

Q&A for the Public Debt Administration Committee

No.	Q&A
1	<p>Which level of government should establish a Public Debt Administration Committee? How does a township (or township-level city) propose its public debt related matters?</p> <p>Answer:</p> <p>In accordance with Article 2 of The Organic Regulations of the Public Debt Administration Committee, the authorities for public debt administration of the central government, municipalities, and counties (and county-level cities) shall respectively establish their own Public Debt Administration Committee. Review of the public debt of townships (and township-level cities) shall be approved by the county’s Public Debt Administration Committee.</p>
2	<p>What is the composition of the Public Debt Administration Committee of municipalities and counties (and county-level cities)? What is the tenure of the members? Are there any eligibility restrictions? How many scholars or experts should there be?</p> <p>Answer:</p> <p>(1) In accordance with Article 3 of the Organic Regulations of the Public Debt Administration Committee, the Public Debt Administration Committee of municipalities and counties (and county-level cities) shall be composed of 7 to 11 members.</p> <ul style="list-style-type: none"> a. one chairperson concurrently assumed by the mayor or appointed by the mayor. b. members concurrently assumed by the personnel from relevant agencies in the government. c. members concurrently assumed by scholars or experts with expertise in finance accounting, economics, or engineering. d. The number of committee members comprising scholars and experts mentioned above may not be less than half. The members of the committee shall serve a term of three years and may be reappointed (reassigned) when a term expires. <p>(2) That is to say, if there are 7 members, 4 scholars or experts shall be assigned; if there are 9 members, 5 scholars or experts shall be assigned, and so on.</p>
3	<p>Can the executive secretary of the Public Debt Administration Committee also serve as a committee member?</p> <p>Answer:</p> <p>The executive secretary shall comprehensively manage the affairs of the Public Debt Administration Committee, as well as direct and supervise the subordinate staff, and can also serve as a committee member.</p>
4	<p>What is the definition of self-redeeming public debt?</p> <p>Answer:</p> <p>(1) In accordance with Paragraph 6, Article 5 of the Public Debt Act, self-redeeming public debt means debt to be repaid with funds derived from operations in the future, or by way</p>

	<p>of specially allocated funding sources.</p> <p>(2) “Funds derived from operations in the future” refers to the operating revenue, subsidiary business revenue, and asset and equipment disposal revenue during the evaluation period of the plan.</p> <p>(3) “Specially allocated funding sources” refers to revenue not mentioned above that has been reviewed by the Public Debt Administration Committee during the evaluation period of the plan.</p>
5	<p>The fund management agency of special funds shall prepare plan for self-redeeming debt raising and repayment. What is the range of special funds?</p> <p>Answer:</p> <p>In accordance with Article 4 of the Budget Act, special funds other than Enterprise Funds and Trust Funds means Operations Funds, Special Revenue Funds and Capital Project Funds.</p>
6	<p>If a county (or county-level city) has no debt, should it establish a Public Debt Administration Committee? If no case is submitted to the Public Debt Administration Committee, may the Committee be exempt from convening a meeting?</p> <p>Answer:</p> <p>(1) In accordance with Article 2 of the Organic Regulations of the Public Debt Administration Committee, the authorities for public debt administration of the central government, municipalities, and counties (and county-level cities) shall respectively establish their own Public Debt Administration Committee according to these Regulations. As a result, if no debt has been raised, a Public Debt Administration Committee shall still be established.</p> <p>(2) In accordance with Article 4 of the Organic Regulations of the Public Debt Administration Committee, the central Public Debt Administration Committee or the local Public Debt Administration Committee shall meet once a year and be convened by the chairperson. However, if there are no items to be discussed, the Committee may be exempt from convening a meeting. Therefore, if no case is submitted to the Public Debt Administration Committee for review, the Committee may be exempt from convening a meeting.</p>
7	<p>The members of the Public Debt Administration Committee are concurrently assumed by the personnel from relevant agencies in the government. How to deal with the situation if the members’ position changes?</p> <p>Answer:</p> <p>If there is a change in the position of the committee members appointed by the agency, the agency shall appoint another representative to concurrently serve as a member of the Public Debt Administration Committee and notify the Committee, and the competent authorities for public debt administration shall appoint him/her as a Committee member.</p>
8	<p>When the amount of outstanding public debt with a maturity of 1 year or more incurred by a special municipality, a county (or county-level city), or a township (or township-level city) reaches 90 percent of the loan cap, newly incurred public debt taken on by it may not</p>

exceed the loan cap for the previous fiscal year without prior approval of a debt improvement plan and an implementation schedule from the supervisory authority for public debt. Does the “newly incurred public debt” mean the forecasted amount or the actual amount?

Answer:

- (1) In accordance with Article 6 of the Public Debt Act, when the forecasted amount of outstanding public debt with a maturity of 1 year or more incurred by a special municipality, a county (or county-level city), or a township (or township-level city) reaches 90 percent of the loan cap, it shall draw up a debt improvement plan and an implementation schedule for that plan and submit them to the Debt Administration Committee for deliberation and approval, and then to the supervisory authority for public debt for review. In the debt improvement plan and implementation schedule proposed by the special municipality, county (or county-level city), and township (or township-level city), newly incurred public debt taken on by it may not exceed the loan cap for the previous fiscal year without prior approval from the supervisory authority for public debt.
- (2) The regulations mentioned above means that the actual amount of the newly incurred public debt cannot exceed the budget amount for the previous fiscal year.