

Content

Title :	Offshore Islands Development Act Ch
Date :	2000.04.05
Legislative :	1. Enacted and Promulgated on April 5, 2000 by the Presidential Order 2. Article 9-1, 9-2, 11, 14, 17 and 18 Amended and Promulgated on Feb. 6, 2002 by the Presidential Order 3. Article 10-1 Amended and Promulgated on Jan. 9, 2008 by the Presidential Order 4. Article 9~10-2, 13, 16, 17 Amended and Promulgated on Jan. 23, 2009 by the Presidential Order 5. Article 7 Amended and Promulgated on Dec. 8, 2010 by the Presidential Order 6. Article 12 Amended and Promulgated on Jan. 12, 2011 by the Presidential Order 7. Article 9, 9-3, 12-1, 13, 15-1 Amended and Promulgated on June 22, 2011 by the Presidential Order
Content :	Article 1 This Act is specially targeted at promoting the developmental construction, enhancing the industrial development, protecting the natural environment, preserving the cultural features, improving the quality of life, and augmenting the welfare of residents of Offshore Islands. Matters not provided for in this Act shall be governed by the provisions of other laws. Article 2 An Offshore Island as referred to in this Act means an island that is detached from the main island of Taiwan and is under the governing jurisdiction of the Republic of China. Article 3 A major construction plan as referred to in this Act means a major industrial investment plan recognized by the central competent authority or a public works project assigned for undertaking by a private entity. Article 4 The competent authorities for this Act are the Executive Yuan at the central government level, municipal governments at the special municipality level, and county (city) governments at the county (city) level. The central competent authority may establish a Steering Committee for Offshore Islands Development, under the convenership of the President of the Executive Yuan ("the Premier"), to review, supervise, coordinate and guide the development of Offshore Islands. The main responsibilities of the above-mentioned Steering Committee shall be to review schemes for implementing the overall development of Offshore Islands, and to coordinate matters concerning the implementation of major construction projects on Offshore Islands. Directions on the establishment of the Steering Committee shall be prescribed by the Executive Yuan. Article 5 County (city) competent authorities shall, according to the integrated development plan of each county (city), formulate four-yearly implementation schemes for the integrated development of Offshore Islands, containing as follows: 1. Targets of the scheme and scope of implementation. 2. Implementation strategies. 3. Development of infrastructure.

4. Development of industry.
5. Development of education.
6. Development of culture.
7. Development of transport and communications.
8. Development of medical facilities
9. Development of tourism.
10. Development of police administration.
11. Development of social welfare.
12. Prevention and mitigation of natural disasters, and improvement in respect of improper land use for burial, cultivation and construction.
13. Yearly implementation plans and division of work.
14. Yearly financial requirements and sources of funds.
15. Other matters.

Article 6

Implementation schemes for the integrated development of Offshore Islands shall be implemented only after having been reviewed and approved by the Steering Committee for Offshore Islands Development and then reported to and approved by the Executive Yuan.

The county (city) competent authority shall comprehensively review the above-mentioned implementation scheme once every four years, or amend the scheme as necessary to match revision of the integrated development plan of the county (city); and such amendment shall be carried out in accordance with the procedure stipulated in the preceding paragraph.

Article 7

To encourage the development of industries on Offshore Islands, in the case of investment projects recognized as major construction projects by the central competent authority, the review procedure for land-use alterations, from submission of application through to the conclusion of review for land use segmentation or alteration of use, shall be completed within a timeframe not exceeding one year.

The standards for the recognition of major construction projects as aforesaid shall be drawn up by the Steering Committee for Offshore Islands Development and reported to the Executive Yuan for approval.

When a major construction project involves alteration of land use for an urban planning master plan or for non-urban land, and the alteration of land use has been approved by a county (city) government, it shall not be subject to the restrictions imposed by the Urban Planning Act, non-urban land use control regulations or other related laws and decrees.

Article 8

Where land required for a major construction project on an Offshore Island is publicly owned, the governing authority of the target enterprise may, after carrying out the allocation for use, set a time limit for the provision of the land for use by a private entity by means of lease, setting of surface rights, trust, or the use of royalty or rent for the land as financial contribution, without being limited by Article 25 of the Land Act, Article 28 of the National Property Act, or laws and decrees concerning the management of public property by local governments.

Where a major construction project on an Offshore Island is a public work assigned for undertaking by a private entity, and the land required for the project is privately owned, the governing authority of the target enterprise or the private entity shall negotiate with the landowner to purchase the land at a regular price, and if the negotiation is unsuccessful or cannot be conducted, the governing authority of the target enterprise may execute expropriation. The expropriation plan shall clearly state that the land is provided for a private entity to carry out development, construction and operation by means of joint development, commissioned development, cooperative business operation, lease, setting of surface rights, trust, or the use of royalty or rent for the land as

financial contribution, without being limited by Article 25 of the Land Act, Article 28 of the National Property Act, or laws and decrees concerning the management of public property by local governments.

To help private entities acquire land needed for major construction projects on Offshore Islands, the governing authority of the target enterprise or the county (city) government may select a suitable location and, after obtaining approval from the central competent authority, directly execute sectional expropriation. After the scope of the sectional expropriation is determined, the land allocated for investment by private entities may be sold by tender in advance, without being limited by Article 53 or Article 55-2 of the Equalization of Land Rights Act.

Article 9

In the areas to which this Act is applicable, where a piece of land was registered as public-owned due to expropriation, purchase, or compulsory purchase before the termination of battleground administration, and the land administration authority has ceased to use or has in fact abandoned use of the land, the original owner of the land or his heir may, within 5 years of the coming into force of the amendment of this Act on January 12, 2009, apply to the said land administration authority to buy back the land at the price calculated according to the current land value announced in the year in which the application is submitted. However, where the price paid for expropriation, purchase or compulsory purchase exceeds the land value as thus calculated, the price for buying back the land shall be the original expropriation, purchase or compulsory purchase price.

After receipt of an application, the land administration authority shall reply to the applicant within 30 days. Where the application is found upon review to comply with the requirements of this Act, the land administration authority shall notify the applicant to pay the purchase price within 30 days, and failure to make the payment within this time limit will be deemed as abandonment of the application. Where the application is rejected as not complying with the requirements of this Act, the applicant if dissatisfied with this decision may submit a request for mediation to the county (city) government of the area in which the land is situated.

The above-mentioned mediation by the county (city) government may be conducted in accordance with the provisions of Article 59 of the Land Act.

Private land in the Kinmen and Matsu areas that, without the consent of the owner, was occupied or registered as public land by a government authority before the termination of battleground administration, shall be returned according to law upon application by the original owner within one year of the amendment of this Act on June 3, 2011. However, where an application submitted under the Safety and Assistance Act for Kinmen, Matsu, Dongsha and Nansha has been affirmed, no further application may be submitted. Regulations for implementing the return of land as aforementioned shall be prescribed by the Executive Yuan.

The foregoing provisions of this Article shall apply with similar effect to any land in Penghu not expropriated, purchased or compulsorily purchased by the government under legally stipulated procedure.

Article 9-1

Where an application was made for the return of a piece of land to which this Act is applicable during the applicable period of Article 14-1 of the Safety and Assistance Act for Kinmen, Matsu, Dongsha and Nansha, but the land could not be returned because it was under use by the government or had been transferred to a private party, the applicant may, within two years from the date of amendment of this Act coming into effect, request the competent land administration authority or the authority that made the original disposal to pay compensation according to the land value at the time of the application for return, as determined in accordance with the provisions of Article 30 of the Land Expropriation Act.

Regulations governing the conditions, time limit for application, requisite supporting documentation, and other matters concerning compensation as referred to in the preceding paragraph shall be prescribed by the Executive Yuan.

Article 9-2

In the areas covered by this Act, where, prior to the termination of battleground administration, an application to cultivate idle land in Kinmen or Matsu has been made and approved and cultivation commenced in accordance with restrictions, but subsequently cultivation could not be continued or ownership obtained due to military reasons, the applicant or his heir may, within two years from the date of amendment of this Act coming into effect, request the competent land administration authority to pay compensation for the costs of commencing cultivation. Where the applicant has acquired the right to cultivate, compensation shall be calculated according to the term of the right and the current land value announced at the time of application.

Regulations governing the conditions, time limit for application, requisite supporting documentation, amount of compensation, and other matters concerning compensation as referred to in the preceding paragraph shall be prescribed by the Executive Yuan.

Article 9-3

In the areas covered by this Act, where land situated within the boundaries of landmine emplacement prior to the termination of battleground administration has been completely cleared of landmines and registered as public land, then once the local land administration authority has agreed with the competent authorities that there is no need to keep the land for public use, the land may be sold to the person who owned or occupied the land prior to the laying of landmines, or to his heir, if none of the following conditions applies:

1. The law prescribes that the land may not be privately owned.
2. It would affect water resources conservation or maintenance of land safety.
3. It belongs to a special scenic area within a national park.

Where land may be sold under the provisions of the preceding paragraph, the person who owned or occupied the land prior to the laying of landmines, or his heir, may within five years of the date of public announcement of the clearance of the landmines, submit an application to purchase the land to the local land administration authority, together with one of the following documents proving that, prior to the laying of landmines, he could claim ownership of the land or complete the acquisition of ownership of the land in accordance with the time limit prescribed by civil law:

1. Certification of land rights prior to the laying of landmines.
2. Proof of payment of land tax or water or electricity charges, or establishment of household registration, prior to the laying of landmines.
3. Proof furnished by the local township (town or city) office or other government authority.
4. Proof furnished by at least two neighboring landowners or a village (ward) chief in the landmine area, and such persons must have been of capacity prior to the laying of landmines.

When two or more people apply to purchase the same piece of land, and submit different documents of proof, their order of priority of purchase shall follow the order of the documents of proof listed in the preceding paragraph.

When documents of proof submitted with an application for purchase under Paragraph 2 of this Article are incomplete, the land administration authority shall notify the applicant to effect rectification within three months; if the applicant cannot effect rectification or fails to do so within the requisite time, the application will be rejected. When the land administration authority finds upon examination that the application is fully in order, it shall make a public announcement of this for one month.

If during the public announcement period no other person submits an application, together with documents of proof of the same order of priority, to purchase the same piece of land, or otherwise raises objection, the land administration authority shall sell the land to the applicant at the current land value announced at the time of application, without being limited by Article 58 of the National Property Act, or laws and decrees concerning the management of public property by local governments.

When conducting the examination referred to in the preceding paragraph, the local land administration authority shall act in consultation with the local county (city) government and the competent central government authorities; if, during the public announcement period as referred to in the preceding paragraph, another person submits an application, together with documents of proof of the same order of priority, to purchase the same piece of land, or otherwise raises objection, the land administration authority may request the authority in charge of land administration in the area in which the land is situated to deal with it under the provisions of Article 59 of the Land Act applied *mutatis mutandis*.

Article 10

Goods sold and delivered locally or services provided locally by business operators in the Penghu, Kinmen, Matsu, Ludao (Green Island), Lanyu, and Liugu areas shall be exempted from business tax.

Merchandise imported and sold locally by business operators in the Penghu, Kinmen, Matsu, Ludao (Green Island), Lanyu, and Liugu areas shall be exempted from customs duties. The items exempted and the method of implementation shall be prescribed by the Ministry of Finance.

Article 10-1

To promote tourism in Offshore Islands, persons establishing Offshore Island duty-free shopping stores in the Penghu, Kinmen, Matsu, Ludao (Green Island), Lanyu, and Liugu areas shall, after obtaining approval from the competent authority of the local county (city) government, apply to the customs authorities for registration to conduct the sale to visitors of goods to be taken out of the Offshore Island area.

Goods imported and stored for sale by Offshore Island duty-free shopping stores shall be bonded and stored in bonded warehouses in accordance with the provisions of the Customs Act.

Goods sold by Offshore Island duty-free shopping stores shall be subject to a zero rate of business tax.

Goods purchased from abroad or from a bonded area that are brought in and stored for sale by an Offshore Island duty-free store, sold to a visitor within the range of a certain monetary value or quantity, and taken by the visitor out of the Offshore Island area, shall be exempted from customs duty, commodity tax, tobacco and alcohol tax, and the health and welfare surcharge on tobacco products.

Domestically manufactured goods that are brought in and stored for sale by an Offshore Island duty-free store, sold to a visitor within the range of a certain monetary value or quantity, and taken by the visitor out of the Offshore Island area, shall be exempted from commodity tax, tobacco and alcohol tax, and the health and welfare surcharge on tobacco products.

Regulations concerning the qualifying conditions, application procedures, registration of and changes in the establishment of Offshore Island duty-free shopping stores, the monetary values and quantities as referred to in the preceding two paragraphs, the persons to whom sales may be made, the customs clearance procedures, the management of the delivery of goods, and other matters requiring compliance, shall be prescribed by the Ministry of Finance.

If an Offshore Island duty-free store violates the regulations concerning application for or change or re-issuance of registration, the monetary value and quantity of sales or persons to whom sales may be made, customs clearance procedures, the management of the delivery of goods, or other matters requiring compliance, as referred to in the preceding paragraph, the customs authorities may issue a warning and require correction within a specified time or impose a fine of between NT\$6,000 and NT\$30,000. A fine may be imposed for each violation. A shop that has been fined three times but has still failed to make the requisite correction may be punished by suspension of business for between three months and one year.

Where the quantity or monetary value of goods sold to a visitor by an Offshore Island duty-free store exceeds the limits as referred to in Paragraphs 4 and 5 above, the buyer may not take the goods out of the Offshore Island area until after making supplementary payment of customs duty, commodity tax, tobacco and alcohol tax, the health and welfare surcharge on tobacco products, and business tax, as calculated in accordance with the provisions of the Customs Act, the Commodity Tax Act, the Tobacco and Alcohol Tax Act, and the Value-added and Non-value-added Business Tax Act.

Article 10-2

Before an Offshore Island may be opened to the establishment of tourist casinos, a local referendum thereon must be held in accordance with the Referendum Act, and more than half of the valid votes cast in the referendum must be votes of approval. However, the validity of the referendum result shall not require votes to have been cast by at least half of the eligible voters in the county or city.

Tourist casinos as referred to in the preceding paragraph shall be established within international tourist resort zones. The facilities in international tourist resort zones shall also include international tourist hotels, tourism and travel facilities, international conference and exhibition facilities, shopping malls and other service facilities related to developing tourism.

Applications for plans to invest in international tourist resort zones shall be submitted to the central government authority in charge of tourism. The time schedule, review and approval standards, related procedures and other matters in respect of such applications shall be decided by the central tourism authority and publicly announced after approval by the Executive Yuan.

Application procedures, establishment standards, license issuance, license fees, special gaming tax, relevant supervision and administration, and other such matters concerning tourist casinos shall be separately prescribed by law.

The provisions of the Offenses of Gambling Chapter of the Criminal Code shall not apply to the legally authorized operation of tourist casinos and engagement in gaming activities in accordance with the preceding paragraphs.

Article 11

Subject to the principle of not impeding national defense or the military security of Offshore Islands, the armed forces or military organs stationed on Offshore Islands shall actively cooperate with all construction projects on the Offshore Islands, and shall constantly review their military defenses and improve military control measures that are out of keeping with the times.

For the purpose of handling matters as referred to in the preceding paragraph, the Executive Yuan shall convene regular yearly meetings of the Ministry of National Defense, related ministries and commissions, representatives of local public opinion, and persons of standing in society, to come up with concrete measures in support of Offshore Island

construction and development.

Article 12

The Ministry of Education shall allocate a budget to subsidize the textbook expenditure and miscellaneous expenses of students who receive national compulsory education on Offshore Islands.

Where the lack of a school on an Offshore Island necessitates a student going to the main island of Taiwan or another Offshore Island to receive compulsory education, his two-way travel expenses shall be subsidized from a budget allocated by the Ministry of Education. But when, due to transportation and communication factors, a student is unable to return the same day to the Offshore Island on which he resides, he may use this travel allowance to pay the necessary living expenses for staying in the area in which his school is situated.

Article 12-1

To safeguard the right to education of students in Offshore Island areas, teachers initially contracted for the national compulsory education stage in the Offshore Island areas shall serve for at least four years before they may apply for employment in a school on the main island of Taiwan.

Article 13

To maintain the safety and health of the residents of Offshore Islands, the Executive Yuan shall allocate a budget for subsidizing the establishment of medical institutions, nursing institutions, long-term care institutions, and other medical institutions on Offshore Islands, and for recruiting doctors in specialist departments that are under-staffed in Offshore Island areas, and shall prescribe regulations for the provision of special incentives and assistance.

The central competent authority shall subsidize the two-way travel costs of acutely or severely ill patients who urgently need to be transferred from Offshore Islands to the main island of Taiwan for hospitalization, and of accompanying medical personnel.

The central competent authority shall allocate a budget to subsidize expenses of physically and mentally disabled and elderly persons who have need for receiving long-term care services.

To protect the dignity and health of elderly persons on Offshore Islands, the central competent authority shall provide each senior citizen with a two-yearly physical examination that is comparable to health checks provided for civil servants, and the central competent authority shall allocate a budget to subsidize the difference in cost between such physical examination and the health checks provided for senior citizens by the competent authorities of special municipalities and counties (cities) in the current year under the Senior Citizens Welfare Act.

Article 14

Charges for water and electric power consumption on Offshore Islands shall be levied at the average rates applicable on the main island of Taiwan. Reasonable losses sustained by utility operators in consequence of the setting of such rates shall, after review and approval by the central governing authorities of the target enterprises, be subsidized from budgets allocated for such purpose. However, charges for the electric power consumption of the self-use residences of the residents of the Lanyu area shall be exempted from collection.

Article 15

The central government shall allocate a budget exclusively for Offshore Island development expenditures pursuant to this Act. If such budget is insufficient, it may be supplemented from the Offshore Islands Development Fund.

Article 15-1

To promote fast and convenient external transportation for residents of Offshore Island areas, all charges for transportation between Offshore Islands and the main island of Taiwan shall be subsidized from a central government budget allocated for this purpose, and ticket subsidies shall not be less than 30 percent of ticket prices.

Regulations for ticket subsidies as referred to in the preceding paragraph shall be drawn up by the Ministry of Transportation and Communications and submitted to the Executive Yuan for approval.

Article 16

To speed up the development of Offshore Islands, the central competent authority shall establish an Offshore Islands Development Fund with a total fund of not less than NT\$30 billion, obtained from the following sources:

1. Allocation from the ten-year budget compilation or financial sources designated by the central government.
2. Allocation from the budget compilation of county (city) competent authorities.
3. Interest on the fund.
4. Donations from individuals or organizations.
5. License fees from tourist gaming enterprises.
6. Other income.

Regulations on receipts and expenditures, custody and utilization of the Offshore Islands Development Fund shall be prescribed by the Executive Yuan.

Article 17

Regulations on the subsidies referred to in Articles 12 to 14 shall be drawn up by the Steering Committee for Offshore Islands Development in consultation with the central competent authorities of the target enterprises, and be reported to the Executive Yuan for approval.

Education and culture in the Penghu, Kinmen, Matsu, Ludao (Green Island), Lanyu, and Liuqiu areas shall be guaranteed, and the Ministry of Education in consultation with other authorities concerned shall draw up regulations on student admission recommendation, to support and promote the cultivation of talents in these areas.

Article 18

To promote the development of Offshore Islands, prior to the comprehensive opening of transport links between the main island of Taiwan and the Mainland area, transport links between the Kinmen, Matsu and Penghu areas and the Mainland area may be opened on a pilot basis. Residents of the Taiwan area may, with due approval, use the pertinent entry/exit certificates, after checks, to enter the Mainland area from the pilot areas, or to enter the pilot areas from the Mainland area, without limitation by the Act Governing Relations Between the Peoples of the Taiwan Area and the Mainland Area or other laws or decrees. Regulations on the implementation thereof shall be prescribed by the Executive Yuan.

Article 19

Enforcement rules for this Act will be prescribed by the central competent authority.

Article 20

This Act will take effect as of the date of promulgation.