

Content

Title :	Regulation on the Performance Evaluation of State-Owned Enterprises 
Date :	2018.12.22
Legislative :	Promulgated by Executive Yuan on August 18, 1959 Amended by Executive Yuan on February 17, 1970 Amended by Executive Yuan on June 2, 1981 Amended by Executive Yuan on May 24, 1985 Amended by Executive Yuan on June 4, 1990 Amended by Executive Yuan on January 20, 2000 Amended by Executive Yuan on June 6, 2003 Amended by Executive Yuan on March 2, 2011 Amended by Executive Yuan on March 20, 2012 Amended by Executive Yuan on January 20, 2014 Amended by Executive Yuan on December 26, 2014 Amended by Executive Yuan on December 22, 2018
Content :	Article 1 This Regulation is prescribed in accordance with Article 8 and 29 of the “Administrative Law of State-Owned Enterprise” to evaluate the performance and supervise the business development of state-owned enterprises. Article 2 The performance evaluation of state-owned enterprises shall be governed by this Regulation; matters not prescribed in this Regulation shall comply with other related regulations. Article 3 The emphasis of the performance evaluation of state-owned enterprises shall be placed on the annual profit and achievement of national policies. The competent authorities may select the evaluation criteria from the following, according to the nature of the enterprise: 1. Business operations 2. Financial management 3. Production management 4. Human resources management 5. Planning management 6. Environmental protection and industrial safety 7. Other matters The Operation Directions for Evaluating Annual Performances of State-Owned Enterprises shall be prescribed by the National Development Council (hereinafter referred to as the “NDC”). Article 4 The performance evaluation of state-owned enterprises shall be conducted in accordance with the annual financial statements. Article 5 The evaluation of state-owned enterprises shall be conducted in three steps, including self-evaluation, preliminary evaluation, and final evaluation; procedures and deadlines shall be as follows: 1. State-owned enterprises shall conduct self-evaluation at the end of the year in accordance with matters stipulated in paragraph 1 of Article 3. A self-evaluation report shall be submitted to the competent authorities with the annual financial statements for the same year prior to February 25th of the following year, and hard copies shall be sent to related departments of the Executive Yuan, the Directorate-General of Budget, Accounting and Statistics, the Directorate-General of Personnel Administration, and the NDC. The only exception is the Central Bank of the Republic of China (Taiwan), which shall submit the self-evaluation report

directly to the Executive Yuan.

2. When conducting the performance evaluation of state-owned enterprises, the competent authorities shall include evaluation comments and complete the preliminary evaluation based on the self-evaluation report stipulated in the preceding subparagraph and other related information; the competent authorities shall then submit the preliminary evaluation report, including the performance grade stipulated in Article 9, to the Executive Yuan before March 31 of the following year for final evaluation.

3. After receiving the preliminary evaluation results from the competent authorities as stipulated in the preceding subparagraph, the Executive Yuan shall complete the final evaluation within 3 months, taking into consideration other evaluation information, and submit the final evaluation report to the President.

Article 6

The competent authorities may adopt the following methods when conducting the preliminary evaluation of state-owned enterprises as stipulated in subparagraph 2 of Article 5:

1. Send personnel to conduct on-site inspections at state-owned enterprises.
2. Send personnel to participate in annual work review meetings of state-owned enterprises.
3. Invite related personnel from state-owned enterprises to participate in performance evaluation sessions.
4. Invite personnel in charge of performance evaluation at state-owned enterprises to attend performance evaluation seminars.

Article 7

The Executive Yuan shall conduct the final evaluation in the form of a written review, based on preliminary evaluation results submitted by the competent authorities in accordance with subparagraph 3 of Article 5. On-site inspections may be conducted as necessary, and procedures shall be as follows:

1. The NDC shall invite related departments of the Executive Yuan, the Directorate-General of Budget, Accounting and Statistics, and the Directorate-General of Personnel Administration to form a final evaluation team and conduct final evaluation in accordance with the Operation Directions for Evaluating Annual Performances of State-Owned Enterprises, as stipulated in paragraph 2 of Article 3.
2. The final evaluation results shall require the approval of the Premier after the NDC consults with related departments of the Executive Yuan, the Directorate-General of Budget, Accounting and Statistics, the Directorate-General of Personnel Administration and the competent authorities.

Article 8

The competent authorities may form an inspection team to conduct on-site inspections at affiliated state-owned enterprises during the year in accordance with the implementation status of performance evaluation matters stipulated in paragraph 1 of Article 3.

Related departments of the Executive Yuan, the Directorate-General of Budget, Accounting and Statistics, Directorate-General of Personnel Administration, the NDC, and scholars or experts may be invited to take part in the on-site inspections.

Article 9

The competent authorities shall assign grade "A," "B," "C", or "D" to state-owned enterprises based on the performance evaluation results and submit the grades to the Executive Yuan for final evaluation. State-owned enterprises with any of the following conditions shall not receive grade A:

1. State-owned enterprises that fail to meet the budget after the annual profit has been adjusted in compliance with policy factors. However, this shall not apply to those which achieve better results than the previous year.
2. State-owned enterprises that fail to generate profit after adjustments have been made in compliance with policy factors. However, this shall not apply to those which achieve the target budget and improve losses significantly in comparison to the previous year.
3. State-owned enterprises commit gross negligence when implementing policies or operations.

Article 10

The proportion and number of state-owned enterprise personnel to receive grade A and the proportion and number of different job position levels to receive grade A shall be based on the performance evaluation grade of each state-owned enterprise. The competent authorities shall prescribe the above proportion and number and submit to the Executive Yuan for approval.

The competent authorities shall take into consideration the performance evaluation grade of each state-owned enterprise when evaluating, appointing and dismissing key personnel of subordinate state-owned enterprises.

Article 11

The competent authorities shall draft the operation directions for evaluating annual performances and the evaluation criteria that include evaluation details, evaluation criteria, and weighting of each criterion as stipulated in paragraph 1 of Article 3 before the start of each year. These evaluation details shall be submitted to the Executive Yuan for reference. However, in order to cope with unforeseen organizational adjustments, a resolution adopted by the Legislative Yuan, privatization, or other material events that have occurred during the year, the competent authorities may, upon its authority or the application of state-owned enterprises, make adjustments to the evaluation criteria two months before the end of the year.

A state-owned enterprise that intends to apply for adjustment of evaluation criteria, as mentioned in the preceding paragraph, shall do so at least three months before the end of the year. Applications submitted after the deadline will not be accepted.

Article 12

The performance evaluation procedures and processes of state-owned enterprises shall be classified and be subsequently declassified automatically after the performance evaluation grade has been approved by the Executive Yuan.

Article 13

This Regulation shall come into force from the date of promulgation.

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