

Unit: 1,000 pcs.

Year	Cigarettes								
	Domestic			Imported			Subtotal		
	Quantity	Ratio (%)	Growth Rate (%)	Quantity	Ratio (%)	Growth Rate (%)	Quantity	Ratio (%)	Growth Rate (%)
2002	18,628,741.46	53.68	-	16,073,466.52	46.32	-	34,702,207.98	100.00	-
2003	20,218,296.32	49.64	8.53	20,514,129.78	50.36	27.63	40,732,426.10	100.00	17.38
2004	16,931,639.80	43.23	-16.266	22,238,443.13	56.77	8.41	39,170,082.93	100.00	-3.84
2005	17,090,821.32	39.63	0.94	26,038,134.29	60.37	17.09	43,128,955.61	100.00	10.11
2006	16,718,856.76	40.24	-2.18	24,827,182.15	59.76	-4.65	41,546,038.91	100.00	-3.67
2007	16,933,339.24	40.34	1.28	25,040,630.00	59.66	0.86	41,973,969.24	100.00	1.03
2008	17,698,116.70	39.91	4.52	26,652,234.74	60.09	6.44	44,350,351.44	100.00	5.66
2009	18,686,149.57	49.05	5.58	19,409,453.41	50.95	-27.18	38,095,602.98	100.00	-14.10
2010	18,699,195.72	49.35	0.07	19,190,512.57	50.65	-1.13	37,889,708.29	100.00	-0.54
2011	20,705,285.40	55.47	10.73	16,619,221.76	44.53	-13.40	37,324,507.16	100.00	1.49
2012	21,967,404.11	58.87	6.10	15,347,216.68	41.13	-7.65	37,314,620.79	100.00	-0.03

**Table 16 Total Amount of Domestic and Imported Non-Cigarette Products  
(Tobacco slices, cigars, snuff, chewing tobacco, and other tobacco products)**

Unit: Kilogram

Year	Non-Cigarettes Products (Tobacco slices, cigars, snuff, chewing tobacco, and other tobacco products)								
	Domestic			Imported			Subtotal		
	Quantity	Ratio (%)	Growth Rate (%)	Quantity	Ratio (%)	Growth Rate (%)	Quantity	Ratio (%)	Growth Rate (%)
2002	-	-	-	387,140.96	100.00	-	-	-	-
2003	-	-	-	506,092.19	100.00	30.73	506,092.19	100.00	30.73
2004	-	-	-	46,595.17	100.00	-90.79	46,595.17	100.00	-90.79
2005	-	-	-	59,253.10	100.00	27.17	59,253.10	100.00	27.17
2006	-	-	-	45,328.75	100.00	-23.50	45,328.75	100.00	-23.50
2007	-	-	-	40,470.32	100.00	-10.72	40,470.32	100.00	-10.72
2008	-	-	-	51,263.87	100.00	26.67	51,263.87	100.00	26.67
2009	360.00	0.15	-	233,544.79	99.85	355.57	233,904.79	100.00	356.28
2010	60,480.00	3.92	16,700.00	1,483,888.97	96.08	535.38	1,544,368.97	100.00	560.26
2011	-	-	-	3,065,519.28	100.00	106.59	3,065,519.28	100.00	98.50
2012	-	-	-	3,580,394.55	100.00	16.80	3,580,394.55	100.00	16.8

**Table 17 Total Amount of Domestic and Imported Alcohol**

Unit: Kiloliter

Year	Alcohol Products								
	Domestic			Imported			Subtotal		
	Quantity	Ratio %	Growth Rate %	Quantity	Ratio %	Growth Rate %	Quantity	Ratio %	Growth Rate %
2002	437,006.60	72.06	-	169,452.76	27.94	-	606,459.36	100.00	-
2003	451,714.68	72.63	3.37	170,247.86	27.37	0.47	621,962.53	100.00	2.56
2004	463,928.52	73.56	2.70	166,793.42	26.44	-2.03	630,721.94	100.00	1.41
2005	463,637.73	73.09	-0.06	170,690.17	26.91	2.34	634,327.90	100.00	0.57
2006	497,903.74	75.24	7.39	163,883.02	24.76	-3.99	661,786.77	100.00	4.33
2007	472,405.27	72.10	-5.12	182,768.81	27.90	11.52	655,174.08	100.00	-1.00
2008	462,820.28	72.33	-2.03	177,023.82	27.67	-3.14	639,844.10	100.00	-2.34
2009	503,041.28	73.80	8.69	178,585.03	26.20	0.88	681,626.30	100.00	6.53
2010	513,432.94	71.64	2.07	203,295.32	28.36	13.84	716,728.26	100.00	5.15
2011	509,947.98	70.00	-0.68	218,577.54	30.00	7.52	728,525.53	100.00	1.65
2012	544,971.27	70.95	6.87	233,133.45	29.05	2.08	768,104.71	100.00	5.43

Note: 1. Data of domestic products: provided by the Fiscal Information Agency, MOF.

2. Data of imported products: provided by the Customs Administration, MOF.

3. "-" indicates the data are not available.

#### G. Strengthening the Promotion for Tobacco and Alcohol Products

In order to maintain the order in the production and marketing in the tobacco and alcohol industry and to protect consumers' rights, there were 14 cases of promotion for alcohol and tobacco products in 2012 via various media, including television, newspapers, magazines, and posters.

#### H. Strengthening protection for alcohol and tobacco consumers and seizing of illegal alcohol and tobacco

(A) To protect the rights of alcohol and tobacco consumers, we established the reporting system of emergency injury and annual safety drill to assist local governments' crisis management in a timely manner to minimize damage. At the same time, there were relevant alcohol and tobacco management regulations promoted via various media and websites. We worked together with the Consumer Protection Commission, Executive Yuan, and local governments on consumer protection fairs on 12 occasions with a goal to encouraging the public to monitor illegal activities collectively.

(B) To curb unlawful businesses from smuggling or producing unlicensed or disqualified tobacco and alcohol products, we actively reinforce the implementation of related regulations on alcohol and tobacco control. Moreover, we devoted to stabilize the production and sales in the alcohol and tobacco market. “The Central Task Force for the Seizure of Unlawful Alcohol and Tobacco Products” is in charge of the coordination and supervision of major illegal alcohol and tobacco cases; thus, it can effectively solve the problems occurring between central and local competent authorities in combating unlawful alcohol and tobacco

activities, as they work together to continue to interdict illegal activities continuously.

- (C) To maintain the order of production and sales of the alcohol and tobacco market, to lower the impact of unlawful tobacco and alcohol on tax revenue and the market, and to protect the rights of legal enterprises and consumers, “The Project on the Seizure of Unlawful Tobacco and Alcohol Products” was established pursuant to “The Tobacco and Alcohol Administration Act” and relevant regulations. The MOF provides supports to local governments for the seizure through selectively review and examination on the sales and usage of ethyl alcohol as well as alcohol products, and through jointly inspecting low-priced tobacco and alcohol products. In addition, rewards and administrative honors will be granted to those who have performed in an outstanding manner. The NTA will cite and reward relevant authorities or those with an outstanding performance in individual caeses of seizure. Moreover, annual evaluation shall be conducted to analyze the results of seizures as a reference to future plans. The project was announced via different media and websites, so that the public can work together to acting against unlawful activities to protect the safety of consumers and maintain the order in this industry.
- (D) Total 2,979 cases of violation to “The Tobacco and Alcohol Administration Act” in 2012, in which 13,436,900 packages of tobacco products and 539,700 liters of alcohol products were found and seized(market value NT\$ 696,135,000). The amounts of unlawful tobacco and alcohol products seized in the years from 2003 to 2012 are shown in Table 18.

**Table 18 Unlawful Alcohol Products and Cigarettes Seized in Year 2002-2012**

Unit: million

Year	Item	Cigarettes (package)	Alcohol (liter)
2002		26.50	1.81
2003		26.25	1.15
2004		22.03	0.48
2005		12.48	1.49
2006		6.61	0.62
2007		10.90	0.74
2008		4.46	0.96
2009		10.28	1.07
2010		15.41	0.61
2011		11.09	0.74
2012		13.44	0.54

Note: The above mentioned numbers are based on the products seized by Coast Guard Administration, National Police Agency, Customs Administration, and local governments.

### I. Assisting development of the alcohol industry

For the purpose of marketing domestic alcohol industry, increasing the visibility and enhancing the consumers' appreciation and understanding of alcohol products, the MOF held an contest of certified domestic alcohols on 22<sup>nd</sup> September, 2012, as well as held “The Nectar Cultural Carnival of Alcohol Products Industry” on 10<sup>th</sup> November, 2012 to enhance the competitiveness of the domestic alcohol industry and protect the rights of consumers.



- The Nectar Cultural Carnival of the Alcohol Products Industry

## (9) Participating in the Affairs of International Institutions

### A. Participating in the Affairs of International Financial Institutions

The MOF dispatched representatives to attend the annual meetings of the Asian Development Bank and the Central American Bank for Economic Integration, held during the period from April to May, 2012, in order to strengthen the interaction with the other member economies and other organizations. The National Treasury Administration also assigned delegates to attend the third donors' meeting of the Asian Development Fund XI held by the Asian Development Bank in March 2012, respectively, to discuss the demand for ADF XI regarding its framework and scale.

The MOF dispatched representatives as an observer to attend the annual meetings of the Inter-American Development Bank (IDB) held in March 2012, in order to strengthen the interaction with the other member economies and other organizations.

To maintain the co-operative relationship with the EBRD, and assist domestic banks and companies to expand in the market in Central-Eastern Europe, the MOF has successfully made application to the EBRD for the employment of a Taiwanese financial officer every year since 2003. The MOF proceeded to sign an officer to work at the TFP department of the EBRD in 2012. Such secondment will aid in the continuous improvement of the exchange of international financial experience and help domestic companies to fully seize business opportunities released by the EBRD.

#### B. Participation in the Asia-Pacific Economic Cooperation (APEC) meetings

In 2012, APEC held Senior Finance Officials', Finance Deputies' and Ministers' meetings successively, and the Administration dispatched representatives to participate and join in the discussions on “Fiscal Sustainability as a Factor of Long-Term Economic Growth in the APEC Economies” and “Financial Policy Measures to Address the Impact of Natural Disasters”, which is beneficial to the promotion of our international affairs.

In addition, for the seminars hosted by APEC in 2012, including the “Forum on Modernization of Treasury Systems in APEC Economies” in March, the “International Conference on Scaling-Up Infrastructure Investment in Asia Pacific” in October and the “Workshop on Prospects and Directions of Developing Treasury Systems for APEC Economies” in November, the Administration was actively involved in each of them, and the Director-General, Ms Joanne Ling, was a speaker for “Cash Management” in the seminar in March to share our experience in effectiveness in treasury management. Through the participation in those meetings and seminars, we may learn of development experiences of other countries and strengthen

the interaction with the other member economies to improve our country's visibility, achieving the goal of fiscal diplomacy.

#### C. Trade Talks Concerning the Foreign Affairs of Tobacco and Alcohol Products

The NTA undertook the following works in relation to international affairs:

(A) the NTA participated in the 37<sup>th</sup> Taiwan-Japan Trade Talks and related conferences held in Taipei in November, in which the NTA provided a detailed outline of its hygiene standards for alcohol products. The NTA thereby built up mutual understanding and enhanced relations with trade partners through participation in these talks.

(B) In order to enhance the understanding of the alcohol products import management system, the NTA attended the 2012 APEC alcohol regulations forum-public and private sector dialogue as well as the meeting of risk management and validation requirements of the regional trade in alcohol products. In addition to the briefing given at the meeting to let other countries learned about our relevant alcohol import management measures, the NTA also participated in section discussion to exchange information with other countries.

## (10) Funds Management

#### A. The Fund for Privatization of Government-Owned Enterprises under the Executive Yuan

(A) The purpose of the establishment of the privatization fund is to employ partial funds from the privatization to finance the shortage as required by a government-owned enterprise experiencing financial difficulties for payment of the expenses borne by such government-owned enterprise for privatization; to finance the shortage as required by a government-owned

**Table 19 The Expenditure Paid by the Fund for Privatization of Government-Owned Enterprises under the Executive Yuan**

Unit: NT\$ million

Item	Org.	August, 2001 to December 2011		2012	
		Subtotal	Total	Subtotal	Total
In response to financial difficulties, payments to insufficient privatization funds for severance pay or seniority settlement pay	MOC	1,192	10,631	0	0
	MOTC	4,725		0	
	MOEA	3,826		0	
	MOF	530		0	
	VAC	358		0	
Retirement pay and holiday bonuses for those who retired before privatization; financial aid for those taking early retirement	MOC	51	46,828	4	8,164
	MOTC	44,050		7,188	
	MOEA	468		55	
	MOF	469		35	
	VAC	1,790		882	
For privatized businesses, the six-month lay-off pay and compensation for loss for retained staff laid off within five years	MOC	458	10,098	0	69
	MOTC	3,878		40	
	MOEA	971		24	
	MOF	4,704		5	
	VAC	87		0	
For privatized businesses, compensation pay based on voluntary service and seniority for retained staff still in place on 5th June, 1998	MOC	0	3,436	0	0
	MOTC	190		0	
	MOEA	1,742		0	
	MOF	1,504		0	
In response to financial difficulties, payments to insufficient privatization funds for staff laid off before privatization or for compensation for shutdown	MOEA	5,526	9,537	0	0
	VAC	4,011		0	
Total	-		80,530		8,233

enterprise experiencing financial difficulties for payment of severance pay and/or seniority settlement amounts to its employees laid off as a result of any special project prior to privatization and/or in connection with the winding-up of the government-owned enterprise; to pay the additional six-month salary and the compensation for various losses provided in the Act of Privatization of Government-Owned Enterprises and the expenses borne by the government for privatization; and to accelerate the promotion of privatization.

(B) From its establishment in 2001 to the end of December, 2012, the total payment for the privatization of government-owned holdings of the Ministry of Finance, Ministry of Economic Affairs, Ministry of Transportation and Communications, Ministry of Culture, and Veterans Affairs Commission, Executive Yuan, was NT\$88,763 million, please refer to Table 19.

#### B. Operation of the Central Government Debt Service Fund

The main function of the Debt Service Fund is to strengthen debt management, increase financial performance, and reduce the debt pressure. Debt refinancing smoothes the annual debt service and improves the debt structure. In 2012, the Fund refinances NT\$716.7 billion of debts, and together with the NT\$ 94 billion mandatory principle payments credited to the total budget, a total of NT\$ 810.7 billion outstanding debts (due and undue) were repaid. A total of NT\$0.62 billion debt interest was saved by repayment of outstanding undue debts in 2012.

#### C. The Local Construction Fund

“The Local Construction Fund” is a type of “operation fund” established in accordance with Paragraph 1, Article 4 of the Budget Act, which provides for al-

lowance of a subordinate agency budget at the same time. In order to support local governments in infrastructure projects with compensation or with funds repayable by budgeting on a year-by-year basis and to set the sub-budget for the Local Construction Fund, which provides funds to encourage the development of local infrastructure with the preferential rate, and for local governments received funds “centrally-allotted general tax payment” based on actual demand, which supports the funding needs of local governments.

In year 2012, the business budget for the Local Construction Fund was NT\$ 9 billion. After the holding of four “Local Construction Fund Management Committee Meetings”, 35 cases of loan were approved, to a total amount of NT\$9.26 billion. This represents a 102.85% achievement rate of the NT\$9 billion business budget. The net value of the Local Construction Fund is NT\$28.83 billion. NT\$26.51 billion are outstanding loans, NT\$12.12 billion are approved but not paid-out loans. In year 2012, NT\$0.36 billion are to be returned to the Treasury.



## 2. Future Prospects

### (1) Advancing the centralized operation

- A. Promoting the automatic payment operation; improving the efficiency of administration
  - (A) Setup of the electronic handling mechanisms, including the auto-comparing and the on-line retrieval systems for signature and certification data of all central government agencies.
  - (B) Preparation of the income tax and insurance premium withholding operation for withholders in all central government agencies.
  - (C) Cancellation of the paper printing for the inter-bank remittance forms and sheets.
- B. Increasing the limit of electronic payment; expanding the efficiency of the electronic payment
- C. Continuously co-ordinating with the Ministry of National Defense (MND); strengthening the extent of centralized payment for national defense funds
  - (A) Promoting the network connection with various subordinate units of the MND for the payment operation. The short-term progress is to implement the network connection with 19 financial affair units, and the mid-/long-term progress is to implement the direct issuance of payment certificate in all 243 fund payment units.
  - (B) Appropriate monthly the fixed amount of payment to all basic units (administrative expenses, special expenses and general administration expenses) and the travel expenses for national soldiers and officers. The

current implementation of deposit in civilian agencies will be adopted as reference to deposit the payment directly to payee's account.

## **(2) Promoting the draft amendment of the “Public Debt Act” and “Act Governing the Allocation of Government Revenues and Expenditures” to be passed through the legal procedure**

In order to adapt to the adjustment of administrative divisions, the draft amendment of the Public Debt Act has listed as one of the priority bills by the executive Yuan. The Ministry of Finance will continue to promote the draft amendment so as to complete the legislative process as early as possible.

In order to improve local finance and respond to the administrative needs of local governments, the MOF proposed the draft amendment of the “Act Governing the Allocation of Government Revenues and Expenditures”. The draft amendment were sent to the Legislative Yuan on 23<sup>rd</sup> February, 2012. To build a sustainable legal system of local finance, the MOF will promote the amendments to be passed through the legal procedure continuously.

## **(3) Promoting and improving the Financial Management Information System**

We have adopted the financial management information system (FMIS) architecture of the World Bank, with the intention to integrate the current electronic payment control of the centralized treasury system, the debt information integration management system, and the online national treasury fund collection and disbursement system. The functions of the FMIS can be

combined with the system of revenues and payments transactions of execution, record, control, assessment and report production, as well as allowing for mutual benefit in the sharing of information. In this way, we can enhance the overall of the financial integrity government in the use of real-time information, promote the efficiency and quality of financial decisions, and strengthen the government's financial management functions.

#### **(4) Implementing the review of the standards of charges and fees**

The MOF will enhance the management of executive procedures at the collection of charges and fees and push the authorities in charge of the above matters to make any necessary adjustments so to conform the law. The adjustments shall be reviewed by considering the trends in the fluctuations of costs and expenses, and changes in the consumer price index.

#### **(5) Coordinated Review on various Pension System**

In response to the review and adjustment of social insurance and retirement system, the Ministry will actively coordinate with relevant authorities in operation, if, after review, there is a need to raise insurance premium or set aside rate, for the part of the increase on government's burden, the Ministry will raise the funds to meet the needs.

#### **(6) Study and amendment of the “Government Treasury Act”**

To continuously improve treasury management and enhance the government's efficiency in financial administration, the NTA continues to review the following treasury-related regulations:

A. Amend “Government Treasury Act”

B. Amend “Handbook for Treasury Management”

## **(7) Integration of the Information Security Management System**

In line with organizational reform, the Taipei Disbursement Office has been merged into National Treasury Administration. To maintain the security of information operation and to improve the quality of information service, Information Security Management System (ISMS) will be performed continuously.

## **(8) The National Treasury world wide website revision**

By strengthening the characteristic of the National Treasury world wide website, displaying more important performance and extending more service functions, the National Treasury world wide website has been revised continuously in order to improve the propaganda of National Treasury Affairs and achieve the administration goal.

## **(9) Improving financial conditions of the Fund for Privatization of Government-owned Enterprises under the Executive Yuan**

To facilitate fund operation, the MOF actively plans the privatization (sale of shares) and requests cooperation from relevant ministries/departments.

In order to strengthen the transparency of the disclosure of the financial information of the government, the administration has drafted the basic principles in the Privatization Fund Actuarial Assumptions to be the bases for competent authorities in conducting actuarial calculations, and urged the competent

authorities to actively expedite the processing of actuarial operations and make timely disclosure of the relevant expenses in the annual reports of the Fund for Privatization of Government-owned Enterprises under the Executive Yuan.

### **(10) Continuously promoting the flexible use of financial strategies to accelerate public infrastructure developments**

To strengthen the nation's development and competitiveness, the government should continue to push forward all kinds of major infrastructure. However, government financial resource is limited, the MOF will continue to promote flexible use of the concepts and practices of financial strategies to assist all authorities to improve financial planning of projects in a hope to increase project self-liquidation rate for attracting the participation of the private sector and special funds, so the infrastructure could be effectively pushed forward and the government financial burden could be eased.

In addition, for public welfare and urgent infrastructure with low self-liquidation rate, the Executive Yuan already asked the Public Construction Commission (In 2013, the Commission is reorganized into the Department for Promotion of Private Participation Ministry of Finance) to study and promote PFI (Private Finance Initiative) system. The Ministry of the Interior and Ministry of Economic Affairs will respectively select demonstration cases from the construction projects such as sewage facilities, long-term care facilities and sea water desalination facilities in a hope to introduce private sector resources to accelerate the infrastructure projects. The National Treasury Administration will work out financial strategies timely for accelerating the provision of public service.

## **(11) Continuing to Strengthen and Promote Assistance in Local Government Finance**

In order to help the local governments create financial resources, the MOF issued the “Program for Assisting Local Government Finance” to evaluate the fiscal operations of the local governments. The MOF would hold seminars and invite outstanding performers to share their experiences. As a result of the propagation in the past four years, the local governments have paid attention to the program. The effects of applying actively financial strategies to improve fiscal performance have progressed. The MOF will continue to promote financial performance of local governments through educational training, evaluation and assistance and experience-sharing, so as to streamline local government fiscal operation and improve financial efficacy.

## **(12) Supervise the designated bank for the 4<sup>th</sup> Public Welfare Lottery Issuance in conducting the Lottery Issuance Establishment Operation**

According to the regulations announcement by the Ministry of Finance numbered Tai-tsai-ku-zi No.10103665710 on June 15<sup>th</sup>, 2012. The designating bank should re-conduct the selection for public welfare lottery computer technology supplier and lottery distributors and replace all computer-based lotteries betting equipment, and continue to issue lottery from January 1<sup>st</sup>, 2014.

After the Ministry of Finance designating the China Trust Commercial Bank as the 4<sup>th</sup> Public Welfare Lottery issuer on October 29<sup>th</sup>, 2012, the Bank already starts the relevant implementation operation from November, 2012. The Ministry

of Finance will actively supervise the Bank to complete all implementation operation before the deadline.

### **(13) Strengthening the promotion of the core values of Public Welfare Lottery and the establishment of public image**

To strengthen Public Welfare Lottery's core value of charity, and the establishment of welfare image on welfare lottery, in addition to continue supervise Taiwan Lottery Corporation to conduct welfare lottery achievement exhibition, the Administration will encourage local government to launch indicative plan for image building which are integrated and macroscopic to highlight the government-run lottery is to be used to benefit the disadvantaged in the society.

### **(14) Continuing to implement reviews on surplus earnings from public welfare lottery issuance and utilization of donation from winners**

Ever since the public welfare lottery was launched in 1999, the business has yielded close to NT\$236.2 billion surplus earnings (included sports lottery) and NT\$10.4 billion of lottery wins donated by the winners as at 31<sup>st</sup> December, 2012. The surplus funds will be set aside to cover funding for National Annuity, National Health Insurance Liability Reserve and local government's social welfare costs. MOF aims to ensure that surplus earnings for public welfare lottery operations are ultimately received by those in need and to demonstrate the effectiveness in utilization of these surplus earnings through enhancing performance benchmarks and conducting site visits. The Administration

will continue to make good use of the lottery surplus through strengthening assessment indicators and real site visits.

### **(15) Strengthening the Imported Alcohol Inspection System**

To enhance the management of imported alcohol inspection, the NTA upgraded the inspection system in 2012. The NTA will further to strengthen control of the unqualified alcohol products and those alcohol industries that had imported substandard alcohol products in order to safeguard health of the public.

### **(16) Constructing Inferior Tobacco and Alcohol Product Investigation and Seizure System**

To enhance the response to the transformation of law violation in the inferior Alcohol and Tobacco Product cases, in addition to the tracking of law-violation intelligence or enhancing the control and inspection on the sources, the Administration strengthen the Inferior Tobacco and Alcohol Product Investigation and Seizure System, adding link to Custom Service's Import Inspection Data to execute the control and management on import alcohol (including denatured) and Tobacco, and link with Finance Information Center to databsae screen possible illegal wine production, imported tobacco or suspected tax evasion business according to the import information and the flow of sales, screen out the abnormal cases through the information system articulation to track or perform project audit for effectively prevent the business in denaturing alcohol into wine making material and put down on the smuggling of tobacco products.

## (17) Continuous Promotion of the Alcohol Quality Certification System

To enhance the development of local alcohol industry, we will promote the Alcohol Quality Certification System so to as improve their technology and quality in alcohol production. In 2013, the MOF expects to conduct 90 site visits of alcohol manufacturers to help them comply with the standards required for certification of alcohol products. An additional 3-4 manufacturers would be certified. We also plan to conduct 140 site visits of certified alcohol manufacturers for auditing. Furthermore, we plan to promote the Alcohol Quality Certification System and alcohol logo through advertising.





## **IV. Summary of Important Performance in 2012**

## IV. Summary of Important Performance in 2012

No	Item	Effects	Completion Date
1	Conduct Alcohol and Tobacco Administration Act Study and Review works	Study and Review Alcohol and Tobacco Administration Act interpretation in order to facilitate external references	Continue to perform
2	Study and finish the draft amendment of “The Tobacco and Alcohol Administration Act”	<ol style="list-style-type: none"> <li>1. Enhance effectiveness in the management of tobacco and alcohol and promote sound development of tobacco and alcohol industry</li> <li>2. Curb inferior alcohol and tobacco products to safeguard the health of the general public and protect the legitimate business's interests</li> <li>3. Make clear and complete on the specification for labeling on alcohol and tobacco products to protect the interests of the consumers</li> <li>4. Improve the execution benefit of inferior tobacco and alcohol product investigation and seizure to maintain the industry order in the tobacco and alcohol industry</li> </ol>	After the Ministry sent the Act to Executive Yuan for review on July 16 <sup>th</sup> , 2012, the Executive Yuan has send the Act to Legislative Yuan for consideration and deliberation on November 22 <sup>nd</sup> , 2012
3	The MOF drafted the “Common Operation Paradigm for Internal Control System on Treasury Exercises” as reference to be adopted by all the organizations, agencies and schools under the Executive Yuan	<ol style="list-style-type: none"> <li>1. In conformity with the effectiveness and practicality of the treasury management of all organizations</li> <li>2. Establish sound internal control system of all organizations</li> </ol>	2012.01
4	Amendment of “Directions for Using Certification Logo on the Certified Alcohol” and “Procedures for Evaluating Certification Logo on the Certified Alcohol”	<ol style="list-style-type: none"> <li>1. Strengthen high quality wine certification system legalization specification</li> <li>2. Follow through on the management of certificated alcohol products</li> <li>3. Enhance certification effectiveness</li> </ol>	2012.02

No	Item	Effects	Completion Date
5	Amendment of Article 6 and the appendix of Article 5 of “Hygiene Standards for Alcohol Products Containers”	It helps to strengthen the hygiene management of plastic wine containers, thus ensuring the safety for drinking	2012.03
6	Promulgation of an interpretation of labeling regulation of millet wine	Safeguard the interests of consumers, and strengthen the management of labeling on alcoholic products, and it contributes to the sound development of the liquor industry	2012.03
7	The MOF circulated a letter to inform all central and local government agencies to assist the general public by following “The Explanation and Operation Procedures for Donation and the Example for Filling Out the National Treasury Payment Slip” for the making of donations to the national treasury	Convenient Services	2012.05
8	The MOF amended Article 2, Article 9, Article 10, Article 11, Article 12 and Article 13 of “The Guidelines of Handling Salary Remittance for Central Government Agencies and School”	Response practices, and with the organizational transformation needs, so authorities to follow	2012.05
9	Hosting of “The Cultivation Program for Senior Managerial Personnel of Government-Owned Enterprises”	To enhance the leadership abilities, professional competency, global visions of senior managerial personnel of the MOF’s publicly-owned agencies or their privately-owned invested companies as well as to cultivate talented personnel possessing the potential to be promoted to the vice-president positions within the various enterprises with overnment-owned shareholdings	2012.05

No	Item	Effects	Completion Date
10	The MOF amended Article 5 of the “Selection Regulations for Agent Bank of Local Government Treasury”	<ol style="list-style-type: none"> <li>1. Maintain the smooth functioning of local treasury affairs</li> <li>2. Ensure the safety of the funds in the treasury</li> </ol>	2012.06
11	Released the table of “Public Debts of All Levels of Government for 2011” (preliminary accounts)	Strengthened the mechanism of debt information disclosure	2012.05
12	Hosted the web page of “the Latest National debt information (the National Debt Clock)”	Strengthened the disclosure of 14 debt information items such as the central government outstanding debt as a percentage of GDP, issuance of government bonds and treasury bills, and the short- and long-term loans and principal and interest payments to remind the government to cut costs and increase revenue for reducing debt burden, and ask the general public to monitor the country's debt situation	2012.06
13	Set up the web page of “the Latest Local Debt Clock”	<ol style="list-style-type: none"> <li>1. Built up a platform to raise the quantity and quality of local debt information, which not only improved financial transparency, but also helped the decision-making</li> <li>2. Attracted the concern from media, enhanced public attention and participation in local finances, and established an objectively external oversight mechanisms to improve the motivation for self-discipline in local finance</li> </ol>	2012.07
14	Amendment of “Method of Test for Alcoholic Beverages -Test of Sulfur Dioxide (1)”	<ol style="list-style-type: none"> <li>1. In response to the needs of inspection and management practices, strengthen the management of alcoholic additives</li> <li>2. Enhance tobacco and alcohol management efficiency and implementation benefits</li> </ol>	2012.07

No	Item	Effects	Completion Date
15	Amendment of “The MOF Standard for Evaluation of the Certification of Alcohol Quality-grain spirits other than rice spirits and sorghum spirit”	Amended for the needs of alcohol quality certification management practices to enhance the effectiveness of the implementation	2012.07
16	Amendment of “The Policies of the National Treasury Administration Information Security” and “The Guidelines of the National Treasury Administration Information Operation Management”	To integrate the Information Security Management System and to promote Information Plan	2012.08
17	The MOF amended Article 5 of the “Regulations on the Management of the Central Government Agency Account”	<ol style="list-style-type: none"> <li>1. Simplify the organizational administrative operational procedures</li> <li>2. Reduce the burden of the national treasury agents in opening and closing accounts</li> <li>3. Taking into account accuracy of the data in the national treasury agency account information management system</li> </ol>	2012.08
18	The MOF amended Article 3, Article 6, Article 9, Article 11, Article 12 and Article 17 of the “Regulations for the Payment of the Tax Revenue Collected by the Commissioned Bank, Agency Institute, and Tax Collections Institute of Government Treasury at Each Level”	<ol style="list-style-type: none"> <li>1. Make sound the over-the-counter tax collection system in financial institutions</li> <li>2. Protect the rights and interests of all levels of the public treasury</li> <li>3. Improve the willingness of financial institutions to perform over-the-counter tax collection business</li> <li>4. Assist the tax authorities to collect all kind of taxes to achieve the policy objective of convenient service</li> </ol>	2012.08

No	Item	Effects	Completion Date
19	Completion of the preparation of the FY 2013 General Government Budget Proposal as scheduled	The MOF worked in co-operation with the DGBAS to finish the preparation of proposed revenues for the FY 2013 Central Government General Budget as scheduled, submitted the proposal to the Executive Yuan for approval, and sent to the Legislative Yuan for review. Thus successfully achieved the goal of raising sufficient funding to support policy objectives	2012.08
20	Conducted workshops on “Strengthening the Financial Plan for Major Public Infrastructure Projects”	The MOF conducted two workshops on “Strengthening the Financial Plan for Major Public Infrastructure Projects” to assist all agencies to adopt creative new ideas in planning the public infrastructure projects	2012.08
21	Held the regional seminars of the “Task Force on Sound Finances”	In July and August, the Ministry hosted seminars of the “Task Force on Sound Finances” in the northern, central, southern and eastern regions, and invited representatives from central government, local officials, scholar and experts to jointly discuss two main issues- “review of local finance and responsive measurements” and “the development of state-owned properties”	2012.08
22	Amended the “Regulations for Allocation of Centrally-Funded Tax Revenues”	In responding to the need of budget preparation of the local governments for 2013	2012.08
23	Promulgation of “Method of Test for Alcohol Products Containers-Test of Plastic Products”	1. Coordinate the health inspection and management needs to strengthen the management of alcohol products containers 2. Enhance tobacco and alcohol management efficiency and implementation benefits	2012.08

No	Item	Effects	Completion Date
24	Amendment of Article 46 of “The Tobacco and Alcohol Administration Act”	<ol style="list-style-type: none"> <li>1. To meet the decriminalization trend and take into account the attempts to prevent smuggling</li> <li>2. Avoid the waste of custom manpower and judicial resources</li> <li>3. Promote and improve tobacco and alcohol administration</li> <li>4. Meet the principle of proportionality in punishment</li> <li>5. Deter the illegal action of importing inferior tobacco and alcohol products</li> </ol>	2012.08
25	Conduct “Workshop on Chemical Theorem of Alcohol Production”	<ol style="list-style-type: none"> <li>1. Enhance tobacco and alcohol administration personnel's professional knowledge</li> <li>2. Improve tobacco and alcohol administration efficiency</li> </ol>	2012.08
26	Completion of “The Sound and Stable Finance” chapter draft in the National Development Plan	Completion of “The Sound and Stable Finance” chapter draft in the Four-Year National Development Plan (2013-2016) and the Plan for National Development in 2013 for CEPD (Council for Economic Planning and Development) to set up the short and medium-term programs for the “Golden Decades”	2012.09
27	Amendment of “ The Directions for National Treasury Data Processing Operations for the matching of revenue to expenditure in the Central Government Budget for All Units in the Central Government”	Coordination of the merger of The Taipei Disbursement Office of the Ministry of Finance with the National Treasury Administration from January 1 <sup>st</sup> , 2013, with utilization of the Central Bank National Treasury Collection and Payment Connection Operation system to carry out the matching of revenue to expenditure to simplify collection and payment procedure	2012.10

No	Item	Effects	Completion Date
28	Perform the selection and designation operation for the 4 <sup>th</sup> Welfare Lottery Issuing Organization	<ol style="list-style-type: none"> <li>1. Study and set selection policy to guide candidates into equalized planning on all assessment items in order to facilitate the sound lottery issuance and increase government revenue</li> <li>2. Strengthen the Lottery Dealer Management and the maintenance of dealers' interests</li> <li>3. Unify Welfare Lottery identification mark to enhance the public image</li> </ol>	2012.10
29	Amendment of "The MOF Standard for Evaluation of the Certification of Alcohol Quality-sorghum spirit", "The MOF Standard for Evaluation of the Certification of Alcohol Quality- grape wine", "The MOF Standard for Evaluation of the Certification of Alcohol Quality- fruit wine", and "The MOF Standard for Evaluation of the Certification of Alcohol Quality-fruit reprocessed alcoholic beverage"	Coordinate the practical needs of alcohol quality certification management to amend relevant regulations and improve certification effectiveness	2012.10
30	The MOF amended Article 21 of the "Handbook for Treasury Management"	<ol style="list-style-type: none"> <li>1. Implement the e-government policy</li> <li>2. Enhance government finance management efficiency</li> </ol>	2012.11
31	Holding of "The Nectar Cultural Carnival of Alcohol Products Industry"	Enhance the development of the alcohol industry, improve the quality of alcohol, ensure the safety of consumers, highlight the characteristics of domestic alcohol and increase its visibility, add value to the industry, display the performance of the agency in the counseling of the alcohol industry, promote alcohol certification timely and enhance the consumers' appreciation and understanding of alcohol product	2012.11

No	Item	Effects	Completion Date
32	Promulgation of the Specific Amount of Imported Illegal Tobacco/Alcohol Products Set in the Paragraph Three of Article 46 of The Tobacco and Alcohol Administration Act	Clearly define the regulation for no punishment to the contraband cigarettes and slygrog not exceeding a certain amount	2012.11
33	Make interpretation on the regulation that for tobacco and alcohol imported for self-use, there is no need to have tobacco and alcohol importing business license	<ol style="list-style-type: none"> <li>1. Tobacco and Alcohol imported and the imported amount not exceeding a certain number and the products are for the importer's own use, there is no need to have tobacco and alcohol importing business license to simplify the administration and make more convenience to the general public</li> <li>2. Tobacco and Alcohol products imported according to the above regulation can't be used in business purpose to maintain the market order in the tobacco and alcohol product market</li> </ol>	2012.11
34	The MOF notified all the organizations, agencies and national schools under the Executive Yuan of "The Ministry of Finance Common Recommendations for Year 2012 Annual Visitation and Inspection Operation on Treasury Affairs"	<ol style="list-style-type: none"> <li>1. Implement the promoting policy of internal control system for the Executive Yuan</li> <li>2. Establish sound treasury management system</li> <li>3. Enhance government administration efficiency</li> </ol>	2012.12
35	Amended "Directions for Treasury Centralized Payment"	In response to the transformation of the practices, and with the organization and seamless integration	2012.12
36	Continuously administer Preferential Housing Loan for the Young	At the end of December 2012, the preferential loan administered by the state-owned banks was granted to 80,283 households in the amount of NT\$280.3 billion	2012.12

No	Item	Effects	Completion Date
37	The Review of the Relevant Regulations for Service Fees and Charges	In 2012, completion of the reviews of the relevant regulations of government service fees to a total of 49, and additional review of the relevant regulations of local government service fees to a total of 52	2012.12
38	Released the table of “Public Debts of All Levels of General Government for 2011”(final audit accounts)	Strengthened the mechanism of debt information disclosure	2012.12
39	Regular issuance of Government Bonds	To effectively construct the government bond yield curve and promote a regular issuance of government bonds, the government bonds continued to be issued regularly with moderate amounts in 2012, and a “two-staged announcement” adopted, too. The bonds were issued nineteen terms with a total issue amount of NT\$665 billion in 2012	2012.12
40	Regular issuance of Treasury Bills	In order to establish short-term interest rate indicator, the treasury bills continued to be issued regularly with moderate amounts in 2012. Treasury bills were issued ten terms with total issue amount of NT\$265 billion in FY 2012	2012.12
41	Held the “2012 Meeting on Local Finance”	<ol style="list-style-type: none"> <li>1. Share the concept, strategy and approach in managing local finance and assist local governments create financial resources and strengthen financial performance</li> <li>2. Enhance communications and coordination between the central and local governments and experience-sharing between local governments</li> </ol>	2012.12

No	Item	Effects	Completion Date
42	Amendment of Article 19 and the appendix of Article 11 of “Regulations Governing Undenatured Ethyl Alcohol”	<ol style="list-style-type: none"> <li>1. Improve the execution benefit on inferior alcohol product investigation and seizure to make sound the order in the tobacco and alcohol industry</li> <li>2. Enhance the efficiency on undenatured alcohol management to safeguard the health of the general public</li> <li>3. Streamline administration convenience; relax regulations to improve administrative efficiency</li> </ol>	2012.12
43	Amendment of “Directions for the Handling of Seizures and Accusations for Tobacco and Alcohol-Related Products”	To cope with the practical needs of the Seizures of the tobacco and alcohol -related Products and to be in line with the amendment of Article 46 of “The Tobacco and Alcohol Administration Act” so that the local government and relevant seizing authorities may follow and implement	2012.12



## **V. Summary of Major Events and Other Reference Tables**

# V. Summary of Major Events and Other Reference Tables

## 1. Summary of Major Events

Date	Events
2012.01.06	The MOF commissioned the Central Bank of the Republic of China (Taiwan) to sell through public tender on 3 <sup>rd</sup> January and to issue on 6 <sup>th</sup> January NT\$40 billion of 5-year Central Government Development Bonds with a 1% p.a. coupon rate
2012.01.09	The MOF and the MOI jointly promulgated “Regulations for Allocation and Utilization of Specifically Selective Goods and Services Tax Revenues.”
2012.01.09-11	The national simultaneous seizure of illegal tobacco and alcohol products was launched during Chinese New Year period
2012.01.17	The MOF drafted the “Common Operation Paradigm for Internal Control System on Treasury Exercises” as reference to be adopted by all organizations, agencies and schools under the Executive Yuan
2012.01.18	“The MOF 2012 Project on the Seizure of Illegal Tobacco and Alcohol Products” was promulgated
2012.01.20	Call the 9 <sup>th</sup> meeting of the Government Share Management and Supervising Team
2012.01.20	The MOF commissioned the Central Bank of the Republic of China (Taiwan) to sell through public tender on 17 <sup>th</sup> January and to issue on 20 <sup>th</sup> January NT\$40 billion of 20-year Central Government Development Bonds with a 1.625% p.a. coupon rate
2012.02.04	The MOF commissioned the Central Bank of the Republic of China (Taiwan) to sell through public tender on 1 <sup>st</sup> February and to issue on 4 <sup>th</sup> February NT\$30 billion of 2-year Central Government Development Bonds with a 0.75% p.a. coupon rate
2012.02.13	The MOF commissioned the Central Bank of the Republic of China (Taiwan) to sell through public tender on 8 <sup>th</sup> February and to issue on 13 <sup>th</sup> February NT\$35 billion of 30-year Central Government Development Bonds with a 1.75% p.a. coupon rate
2012.02.14	Amendment of “Directions for Using Certification Logo on the Certified Alcohol” and “Procedures for Evaluating Certification Logo on the Certified Alcohol.”

Date	Events
2012.02.16-17	Attended the “APEC Finance Deputies and Central Banks Deputy Governors' Meeting” in Yaroslavl, Russia
2012.03.01	Convened the discussion meeting on the draft amendment of the Public Debt Act
2012.03.07	The MOF commissioned the Central Bank of the Republic of China (Taiwan) to sell through public tender on 3 <sup>rd</sup> March and to issue on 7 <sup>th</sup> March NT\$40 billion of 10-year Central Government Development Bonds with a 1.25% p.a. coupon rate
2012.03.08	Holding of the training program for staff in northern Taiwan region on the identification of tobacco products in co-operation with the Tobacco Institute of the Republic of China
2012.03.16	Official commencement of the “The Cultivation Program for Senior Managerial Personnel of Government-Owned Enterprises”
2012.03.16-19	Attended the Fifty-Third Annual Meetings of the Inter-American Development Bank
2012.03.16	The MOF commissioned the Central Bank of the Republic of China (Taiwan) to sell through public tender on 13 <sup>th</sup> March and to issue on 16 <sup>th</sup> March NT\$40 billion of 20-year Type B Central Government Development Bonds with a 1.625% p.a. coupon rate
2012.03.19	Convened the 36 <sup>th</sup> meeting of Public Welfare Lottery Rebate Utilization
2012.03.23	Announced the plan of government bonds and treasury bills issuance for the 2 <sup>nd</sup> quarter of FY 2012
2012.03.25-27	Attended the “Forum on Modernization of Treasury Systems in APEC Economies” in Kazan, Russia
2012.03.26	Convened the 50 <sup>th</sup> meeting of MOF Public Welfare Charity Supervisory Committee
2012.03.26	Promulgation of an interpretation of labeling regulation of millet wine on 26 <sup>th</sup> March, 2012
2012.03.27	Held “The 22 <sup>th</sup> Commissioners’ Meeting of the Local Construction Fund”

Date	Events
2012.03.29	Amendment of Article 6 and the appendix of Article 5 of “Hygiene Standards for Alcohol Products Containers”
2012.04.09-20	Holding of “The First Half of Year 2012 Wine Review Plan”
2012.04.09-11	The 1 <sup>st</sup> national simultaneous seizure of illegal tobacco and alcohol products was launched
2012.04.13	The MOF commissioned the Central Bank of the Republic of China (Taiwan) to sell through public tender on 10 <sup>th</sup> April and to issue on 13 <sup>th</sup> April NT\$ 40 billion of 5-year Reopened Central Government Development Bonds with a 1.0% p.a. coupon rate
2012.04.20	The MOF commissioned the Central Bank of the Republic of China (Taiwan) to sell through public tender on 19 <sup>th</sup> April and to issue on 20 <sup>th</sup> April NT\$30 billion of 91-day Treasury Bills with 0.80% discount rate
2012.04.26-27	Attended the Fifty-Second Annual Meetings of the Central American Bank for Economic Integration
2012.04.27	The MOF commissioned the Central Bank of the Republic of China (Taiwan) to sell through public tender on 24 <sup>th</sup> April and to issue on 27 <sup>th</sup> April NT\$ 40 billion of 20-year Reopened Central Government Development Bonds with a 1.625% p.a. coupon rate
2012.05.02-06	Attended the Forty-Fifth Annual Meeting of the Asian Development Bank
2012.05.02	The MOF commissioned the Central Bank of the Republic of China (Taiwan) to sell through public tender on 30 <sup>th</sup> April and to issue on 2 <sup>nd</sup> May NT\$25 billion of 182-day Treasury Bills with 0.835% discount rate
2012.05.04	The MOF amended partial articles of “The Guidelines of Handling Salary Remittance for Central Government Agencies and School” were amended
2012.05.04	The MOF commissioned the Central Bank of the Republic of China (Taiwan) to sell through public tender on 30 <sup>th</sup> April and to issue on 4 <sup>th</sup> May NT\$35 billion of 30-year Reopened Central Government Development Bonds with a 1.75% p.a. coupon rate
2012.05.07	Convened the 37 <sup>th</sup> meeting of Public Welfare Lottery Rebate Utilization

Date	Events
2012.05.10	Convened the discussion meeting on the draft amendment of the Public Debt Act
2012.05.24	The MOF commissioned the Central Bank of the Republic of China (Taiwan) to sell through public tender on 21 <sup>st</sup> May and to issue on 24 <sup>th</sup> May NT\$30 billion of 10-year Type B Central Government Development Bonds with a 1.25% p.a. coupon rate
2012.05.29	The MOF circulated a letter to inform all central and local government agencies to assist the general public by following “The Explanation and Operation Procedures for Donation and the Example for Filling Out the National Treasury Payment Slip” for the making of donations to the national treasury
2012.06.01	Holding of “The Seminar on Marketing for Alcohol Manufacturers in Taiwan”
2012.06.07	Released the table of “Public Debts of All Levels of Government for 2011. (preliminary accounts)”
2012.06.13-15	The national simultaneous seizure of illegal tobacco and alcohol products was launched during the Dragon Boat Festival period
2012.06.22	Call the 10 <sup>th</sup> meeting of the Government Share Management and Supervising Team
2012.06.22	Announced the plan of government bonds and treasury bills issuance for the 3 <sup>rd</sup> quarter of FY 2012
2012.06.22	The MOF commissioned the Central Bank of the Republic of China (Taiwan) to sell through public tender on 21 <sup>st</sup> June and to issue on 22 <sup>nd</sup> June NT\$25 billion of 364-day Treasury Bills with 0.834% discount rate
2012.06.25	The MOF amended Article 5 of the “Selection Regulations for Agent Bank of Local Government Treasury”
2012.06.25	Holding of “The Regional Workshop on Tobacco and Alcohol Seizure” with participants from nine local governments (Taipei City, New Taipei City, Ilan County, Taoyuan County, Hsinchu County, Hualien County, Lianjiang County, Keelung City and Hsinchu City)
2012.06.26	Convened the 38 <sup>th</sup> meeting of Public Welfare Lottery Rebate Utilization

Date	Events
2012.06.26	The MOF and the MOI jointly amended promulgated “Regulations for Allocation and Utilization of Specifically Selective Goods and Services Tax Revenues”
2012.06.27	The MOF commissioned the Central Bank of the Republic of China (Taiwan) to sell through public tender on 22 <sup>nd</sup> June and to issue on 27 <sup>th</sup> June NT\$40 billion of 10-year Reopened Central Government Development Bonds with a 1.25% p.a. coupon rate
2012.06.27	Convened the 51 <sup>th</sup> meeting of MOF Public Welfare Charity Supervisory Committee
2012.06.28-29	Attended the “APEC Senior Finance Officials' Meeting” in Saint Petersburg, Russia
2012.07.02-03	Holding of “The 2012 First Seminar on Tobacco and Alcohol Administration” for tobacco and alcohol taskforces in county and city governments at the Training Institute, MOF
2012.07.04-05	Holding of “The 2012 Second Seminar on Tobacco and Alcohol Administration” for tobacco and alcohol taskforces in county and city governments at the Training Institute, MOF
2012.07.09	Amendment of “Method of Test for Alcoholic Beverages -Test of Sulfur Dioxide (1).”
2012.07.09	Holding of “The Regional Workshop on Tobacco and Alcohol Seizure” with participants from seven local governments (Miaoli County, Nantou County, Changhua County, Yunlin County, Chiayi County, Taichung City and Chiayi City)
2012.07.10	Set up the web page of “the Latest Local Debt Clock”
2012.07.10	Held the seminars of The Task Force on Sound Finances in the southern Taiwan
2012.07.10	Amendment of “The MOF Standard for Evaluation of the Certification of Alcohol Quality-grain spirits other than rice spirits and sorghum spirit”
2012.07.16	Held “The 23 <sup>rd</sup> Commissioners’ Meeting of the Local Construction Fund”

Date	Events
2012.07.18	Holding of “The 33 <sup>st</sup> Commissioners’ Meeting of the Central Taskforce Seizure of Illegal Tobacco and Alcohol Products, and issuing a year-end assessment Medals
2012.07.19	Holding of the training program for staff in central Taiwan region on the identification of tobacco products in co-operation with the Tobacco Institute of the Republic of China
2012.07.20	The MOF commissioned the Central Bank of the Republic of China (Taiwan) to sell through public tender on 17 <sup>th</sup> July and to issue on 20 <sup>th</sup> July NT\$30 billion of 5-year Strippable Central Government Development Bonds with a 2.000% p.a. coupon rate
2012.07.25	The MOF commissioned the Central Bank of the Republic of China (Taiwan) to sell through public tender on 24 <sup>th</sup> July and to issue on 25 <sup>th</sup> July NT\$30 billion of 273-day Treasury Bills with 0.77% discount rate
2012.07.26	Holding of “The Regional Workshop on Tobacco and Alcohol Seizure” with participants from six local governments (Kaohsiung City, Pingtung County, Taitung County, Penghu County, Kinmen County, Tainan City)
2012.07.27	Convened the discussion meeting on the draft amendment of the Public Debt Act
2012.07.31	Held the seminars of The Task Force on Sound Finances in the central Taiwan
2012.08.03	The MOF amended Article 5 of the “Regulations on the Management of the Central Government Agency Account”
2012.08.03	Promulgation of “Method of Test for Alcohol Products Containers-Test of Plastic Products”
2012.08.06	Amendment of “The Policies of the National Treasury Administration Information Security” and “The Guidelines of the National Treasury Administration Information Operation Management” and had become effective on 1st January, 2013
2012.08.07-08 2012.08.14-15	Conducted workshops on the policy to enhance financial planning for public infrastructure projects at the Training Institute, MOF
2012.08.07	Held the seminars of The Task Force on Sound Finances in the eastern Taiwan

Date	Events
2012.08.08	Amendment of Article 46 of “The Tobacco and Alcohol Administration Act.”
2012.08.09-10	Conduct “Workshop on Chemical Theorem of Alcohol Production”
2012.08.10	The MOF commissioned the Central Bank of the Republic of China (Taiwan) to sell through public tender on 7 <sup>th</sup> August and to issue on 10 <sup>th</sup> August NT\$30 billion of 20-year Central Government Development Bonds with a 1.5% p.a. coupon rate
2012.08.14	The MOF commissioned the Central Bank of the Republic of China (Taiwan) to sell through public tender on 13 <sup>th</sup> August and to issue on 14 <sup>th</sup> August NT\$20 billion of 364-day Treasury Bills with 0.78% discount rate
2012.08.14	Held the seminars of The Task Force on Sound Finances in the northern Taiwan
2012.08.17	The MOF amended Article 3, Article 6, Article 9, Article 11, Article 12 and Article 17 of the “Regulations for the Payment of the Tax Revenue Collected by the Commissioned Bank, Agency Institute, and Tax Collections Institute of Government Treasury at Each Level”
2012.08.22	Amended the “Regulations for Allocation of Centrally-Funded Tax Revenues”
2012.08.23	Completion of the preparation of proposal revenues for the FY 2013 Central Government General Budget as scheduled, submitted the proposal to the Executive Yuan for approval, and sent to the Legislative Yuan for review
2012.08.24	The MOF commissioned the Central Bank of the Republic of China (Taiwan) to sell through public tender on 21 <sup>st</sup> August and to issue on 24 <sup>th</sup> August NT\$30 billion of 30-year Central Government Development Bonds with a 1.625% p.a. coupon rate
2012.08.28-30	Attended the “19 <sup>th</sup> APEC Finance Ministers' Meeting and Related Meeting” in Moscow, Russia
2012.09.03	Submitted the draft amendment of the Public Debt Act to the Executive Yuan for review
2012.09.06	The MOF commissioned the Central Bank of the Republic of China (Taiwan) to sell through public tender on 5 <sup>th</sup> September and to issue on 6 <sup>th</sup> September NT\$15 billion of 91-day Treasury Bills with 0.63% discount rate

Date	Events
2012.09.10-14	Holding of “ The Second Half of Year 2012 Wine Review Plan.”
2012.09.11	Amendment of “The Guidelines of the Management of the Representatives, Managers, Directors, and Supervisors of Government-Wholly-or-Partially-Owned Enterprises Appointed by the Ministry of Finance”
2012.09.17	Convened the discussion meeting on the draft amendment of the Public Debt Act
2012.09.17-19	The national simultaneous seizure of illegal tobacco and alcohol products was launched during Mid-Autumn Festival period
2012.09.19	Re-submitted the draft amendment of the Public Debt Act to the Executive Yuan for review
2012.09.20-21	Holding of the 6 <sup>th</sup> conference on “The Current Status of Smuggling and Marketplace of Tobacco Products in Taiwan” in co-operation with the Tobacco Institute of the Republic of China
2012.09.21	Announced the plan of government bonds and treasury bills issuance for the 4 <sup>th</sup> quarter of FY 2012
2012.09.22	Holding an evaluation contest of certified domestic alcohol
2012.09.24	The MOF commissioned the Central Bank of the Republic of China (Taiwan) to sell through public tender on 19 <sup>th</sup> September and to issue on 24 <sup>th</sup> September NT\$35 billion of 10-year Central Government Development Bonds with a 1.125% p.a. coupon rate
2012.09.27	Convened the 52 <sup>th</sup> meeting of MOF Public Welfare Charity Supervisory Committee
2012.10.02	Attended the “International Conference on Scaling-Up Infrastructure Investment in Asia Pacific” in Bali, Indonesia
2012.10.02	Convened the 39 <sup>th</sup> meeting of Public Welfare Lottery Rebate Utilization
2012.10.12	The MOF commissioned the Central Bank of the Republic of China (Taiwan) to sell through public tender on 8 <sup>th</sup> October and to issue on 12 <sup>th</sup> October NT\$30 billion of 5-year Reopened Strippable Central Government Development Bonds with a 2.0% p.a. coupon rate
2012.10.19	Held “The 24 <sup>th</sup> Commissioners’ Meeting of the Local Construction Fund”

Date	Events
2012.10.26	Amendment of “The MOF Standard for Evaluation of the Certification of Alcohol Quality-sorghum spirit,” “The MOF Standard for Evaluation of the Certification of Alcohol Quality-grape wine,” “The MOF Standard for Evaluation of the Certification of Alcohol Quality- fruit wine,” and “The MOF Standard for Evaluation of the Certification of Alcohol Quality-fruit reprocessed alcoholic beverage”
2012.10.29	The MOF announced that Chinatrust Commercial Bank was appointed as the 4 <sup>th</sup> issuer of the Public Welfare Lottery from January 1 <sup>st</sup> 2014 till December 31 <sup>st</sup> 2023
2012.10.30	Re-submitted the draft amendment of the Public Debt Act to the Executive Yuan for review
2012.10.30	The MOF commissioned the Central Bank of the Republic of China (Taiwan) to sell through public tender on 29 <sup>th</sup> October and to issue on 30 <sup>th</sup> October NT\$30 billion of 182-day Treasury Bills with 0.63% discount rate
2012.10.30	Holding of “The Orientation on Alcohol Quality Certification System and the Practical Technique for Alcohol Manufacturers in Taiwan”
2012.10.31	Amend the “Direction for National Treasury Data Processing Operation for the revenue and expenditure case merge in the Central Government Budget for all units in the Central Government”
2012.10.31	Holding of “Ceremony and Performance of the Seizure of Illegal Tobacco and Alcohol Products”
2012.11.01	The MOF commissioned the Central Bank of the Republic of China (Taiwan) to sell through public tender on 29 <sup>th</sup> October and to issue on 1 <sup>st</sup> November NT\$30 billion of 20-year Reopened Central Government Development Bonds with a 1.5% p.a. coupon rate
2012.11.05-06	Attended the 2012 APEC alcohol regulations forum- public and private sector dialogue as well as the meeting of risk management and validation requirements of the regional trade in alcohol products
2012.11.08	Holding of staff training program for staff in southern Taiwan region and workshop on the identification of tobacco products in co-operation with the Tobacco Institute of the Republic of China
2012.11.08-09 2012.11.22-23	Conducted two financial training classes of local finance in 2012

Date	Events
2012.11.10	Holding of “The The Nectar Cultural Carnival of Alcohol Products Industry”
2012.11.12-13	Attended the “Workshop on Prospects and Directions of Developing Treasury Systems for APEC Economies” in Bogor, Indonesia
2012.11.13	Call the 11 <sup>th</sup> meeting of the Government Share Management and Supervising Team
2012.11.15	The MOF amended Article 21 of the “Handbook for Treasury Management”
2012.11.16	Guided the Taiwan Lottery Co. Ltd. to organize the “2012 Public Welfare Lottery Performance Exhibition of the MOF”
2012.11.22	Amendment of Article 19 and the appendix of Article 11 of “Regulations Governing Undenatured Ethyl Alcohol”
2012.11.23	The MOF commissioned the Central Bank of the Republic of China (Taiwan) to sell through public tender on 20 <sup>th</sup> November and to issue on 23 <sup>rd</sup> November NT\$30 billion of 30-year Reopened Central Government Development Bonds with a 1.625% p.a. coupon rate
2012.11.23	Holding of “The 2012 Meeting on the Seizure of Illegal Tobacco and Alcohol Products”
2012.11.26	Promulgation of the Specific Amount of Imported Illegal Tobacco/Alcohol Products Set in the Paragraph Three of Article 46 of The Tobacco and Alcohol Administration Act
2012.11.26	Make interpretation on the regulation that for tobacco and alcohol imported for self-use, there is no need to have tobacco and alcohol importing business license
2012.11.27	The MOF commissioned the Central Bank of the Republic of China (Taiwan) to sell through public tender on 26 <sup>th</sup> November and to issue on 27 <sup>th</sup> November NT\$30 billion of 273-day Treasury Bills with 0.65% discount rate
2012.12.03	The MOF commissioned the Central Bank of the Republic of China (Taiwan) to sell through public tender on 30 <sup>th</sup> November and to issue on 3 <sup>rd</sup> December NT\$ 30 billion of 364-day Treasury Bills with 0.70% discount rate

Date	Events
2012.12.07	Convened the 40 <sup>th</sup> meeting of Public Welfare Lottery Rebate Utilization
2012.12.07	Amended “Directions for the Handling of Seizures and Accusations for Tobacco and Alcohol-Related Products.”
2012.12.10-12	The 2 <sup>nd</sup> national simultaneous seizure of illegal tobacco and alcohol products was launched
2012.12.11	The MOF amended partial articles of “Directions for Treasury Centralized Payment”
2012.12.11	Held the “2012 Meeting on Local Finance”
2012.12.14	The MOF commissioned the Central Bank of the Republic of China (Taiwan) to sell through public tender on 13 <sup>th</sup> December and to issue on 14 <sup>th</sup> December NT\$ 30 billion of 182-day Treasury Bills with 0.618% discount rate
2012.12.15	Released the table of “Public Debts of All Levels of Government for 2011” (final audit accounts)
2012.12.18	The MOF commissioned the Central Bank of the Republic of China (Taiwan) to sell through public tender on 13 <sup>th</sup> December and to issue on 18 <sup>th</sup> December NT\$ 40 billion of 10-year Reopened Central Government Development Bonds with a 1.125% p.a. coupon rate
2012.12.19	Held “The 25 <sup>th</sup> Commissioners’ Meeting of the Local Construction Fund”
2012.12.22	The MOF released 2013 bonds and treasury bills issuance plan and the first quarter (January to March) bonds and treasury bills issuance schedule
2012.12.22	Approved the Public Welfare Lottery issue project of 2013
2012.12.24	The MOF notified all the organizations, agencies and national schools under the Executive Yuan of “The Ministry of Finance Common Recommendations for Year 2012 Annual Visitation and Inspection Operation on Treasury Affairs”

Date	Events
2012.12.26	Convened the 53 <sup>th</sup> meeting of MOF Public Welfare Charity Supervisory Committee
2012.12.26	Holding of “The 34 <sup>th</sup> Commissioners’ Meeting of the Central Taskforce of Illegal Tobacco and Alcohol Products.”
2012.12.28	Amend some provisions in the “Principle for Preferential Housing Loan for First Home Buyer Administered by state-owned banks” and extend the implementation period to the end of the 2014

## 2. Other Reference Tables

**Table 1 Table of Promulgated Laws and Regulations**

(1) Law (criteria: approved by the Legislative Yuan and promulgated by the President)

December 31<sup>st</sup>, 2012

Title	Type	promulgation organization	promulgation date	promulgation document number
Article 46 of “The Tobacco and Alcohol Administration Act”	Amendment	President	2012.08.08	Presidential Decree No. 10100177961

(2) Regulations (criteria: Complete promulgation)

Title	Type	promulgation organization	promulgation date	promulgation document number
“Regulations for Allocation and Utilization of Specifically Selective Goods and Services Tax Revenues.”	Promulgation	MOF MOI	2012.01.09	Tai-Tsai-Ku-Tzu Decree No. 10000496106 TAI-Nei-She Decree No. 10002546750
Article 6 and the appendix of Article 5 of “Hygiene Standards for Alcohol Products Containers”	Amendment	MOF	2012.03.29	Tai-Tsai-Ku-Tzu Decree No. 10103618560
Article 5 of the “Selection Regulations for Agent Bank of Local Government Treasury”	Amendment	MOF	2012.06.25	Tai-Tsai-Ku-Tzu Decree No. 10103669800
“Regulations for Allocation and Utilization of Specifically Selective Goods and Services Tax Revenues.”	Amendment	MOF MOI	2012.06.26	Tai-Tsai-Ku-Tzu Decree No. 10103664290 TAI-Nei-She Decree No. 10102191912
Article 5 of the “Regulations on the Management of the Central Government Agency Account”	Amendment	MOF	2012.08.03	Tai-Tsai-Ku-Tzu Decree No. 10103687780

Title	Type	promulgation organization	promulgation date	promulgation document number
Article 3, Article 6, Article 9, Article 11, Article 12 and Article 17 of the “Regulations for the Payment of the Tax Revenue Collected by the Commissioned Bank, Agency Institute, and Tax Collections Institute of Government Treasury at Each Level”	Amendment	MOF	2012.08.17	Tai-Tsai-Ku-Tzu Decree No. 10103693070
Regulations for Allocation of Centrally-Funded Tax Revenues	Amendment	MOF	2012.08.22	Tai-Tsai-Ku-Tzu Decree No. 10103694620
Article 19 and the appendix of Article 11 of “Regulations Governing Undenatured Ethyl Alcohol”	Amendment	MOF	2012.11.22	Tai-Tsai-Ku-Tzu Decree No. 10103732710
The Specific Amount of Imported Illegal Tobacco/Alcohol Products Set in the Paragraph Three of Article 46 of The Tobacco and Alcohol Administration Act	Promulgation	MOF	2012.11.26	Tai-Tsai-Ku-Tzu Decree No. 10103736570

## (3) Administrative Rules (criteria: promulgation)

Title	Type	promulgation organization	promulgation date	promulgation document number
Directions for Using Certification Logo on the Certified Alcohol	Amendment	MOF	2012.02.14	Tai-Tsai-Ku-Tzu Decree No. 10103604850
Procedures for Evaluating Certification Logo on the Certified Alcohol	Amendment	MOF	2012.02.14	Tai-Tsai-Ku-Tzu Decree No. 10103604850
An interpretation of labeling regulation of millet wine	Promulgation	MOF	2012.03.26	Tai-Tsai-Ku-Tzu Decree No. 10103627750
The Guidelines of Handling Salary Remittance for Central Government Agencies and School	Amendment	MOF	2012.05.04	Tai-Tsai-Ku-Tzu Decree No. 10103650550
Method of Test for Alcoholic Beverages -Test of Sulfur Dioxide (1)	Amendment	MOF DOH	2012.07.09	Tai-Tsai-Ku-Tzu Decree No. 10103664810 Shu-Shou-Shi Decree No. 1010039470
The MOF Standard for Evaluation of the Certification of Alcohol Quality-grain spirits other than rice spirits and sorghum spirit	Amendment	MOF	2012.07.10	Tai-Tsai-Ku-Tzu Decree No. 10103675510
Method of Test for Alcohol Products Containers-Test of Plastic Products	Promulgation	MOF DOH	2012.08.03	Tai-Tsai-Ku-Tzu Decree No. 10103680660 Shu-Shou-Shi Decree No. 1010047883

Title	Type	promulgation organization	promulgation date	promulgation document number
The MOF Standard for Evaluation of the Certification of Alcohol Quality-sorghum spirit	Amendment	MOF	2012.10.26	Tai-Tsai-Ku-Tzu Decree No. 10103722650
The MOF Standard for Evaluation of the Certification of Alcohol Quality- grape wine				
The MOF Standard for Evaluation of the Certification of Alcohol Quality- fruit wine				
The MOF Standard for Evaluation of the Certification of Alcohol-fruit reprocessed alcoholic beverage				
Amend the “Direction for National Treasury Data Processing Operation for the revenue and expenditure case merge in the Central Government Budget for all units in the Central Government”	Promulgation	MOF	2012.10.31	Tai-Tsai-Ku-Tzu Decree No. 10103713120
Article 21 of the “Handbook for Treasury Management”	Amendment	Executive Yuan	2012.11.15	Yuan-Shou-Tsai-Ku-Tzu Decree No. 10103732090
Make interpretation on the regulation that for tobacco and alcohol imported for self-use, there is no need to have tobacco and alcohol importing business license	Promulgation	MOF	2012.11.26	Tai-Tsai-Ku-Tzu Decree No. 10103736720
Directions for the Handling of Seizures and Accusation for Tobacco and Alcohol-Related Products	Amendment	MOF	2012.12.07	Tai-Tsai-Ku-Tzu Decree No. 10103740090
Directions for Treasury Centralized Payment	Amendment	MOF	2012.12.11	Tai-Tsai-Ku-Tzu Decree No. 10103735840

**Table 2 Study and Amendment of Law**December 31<sup>st</sup>, 2012

Name	Major Contents	Progress	Effects
The Public Debt Act	<ol style="list-style-type: none"> <li>1. The adjustment on the debt ceiling for the governments</li> <li>2. The establishment of debt warning and control mechanisms</li> <li>3. Debt principal repayment: all levels of government can increase the amount of debt payment depended on the revenue from tax collection which is not subject to the budget</li> <li>4. Debt information disclosure regulation is incorporated into the draft amendment of the Public Debt Act</li> </ol>	<p>The draft amendment of the Public Debt Act was submitted to the Executive Yuan for review on 3<sup>rd</sup> September, 2012 and re-submitted separately on 19<sup>th</sup> September and 30<sup>th</sup> October. The Executive Yuan approved the draft amendment on 22<sup>nd</sup> November, 2012 and sent to the Legislative Yuan for deliberation on 23<sup>rd</sup> November, 2012. The Finance Committee of the Legislative Yuan deliberated the aforementioned bill on 24<sup>th</sup> December, 2012</p>	<p>The draft amendment is designed to respond to the adjustment of administrative divisions of the local government and improve the capability of raising funds and self-government</p>
The draft amendment of the “Act Governing the Allocation of Government Revenues and Expenditures”	<ol style="list-style-type: none"> <li>1. Expand the scale of centrally funded tax revenues</li> <li>2. Unify the allocation criteria for municipality and county (city)</li> <li>3. Fill in the gaps in revenue/expenditure of local governments</li> <li>4. strengthen the financial incentive mechanism in fiscal efforts</li> <li>5. Regulate the rewards and control mechanism to strengthen local fiscal discipline</li> </ol>	<p>The draft amendment was sent to the Legislative Yuan by the Executive Yuan on 23<sup>rd</sup> February, 2012 and approved by the Finance Committee on 17<sup>th</sup> October, 26<sup>th</sup> November, 26<sup>th</sup> December, 2012. The draft amendment will be approved continuously by the Finance Committee</p>	<ol style="list-style-type: none"> <li>1. To enhance autonomy of local finance</li> <li>2. Response to the reform of upgrading local governments</li> <li>3. Correspond obligations and financial resources</li> </ol>

Name	Major Contents	Progress	Effects
Draft Amendment of “The Tobacco and Alcohol Administration Act”	<ol style="list-style-type: none"> <li>1. Strengthen the management on undenatured alcohol.</li> <li>2. Enhance the management on the tobacco and alcohol industry.</li> <li>3. Make clear the regulations on tobacco and alcohol labeling, advertisement and sales promotion</li> <li>4. Launch actions to attack inferior tobacco and alcohol to increase the effectiveness on inferior tobacco and alcohol investigation and seizure</li> <li>5. Deregulation on the laws and regulations, streamline administration convenience</li> <li>6. Penalties rationalization</li> </ol>	<p>The draft amendment of “The Tobacco and Alcohol Administration Act” had been submitted to the Legislative Yuan by Executive Yuan on 22<sup>th</sup> November, 2012. The Legislative Yuan has adopted the draft on 7<sup>th</sup> December, 2012 and sent the draft to Finance Committee for examination</p>	<ol style="list-style-type: none"> <li>1. Enhance tobacco and alcohol management efficiency and promote the sound development of the tobacco and alcohol industry</li> <li>2. Curb inferior alcohol and tobacco products to safeguard the health of the general public and protect the legitimate business’s interests</li> <li>3. Make clear and complete on the specification for labeling on alcohol and tobacco products to protect the interests of the consumers</li> <li>4. Improve the execution benefit on inferior alcohol product investigation and seizure to make sound the order in the tobacco and alcohol industry</li> </ol>

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