Content

Title：	Operation Directions for Evaluating Annual Performances of State-Owned Enterprises Ch
Date：	2018.12.27
Legislative：	Revised by Research, Development and Evaluation Commission on December 24, 2002 Revised by Research, Development and Evaluation Commission on December 9, 2003 Revised by Research, Development and Evaluation Commission on April 18, 2008 Revised by Research, Development and Evaluation Commission on February 5, 2010 Revised by Research, Development and Evaluation Commission on March 20, 2012 Revised by Research, Development and Evaluation Commission on March 12, 2013 Revised by National Development Council on February 6, 2014 Revised by National Development Council on December 27, 2018

Content：

1. The Operation Directions are established pursuant to Paragraph 2 of Article 3 of the Regulation on the Performance Evaluation of State-Owned Enterprises (hereinafter referred to as “the Regulations”).

2. According to Article 5 of the Regulations, the evaluation consists of three steps: self-evaluation, preliminary evaluation, and reevaluation.

3. State-owned enterprises shall evaluate their respective performance at the end of each year pursuant to Article 5 of the Regulations and according to the Directions for implementing annual performance evaluation and to evaluation indicators as set by the competent authority; the businesses shall fill out the Self-evaluation Report (See Attachment 1) to indicate their successes and pinpoint areas that need to be improved. The Report shall be submitted along with annual book closing statements to their respective competent authorities by February 25 of the following year, with copies forwarded to each member of the Reevaluation Committee. The Central Bank of the Republic of China (Taiwan) shall submit the aforementioned documents directly to the Executive Yuan.
Members of the Reevaluation Committee stated in the preceding Paragraph refer to relevant offices of the Executive Yuan; Directorate-General of Budget, Accounting and Statistics of the Executive Yuan (hereinafter referred to as “Directorate-General of Budget, Accounting and Statistics”); Directorate-General of Personnel Administration of the Executive Yuan (hereinafter referred to as “Personnel Administration”); and the National Development Council (hereinafter referred to as “NDC”).

4. The implementation of policies according to Paragraph 2 of Article 9 of the Regulations shall comply with one of the following principles, except in cases of natural disasters, market conditions, exchange rate fluctuations, and workers’ strikes:
(1) Coordination with the implementation of government policies to the extent that affects the earnings;
(2) Coordination with the laws specifically stipulating the responsibility of the enterprises; and
(3) State-owned enterprises whose earnings are affected while engaging in domestic or overseas investment in coordination with the implementation of government policies.
When a state-owned enterprise prepares its annual budget and announces its

policies, it should first estimate policy-affected amounts and submit such estimates to the competent authority for approval. The state-owned enterprise should propose amounts that are favorably and adversely affected by its policies. For policies that are already budgeted, the affected amount shall not be calculated repetitively.
Those which of the previous year mentioned in Paragraph 2 of Article 9 of the Regulations denote the final statement after adjustment has been made in compliance with the execution of government policies.

5. The indicating scoring of annual evaluation of state-owned enterprise should include the monetary impact of supporting government policies. State-owned enterprises shall give brief descriptions of items closely related to the implementation of policies and their monetary impact when filling out the sections of “Self-evaluation Summary” and “Scoring Explanations” in the Self-evaluation Report. The Ledger of the Amounts Resulted from the Impact of Implementing Policies (See Attachment 2) shall also be filled out and submitted along with the Self-evaluation Report in addition to submitting a quarterly financial statement to respective competent authorities, with copies forwarded to each member of the Reevaluation Committee.

6. Competent authorities, after receiving the Self-evaluation Report and the Ledger of the Amounts Resulted from the Impact of Implementing Policies, shall complete the Preliminary Evaluation Report and invite at least three scholars or experts to conduct an assessment by March 31; complete the Collective Scoring Sheet and the Preliminary Evaluation Scoring Report (See Attachments 3, 4, and 5, respectively); and submit reports to the Executive Yuan pursuant to Article 4 of the Administrative Law of State-Owned Enterprise and Article 5 and Article 6 of the Regulations, with copies forwarded to each member of the Reevaluation Committee.
In the implementation of policies and budgets, the competent authority shall submit the following documents:
(1) Official letters pertaining to government policy implementation;
(2) Policy objectives, implementation period, and present status of implementation; and
(3) Initial conclusions of the assessing scholars or experts.

7. Reevaluation in performance evaluation of state-owned enterprises shall be operated under the principle of labor division, where the National Development Council is in charge of the comprehensive reevaluation and the compilation of the General Evaluation Report. The labor division for reevaluation is as follows:
(1) Business operations: relevant offices of the Executive Yuan; and the National Development Council;
(2) Financial management: Directorate-General of Budget, Accounting and Statistics;
(3) Production management: relevant offices of the Executive Yuan; and the National Development Council;
(4) Human resources management: Directorate-General of Personnel Administration;
(5) Planning management (including research and development): relevant offices of the Executive Yuan; and the National Development Council;
(6) Environmental protection and industrial safety: relevant offices of the Executive Yuan; and the National Development Council; and
(7) Other matters(National policy cooperation, social responsibility, and so on): relevant offices of the Executive Yuan; and the National Development Council.

8. Reevaluation shall be conducted by written examination, and on-site examinations may be conducted as necessary. Each sub-committee should assign a qualified person to conduct on-site examinations, or invite personnel of other related agencies, scholars, and experts to join as necessary.

9.When Reevaluation Committee members receive self-evaluation materials for performance evaluation of the preceding year forwarded by state-owned enterprises, and receive preliminary evaluation materials forwarded by supervising agencies, the Committee shall proceed with reevaluation by April 30 in accordance with labor division provided by Point 7, and shall state related information based on reevaluation results according to formatting in Attachment 6, to be sent to the National Development Council for comprehensive processing.

10. Supervising agencies and Reevaluation Committee members shall follow Article 9 of the Administrative Law of state-owned Enterprise in conducting the preliminary evaluation or reevaluation of annual performance evaluation of state-owned enterprises, to carefully evaluate.
The annual operational budget cited in Paragraph 1 of Article 2 of the Regulations and the annual surplus cited in Paragraph 2 shall refer to pre-tax amounts and be reviewed again in accordance with guidelines set by the Control Yuan. The annual surplus mentioned above refers to the annual provision of special reserve for insurance claims in the case of Central Deposit Insurance Corporation (Excluding the paid-in business tax from the banking corporations).

11. Evaluation Grades:
(1) Evaluation results are categorized into the four grades: “A”, “B”, “C”, and “D”.
(2) State-owned enterprises that score 80 points or more in the evaluation are rated Grade A, those scoring 70 points or more but less than 80 points are rated Grade B, those scoring 60 points or more but less than 70 points are rated Grade C, and those scoring less than 60 points are rated Grade D.

12.Timeliness in the processing of self-evaluation, preliminary evaluation, and reevaluation stipulated in the Directions shall be controlled and monitored; state-owned enterprises, competent authorities, and Reevaluation Committee members shall complete submissions by the mandated deadlines. The Self-evaluation Report, the Preliminary Evaluation Report, and the Reevaluation Report are classified as confidential documents which will be automatically declassified after the Executive Yuan has approved the evaluation grades.