Content

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Content：	Chapter 1: General Provisions Article 1: The Law has been formulated to facilitate the diversified, comprehensive development of private schools, and to raise their accessibility and autonomy in an effort to encourage the establishment of private schools and provide the public with more educational opportunities. Matters not stipulated herein shall be governed by Civil Law and related laws and regulations. Article 2: Unless otherwise stipulated by law, legal persons (hereafter called school legal persons) shall apply to the supervisory authority for establishing private schools of various kinds and levels. The above mentioned school legal persons refer to those that have been permitted by the supervisory authority to be formed according to the Law for the purpose of establishing and running private schools. Article 3: The Ministry of Education (the Ministry) shall have the authority to supervise private schools established by the same school legal persons in two or more cities/counties, private junior colleges and above, or private senior high schools in a city/county. The city/county government in which the school is located shall have the authority to supervise school legal person-established private schools that do not meet the above criteria. The supervisory authority for private schools established by school legal persons shall be determined based on regulations governing schools of various kinds and levels. Article 4: The legal person or school authority shall appoint academics,

experts, public figures, teacher representatives from private schools, representatives from school legal persons, and other representatives to form a consultative committee of 15-25 to review school legal persons as well as the establishment, conversion, merger, suspension, and dissolution of the private schools and other major issues. Teacher representatives from private schools and representatives from school legal persons shall account for at least two-fifths of the committee.
The teacher representatives from private schools and representatives from school legal persons shall be chosen from those recommended by pertinent groups.
Rules governing appointment of members of the committee and its organization and operation shall be drawn up by the Ministry.

Article 5: Names of private schools shall clearly indicate their respective types and levels and the school legal persons to which they belong.

Article 6: The private schools may set up campuses and branches.
Standards and procedures for setting up campuses and branches, and rules governing their supervision shall be drawn up by the Ministry.

Article 7: The private schools shall not force students to participate in any religious rituals or take any religious courses. However, religious schools are not bound by this article.

Article 8: For the purpose of training clergymen and religious persons and conferring religious degrees, school legal persons may apply to the Ministry for permission to establish religious schools. This article also applies to legal persons permitted to be formed by the authority in charge of religious affairs.
Rules governing the procedures and conditions for approval of the above applications, conferment of religious degrees, and related matters shall be drawn up jointly by the Ministry and the authority in charge of religious affairs.

Chapter 2: School Legal Persons
Section 1: Establishment
Article 9: Natural and legal persons may form school legal persons by applying for permission from the legal person authority according to the Law in order to establish private schools.
The donator or executor shall draw up rules governing the donation and a plan for establishing the private school, and submit them to the legal person authority to apply for permission with an asset list and pertinent information attached.
Rules governing the procedure for and conditions for approval to the above applications, and related matters shall be drawn up by the Ministry.

Article 10: The rules governing the donation (the Rules) shall include the

following:
1. Purpose of the school legal person.
2. Assets donated.
3. Objectives of the school.
4. Recommendations made by the founder.
5. Number and qualifications of and candidates for board members, and the appointment, dismissal and reelection thereof.
6. Election and discharge of the president.
7. Organization and powers of the board, the number of meetings, the procedure for calling a board meeting, election of chairperson of the meeting, the method used to reach resolutions, provisions addressing conflicts of interest, etc.
8. Number, qualifications and powers of supervisors, and their appointment and dismissal.
9. Management of the school legal person and the school(s) it establishes.
10. Date the Rules are drawn up.
The Rules shall be approved by the legal person authority before the school legal person is formed. Changes to the Rules shall be approved by the legal person authority as well.
Guidelines for drawing up the Rules shall be drawn up by the Ministry.

Article 11: The donator or executor shall be the founder of the school legal person. The person designated by the donator or executor as the founder in accordance with the Rules may be the founder as well.
If the founder is a legal person, the representative it appoints shall exercise the legal person's powers.
There shall be no more than three founders in a school legal person.

Article 12: A school legal person shall install persons as board members and supervisors. The founder(s) may form part of its first board members or supervisors. The remaining board members and supervisors shall be elected in accordance with the Rules within three months after the legal person authority grant them permission to establish the school legal person with their names submitted to the legal person authority for endorsement.
First board members and supervisors shall be hired by the founder(s) within 30 days following the legal person authority's endorsement. A meeting shall be held to form the board with one member elected president.

Section 2: Registration
Article 13: The first president of a school legal person shall submit pertinent information to the legal person authority within 30 days following his/her election. The legal person authority shall forward the information to the court of the place in which the head office of the legal person is located for registration.
Reelection and by-election of the president, board members and supervisors following registration and occurrence of other changes to the registration

shall be submitted to the legal person authority for relaying the changes to the abovementioned court for a change in registration.
If additions or reductions have been made to the immovable property or key property items following registration, the school legal person shall, within five months after the end of the school year, submit a CPA-certified updated asset list to the legal person authority for relaying the changes to the abovementioned court for a change in registration.

Article 14: The founder(s) shall transfer all matters regarding the organizing of the school legal person to the first board members within three months following their endorsement by the legal person authority, with ownership of the donated assets transferred to the school legal person.
The legal person authority shall revoke permissions granted for those failing to comply with Article 12, and the first paragraph of Articles 13 and 14 by the deadlines indicated. For those who have completed registration, the court shall be notified to cancel their registration.

Section 3: The Board, Board Members and Supervisors
Article 15: The board shall install 7-21 persons as the board members, with a president elected. The president shall act as the representative of the school legal person.
The board may hire several office clerks, who may be included in the workforce of the school.

Article 16: No more than one-third of the board members shall be spouses, or blood relations or in-laws within the third degree of kinship of each other.

Article 17: Each board member is elected for a four-year term. They may run for the office at the end of each term and be reelected.
On top of the existing number of board members, the board shall recommend at least an additional one-third of eligible staff for membership of the next board.
To be included in the list of candidates, the candidates shall present a letter of consent. If a candidate dies, whose candidacy is canceled or fails to take office after election and before endorsement by the legal person authority, the position is considered vacant and a by-election shall be held. The same applies to candidates elected in accordance with the Law in a by-election.

Article 18: The founder(s) are board members. They do not need reelection to remain board members.
If the founder is a natural person, they lose their board membership when they resign, die, or are removed from office or dismissed in accordance with the Law. If the founder is a legal person, it loses board membership when it dissolves. A by-election shall be held to fill the vacancies left.

Article 19: A school legal person shall install 1-3 persons as supervisors. The board shall hire persons with qualifications indicated in the Rules as the supervisors for a four-year term.
Powers of the supervisors are as follow:
1. Supervision of financial affairs.
2. Supervision of account books, documents and asset information.
3. Supervision of reports on revenue and expenditure.
4. Supervision of other matters as indicated in the Rules.
If the rewards and grants the school legal person receives from the school authority amount to 25% of its revenue in the preceding year or NT$100 million, the legal person authority may appoint an impartial third party as the legal person's public-interest supervisor, whose powers are the same as those of the other supervisors and who may be replaced or displaced when circumstances require.
Rules governing qualifications, appointment of and expenses incurred as a result of the public-interest supervisor shall be drawn up by the Ministry.

Article 20: Persons meeting one of the following criteria shall not be founders, board members or supervisors:
1. Having been president or board member of a private school belonging to a juridical person, or president, board member or supervisor of a school legal person, or schoolmaster of a private school, who have abused their power to commit crimes and been convicted, removed from office or dismissed before the Law, amended on (date), entered into force.
2. Having been sentenced to one year or longer in prison and completed serving their time for less than three years.
3. Having been declared and remain bankrupt.
4. Who are incompetent or having limited capability.

Article 21: The board shall convene two months before its term expires to elect new board members and submit names of the elected board members to the legal person authority for endorsement within 30 days following the election. The new board members shall not exercise their powers until endorsement of their election is obtained.
If incumbent board members fail to elect new board members in accordance with the Rules four months after their term expires, which threatens to cause damage to the legal person, the legal person authority shall petition for appointment of provisional board members after consulting the school's consultative committee.

Article 22: Within 30 days after the new board is endorsed by the legal person authority, the outgoing president shall call a board meeting to elect a new president and submit his/her election for endorsement by the legal person authority. The hand-over shall be completed by the date the outgoing board's term expires and the legal person authority shall be

notified of its completion.
If the newly-elected board members fail to elect a new president in accordance with the Rules four months after the new board is formed, which threatens to cause damage to the legal person, the legal person authority shall petition for appointment of a provisional president after consulting the school's consultative committee.

Article 23: The board shall convene to elect new supervisors three months before incumbent supervisors' term expires. Election of the new supervisors shall be submitted to the legal person authority for endorsement within 30 days following the election.
If the board fails to elect new supervisors in accordance with the Rules four months after the terms of outgoing supervisors expire, the legal person authority shall appoint provisional supervisors after consulting the school's consultative committee.
The legal person authority may petition for the removal of supervisors meeting the criteria as set forth in Article 80, Paragraph 1, Subparagraph 2, 3, 5 or 7.

Article 24: Presidents, board members and supervisors meeting one of the following criteria shall be removed from office:
1. Having a letter of resignation presented to a board meeting and included in the meeting's minutes.
2. Meeting one of the criteria as set forth in Article 20.
3. Having abused their power to commit crimes and been convicted.
4. Presidents having been absent from three consecutive board meetings for no legitimate reasons.
5. Presidents having called no board meetings in one year.
Enforcement rules for the Law shall stipulate the date starting which the abovementioned removal from office takes effect.
Presidents, board members and supervisors suspected of committing crimes as stated in Paragraph 1, Subparagraph 3 above and Article 20, Subparagraph 1, or who have been indicted shall be suspended from office.

Article 25: The legal person or school authority shall order the board, president, or board members breaking the law or breaching the Rules to the extent that normal operation of the school legal person and/or the school has been affected to take steps to improve the situation by a specified date. The legal person authority may petition for suspension or removal of the president and/or some or all of the board members from office after consulting the school's consultative committee if improvements fail to materialize by the specified date.
In the event that all the board members are removed by the court, the legal person authority shall choose persons from among the original board members or those enthusiastic about education to form a new board.
After the court removes all the board members according to the first paragraph, it may choose at least one provisional board member to exercise

the board's powers before the new board is formed.
The chosen provisional board member(s) shall exercise the board's powers for no more than one year. However, they may exercise such powers for up to four years where necessary.
The legal person authority may petition for removal of the president and/or board members meeting one of the criteria set forth in Article 80, Paragraph 1, Subparagraphs 2, 3, 5 or 7 after consulting the school's consultative committee.

Article 26: If the president, a board member or supervisor leaves their position before their term expires, the board shall find their replacement in one month's time.
If the board fails to find their replacement as stated above and fails to do so by the date set by the legal person authority, the legal person authority shall petition for the appointment of a provisional board member after consulting the school's consultative committee, or it shall appoint a provisional supervisor after consulting the committee.

Article 27: The president and board members elected to fill a vacancy in the middle of a term shall not remain in the position beyond the date on which the term expires.
The board shall submit information regarding election of the replacement to the legal person authority for endorsement within 30 days.

Article 28: If a board cannot convene because there are not enough board members in attendance, threatening to cause damage to the school legal person, the legal person authority shall petition for appointment of provisional board members after consulting the school's consultative committee.

Article 29: The board, board members and supervisors shall exercise their powers in accordance with the Law and the Rules, and respect the schoolmaster's powers as endowed by the Law, related regulations and contracts.
The president, board members and supervisors shall not be the headmaster of the school or hold concurrent administrative positions at the school.

Article 30: Presidents, board members and supervisors holding their position without remunerations may receive payments for attendance and transportation. However, presidents, board members and supervisors who are remunerated for their services shall not receive payments for attendance and transportation.
The upper limit to the above payments shall be decided by the legal person authority.

Article 31: The board shall convene in accordance with the Rules.

In the event of one of the following, the legal person authority shall appoint board members to organize a board meeting in response to application by two or more board members or based on its authority:
1. The board has not convened for two consecutive terms/semesters.
2. The board has failed to elect a president or the president has left the position after election.
3. The board fails to convene according to the Rules, causing problems in the operation of the school legal person.

Article 32: Resolutions reached at board meetings shall be carried out only with over half the board members in attendance and over half the board members in attendance voting on them. Resolutions having to do with the following shall be carried out only with at least two-thirds of the board members in attendance and over half the board members in attendance voting on them.
1. Reelection and by-election of board members.
2. Election, reelection and by-election of the president.
3. Employment or removal of the schoolmaster.
4. Disposing of, collateralizing, purchasing, or leasing immovable property according to regulations in Article 49, Paragraph 1.
5. Decision to suspend, dissolve the school or declare bankruptcy.
If a meeting has been aborted three times because less than two-thirds of the board members attended the meeting and less than two-thirds of the board members are attending the fourth meeting, resolutions may be carried by the actual number of board members in attendance with over half the board members in attendance voting on the resolutions.
The Rules shall stipulate the number of board members. Board members having died, resigned, or served a provisional injunction and forbidden to exercise their powers, or suspended or removed from office shall be excluded.

Article 33: Resolutions reached at board meetings that violate the law or the Rules are null and void.
Board members may petition in one month for cancellation of resolutions reached using a method that is against the law or Rules at board meetings called using a procedure that is against the law or Rules. The above rule does not apply to board members who fail to raise objections at the meetings.
Aware of the above, the legal person authority shall, in reaction to a petition or based on its authority, notify the board of its failure to abide by the law or Rules and order it to make improvements by a specified date. The legal person authority may petition within six months after the resolutions were reached for cancellation of said resolutions if the board fails to make improvements in this time.

Chapter 3: Organizing, Registering Private Schools and Enrolling Students

Section 1: Organizing private schools

Article 34: School legal persons may apply to establish schools of various kinds and levels simultaneously or successively, and merge registered private schools.

In accordance with applicable laws and regulations, the school authority shall grant permission to applications by school legal persons for establishing, converting, merging or suspending private schools after taking into account factors including demand and school distribution.

The Ministry shall decide the conditions for and rules governing review of establishment, conversion, merger and suspension of private schools.

Article 35: School legal persons shall complete organizing and registering private schools within three years after registering the school legal persons.

School legal persons applying to establish private schools shall submit plans to establish the schools to the school authority for review in accordance with pertinent laws and regulations.

If a school legal person fails to complete organizing and registering a school by the above-specified date and fails to complete the process within the grace period given by the school authority, or its school-organizing activity involves wrongdoing, the school authority may withdraw or annul its permission and make the decision known to the public. If necessary, the legal person authority may withdraw or annul its permission to establish the school legal person.

Article 36:A school’s establishment plan shall give clear details of the following:

1. The purpose of establishing the school.
2. The name of the proposed school.
3. Where the proposed school will be located, the area of land it will occupy, the proposed school buildings and equipment, and related information.
4. The proposed colleges, departments, programs, divisions and subdivisions, grades and classes, and any affiliated institutions.
5. A budgetary estimate for the proposed school.
6. Details and documentary evidence of the amount, type, and value of the proposed school’s funds and each of its assets.
7. Information about the school’s status as a legal person.

Documentary evidence that the land to be used by the school referred to in the previous paragraph has been donated to it or has been leased shall be available for submission at the time the application to establish the school is lodged. Buildings and equipment may be completed in different years in line with the completion of the proposed colleges, departments, programs, divisions and subdivisions, grades and classes, and any affiliated institutions; estimates of the necessary funds may be given in the form of separate estimates for different years.

Any land to be used by the school which has been leased, referred to in the previous paragraph, shall be leased for at least thirty years from when the school is registered or any change of the school's location or land area occurs and the lease is not subject to the restrictions governing the duration of leases imposed by the Civil Law, the National Property Act, or local public property administration regulations.
The amount of money to be paid to lease any land referred to in the previous paragraph which is not publicly owned land, or land owned by a public enterprise, or by a corporation set up using a government donation shall be determined in accordance with the provisions of the land rental regulations of the National Property Act, and associated right of superficies for the same duration as that of the land lease, and restricted to school use only, shall be established. After all documents have been legally notarized, an examination shall be completed in accordance with the provisions of the preceding article.
Section 2: Registering Private Schools and Enrolling Students
Article 37: A school legal person shall complete organizing a school and registering it with the school authority by the date set by the school authority, with the president submitting the following papers. The date may be postponed in certain circumstances.
1. Legal person registration certificate.
2. Lists of lands, properties, books, equipment and teachers.
3. Organization rules.
4. The president's CV, papers and letter of consent.
5. CPA-certified financial statements.
6. Calculations and descriptions of the raising, custody and outlay of funds.
7. Revenue and expenditure budgets for the next five years, papers proving that the funds used to organize the school have been deposited in a designated bank account.
8. Rules governing key aspects of running the school including personnel, finance, accounting, procurement and assets.
The school legal person shall not finance organization costs and funds needed to run the school in its first three years of operation with borrowed money.

Article 38: Private schools having met all requirements, completed the organizing process, and deposited organization funds in a designated bank account are permitted to register.
Information on private senior high schools and under having registered with the school authority shall be forwarded to the Ministry for reference.

Article 39: Only registered private schools are permitted to enroll students. Unless otherwise stipulated by law, each school year the schools shall draw up the following and submit them to the school authority for endorsement before enrolling students:

1. Rules governing enrolling students.
2. Numbers of students to be enrolled in the colleges, departments, schools, programs, and classes.
3. Admissions and distribution of student among different colleges, departments, schools, programs, and classes.
The private schools may purchase performance bond insurance for the students. The contract, coverage, amount, and premium of the insurance shall be decided by the Ministry.

Article 40: Unregistered private schools are not permitted to enroll students in the name of engaging in formal education.

Section 3: School administration
Article 41: Private schools shall install one person possessing statutory qualifications as the schoolmaster.
Spouses and lineal blood relations of the school legal person's president, board members and supervisors are not permitted to be the schoolmaster.
The schoolmaster administers the school in accordance with the law and Rules, and carries out decisions made by the school legal person's board, which supervises the schoolmaster and reviews his performance. The schoolmaster represents the school in its dealings with external individuals and organizations.
Apart from teaching at the school, the schoolmaster shall not hold fulltime positions outside the school.
When a private elementary school merges with a private junior high school, the new private elementary and junior high school may install an additional new schoolmaster, if necessary. The scope of these schoolmasters and school representative for dealing with external organizations and individuals shall be explicitly specified in the school organizational regulations and submitted for approval by the school's regulatory authorities. The qualification of schoolmasters shall comply with the requlations of Paragraph 1.

Article 42: When the schoolmaster position is vacant, the school legal person shall find a replacement in six months in accordance with applicable laws.
If a school legal person fails to find a replacement by the deadline or the replacement does not possess required qualifications, the school authority shall order it to find one in three months. If it still fails to find a replacement by the deadline or the replacement still does not possess required qualifications, the school authority may appoint a competent person to act as the provisional schoolmaster until a qualified person is found and takes office.

Article 43: Schoolmasters having abused their power to commit crimes and prosecuted shall be suspended before conviction, with one of the school's

staff named to temporarily take his place on approval by the school authority.
If convicted, found having violated educational regulations or breached the public's trust, the schoolmaster shall be removed, with a new schoolmaster chosen in accordance with applicable laws.
If the school legal person fails to suspend the schoolmaster as stated in the first paragraph, the school authority may suspend him and find a temporary replacement from among the school's staff. If the school legal person fails to remove the schoolmaster as stated in the second paragraph, the school authority shall remove him and appoint a competent person to act as the provisional schoolmaster until a qualified person is found and takes office.

Article 44: Spouses and blood relations or in-laws within the third degree of kinship of the president, board members and supervisors of a school legal person shall not hold positions in the school's general affairs, accounting and personnel departments. The school authority shall order the school to immediately remove violators.

Chapter 4: Supervision
Article 45: Management and use of properties and funds owned by schools and school legal persons are placed under legal person or school authority's supervision. Their funds shall not be entrusted or lent to board members, supervisors, and other individuals or non-banking institutions.
Finances, personnel and property of different schools established by a school legal person shall remain independent form each other. School legal persons having registered two or more schools concurrently or successively shall have their organization funds separately raised, deposited and used. Expending of organization funds shall be approved by the school authority.

Article 46: Private schools' incomes shall be used to pay for current year's budget expenditures. The surplus shall be saved and placed in the school fund.
With the school authority's approval, the school legal person may use half the accumulated surplus to make investments that will help improve the school's finances, or use the money in a different school set up by the same school legal person. Rules governing use of the surplus shall be drawn up by the Ministry.
The board shall make the abovementioned investments in accordance with the law and Rules. If the school legal person incurs losses as a result of violation of the law and Rules, board members taking part in making the investment decisions shall be held liable for the losses. However, board members expressing objections which can be corroborated by records or written declarations shall not be held liable.

Article 47: Rules governing tuition and fees collected by private schools, and their use, amounts, and other issues shall be drawn up by the school

authority.
Information regarding tuition and fees collected by private schools, and their use and amounts shall be made known to the public and posted on the school's website and enrollment pamphlets.

Article 48: School legal persons may request that the school authority ask the government, state-run businesses or juridical persons to sell or lease lands they own and are needed by private schools.
If the lands' designated purposes need to be changed, the school legal person may ask the school authority to help coordinate the change.
When the office in charge of urban planning is drafting or changing urban plans that will affect private schools' existing lands, it shall consult the school authority or the private schools.

Article 49: Resolutions shall be carried by the board and approvals obtained from the school authority and legal person authority before immovable property can be disposed of or collateralized. The same applies to purchase or leasing of immovable property.
The following shall be observed when disposing of or collateralizing immovable property:
1. Immovable property shall be disposed of without interfering with the school's development and operation.
2. Only lands and buildings not directly related to teaching and shelved as useless may be collateralized.
Laws governing mortgaged immovable property shall be observed.

Article 50: Private schools established by school legal persons may set up teaching-, practical training-, experiment-, research- and promotion-oriented affiliates after drawing up rules governing the affiliates and obtaining approval from the school authority and related supervisory authorities. The same applies to teaching-, practical training-, experiment-, research- and promotion-oriented undertakings in which they invest alone, or in cooperation with the government, businesses, or individuals.
Finances of the affiliates shall be separated from those of the schools. Their surpluses shall be used to employ teachers, purchase equipment and boost school fund. Unless otherwise stipulated by law or approved by the school authority, the surpluses shall not be diverted to specific individuals in any way. The property that remains when they shut down belongs to the school legal persons.
Handling of the above-said affiliates and undertakings shall not affect the schools' normal operation. Their operation and finances shall be supervised by the school legal persons.

Article 51: An internal control system shall be set up for school legal persons and their schools to oversee them. Rules governing the system shall

be drawn up by the Ministry.
Private schools founded before the Law, amended on (date), took effect shall set up an internal control system in one year after the above-said rules take effect.

Article 52: School legal persons and their schools shall set up an accounting system to handle accounting matters. Rules governing the system shall be drawn up by the Ministry.
Annual revenue and expenditure budgets for school legal persons and their schools shall be submitted to the legal person authority and school authority, respectively, for reference.
Details of the budgets shall be posted on the schools' websites until the end of the year for which the budgets are prepared.

Article 53: School legal persons and their schools shall finish preparing reports comparing budget and actual revenues and expenditures in four months after the end of the fiscal year, have them certified by legal person authority-approved CPAs along with the financial statements, and submit them to the legal person authority and school authority, respectively, for reference.
The legal person authority and school authority may inspect or have CPAs inspect school legal persons and their schools' financial statements, financial statements' audit reports, internal control and other matters. School legal persons and their schools shall cooperate with the legal person authority and school authority and provide them with relevant information during the inspection.
School legal persons and their schools' CPA-certified reports comparing budget and actual revenues and expenditures and financial statements shall be made known to the public in accordance with applicable laws.

Article 54: If a private school's personnel- or finances-related wrongdoing results in a major dispute which gravely impacts the school's normal operation which requires an immediate action, the school authority may suspend the headmaster and related personnel, and appoint competent personnel to temporarily take their place.
Headmasters and staff of private schools meeting one of the criteria as set forth in the first paragraph of Article 80 shall be removed after the school authority consults the consultative committee.

Article 55: The school authority shall order private schools poorly run, or breaching the Law or related educational regulations to make improvements by a specified date. The school authority shall hand out one of the following depending on the gravity of the matter at issue after consulting the consultative committee if the schools fail to make improvements by that date:
1. Suspending part or all of the rewards and grants to the private schools.
2. Suspending part or all of the schools' enrollment activity.

Chapter 5: Rewards, Grants and Donations

Article 56: The legal person authority or school authority shall reward school legal persons, presidents and members of the staff of well-run private schools that meet one of the following criteria:

1. School legal persons that have a sound organization and liberal budget, which contributes substantially to the schools' development.
2. School legal persons that have established and implemented an above-the-standard, sound system governing teachers and employees' remuneration, retirement, compensation, insurance and other benefits.
3. Schools that offer educational activities encouraging balanced development of the students, or have done exceptionally well in guiding or serving the students.
4. Schools that have made significant contributions to cultivating talent or promoting academic research.
5. Schools that have demonstrated marked achievements in managing the schools.
6. Teachers and staff members that have demonstrated professionalism, dedication and excellence.

In addition to medals, the above rewards may come in the forms of tablets, decorations, certificates, praises, cash or citations.

Article 57: Private schools shall periodically conduct a self-evaluation of their teaching, research, student guidance, school administration, and student participation. Rules governing such evaluations shall be drawn up by the schools.

The school authority shall form an evaluation commission or hire a professional evaluation institution to periodically evaluate the private schools and announce evaluation results to help the government decide the subsidies it will pay the schools and help the schools adjust their development scales.

In addition to rewards, private schools whose evaluation results indicate that they have been well run shall not be bound by the Law and related regulations when setting out to do the following, after being approved by the school authority:

1. Adding new departments, schools, programs, and classes.
2. Deciding the departments, schools, programs, and classes that are enrolling, admissions, and student numbers.
3. Deciding the ages of the president and fulltime teachers.
4. Deciding tuition and fees, their uses and amounts. Limited to schools having a sound student aid mechanism.
5. Conducting experimental education in a school setting or on-campus educational experiments.

Private primary, junior and senior high schools established without government subsidies and are not receiving government rewards or grants may be free from restrictions imposed by the Law and other regulations when

they set out to do the above, after having notified the school authority in writing. Schools found violating the law or are poorly run shall lose exemption from above restrictions.
The ages as mentioned in paragraph 3, Subparagraph 3 shall be decided by the schools without exceeding 75.
Details regarding the evaluations mentioned in the paragraph 2 and rules governing all the subparagraphs under the paragraph 3 shall be drawn up by the school authority.
Rules governing affairs as mentioned in the paragraph 4 shall be drawn up by the Ministry.

Article 58: Government scholarships and student aid shall be awarded to students of private schools as well.

Article 59: When preparing revenue and expenditure budgets, the government shall clearly indicate its requirements for rewards and grants after taking into account what the schools need for them to develop, soundness of the school legal persons and their schools' internal control systems, and individual schools' characteristics before providing the schools with rewards and grants. Priority shall be given to areas where public schools fail to meet the need for education and educational resources are insufficient. Rules governing the rewards and grants shall be drawn up by the school authority.

Article 60: If private schools use government rewards and grants in a way that is against the law or out of line with their designated purposes, or they fail to use the funds according to plan, they shall be held legally responsible and ordered to pay back part or all of the funds.
Before the funds are paid back according to rules, all or part of the rewards and grants for subsequent years shall be suspended.

Article 61: The Tax Law shall be used to determine whether private schools have to pay land taxes, house tax and import duties.
In addition to rewards, individuals or groups making donations to school legal persons or private schools before the Law, amended on (date), went into force, and religious legal persons making donations to the setting up of religious schools shall pay less tax or no tax in accordance with the Tax Law.

Article 62: The Ministry may set up a foundation to encourage individuals or businesses to make donations to private schools in an effort to promote development of private schools.
Individuals or groups making donations through the foundation to school legal persons or private schools before the Law, amended on (date), went into force may deduct their donations from their incomes or classify them as expenses or losses when filing their tax return, in accordance with the following:

1. Donations made by individuals shall not exceed 50% of their gross income.
2. Donations made by businesses shall not exceed 25% of their gross income.
Individuals or businesses making donations through the foundation to non-specified school legal persons or schools may deduct the entire donations from their incomes or classify them as expenses or losses when filing their tax return.
Rules governing the foundation, including its funding, organization, operation, revenue and expenditure, and distribution, custody, use, auditing and management of funds, shall be drawn up jointly by the Ministry of Education and the Ministry of Finance.

Chapter 6: Retirement, Compensation and Severance of Teachers and Staff Members

Article 63: Qualifications private schools' presidents and teachers should possess and their age limits are the same as those of public schools.
The time presidents and teachers certified by and registered with the school authority spend working in private schools shall be taken into account in deciding their seniority and pay when they transfer to public schools. The lengths of time presidents and teachers spend working in schools shall be combined to decide their seniority and compensation, after deducting those they spend working in private schools if they have retired or been dismissed from one, when they retire or are dismissed from a public school, or die or are incapacitated while working at a public school. The same applies to those who have transferred from a public school to a private one.

Article 64: Matters relating to retirement, compensation, resignation and severance of employees of school legal persons and teachers and staff members of their schools shall be handled by regulations separately drawn up.
Before the regulations are formulated, school legal persons shall draw up rules governing retirement, compensation, and severance of teachers and staff members. The rules shall be submitted to the school authority, which shall inspect and relay them to the legal person authority for approval.
After the rules are approved, each semester senior high schools and above shall contribute 3% of the tuition and primary and junior high schools 7% of the fees they have collected to the National Private School Faculty and Staff Retirement and Compensation Fund (the Fund). Money contributed to The Fund shall be deposited in designated bank accounts and used only to pay for retirement, compensation, and severance of private schools' teachers and staff members. The legal person authority or school authority shall immediately demand repayment if the Fund's money is not spent in accordance with rules, with related persons held liable.
If private school teachers' retirement, compensation and severance payments are made via postal savings in accordance with the Teachers Act,

one-third of the above-said money shall be contributed to the schools' retirement and compensation funds each semester. The shortfall shall be made up by the school authority. The remaining two-thirds shall be contributed to the schools' retirement compensation funds each month in accordance with the Teachers Act. The shortfall shall be financed by the schools.
The portions of retirement, compensation, resignation and severance payments in excess of those of public schools shall be borne by the school legal persons and their schools.

Article 65: The Ministry and related ministries shall jointly help set up a supervisory committee for the Fund. The committee shall be made up of school legal persons, private school teachers and staff members, and representatives from educational groups. It shall register with the court as a juridical person, in charge of setting up the Fund, collecting contributions made to the Fund, and appropriating, managing, and using the money in the Fund. The committee shall be placed under the Ministry's supervision.
The Ministry and related organizations may jointly form an oversight commission for the Fund to oversee operation of the above juridical person. Rules governing establishment, management and use of the Fund shall be drawn up by the Ministry.

Article 66: Combining of lengths of time spent working in different schools as stated in the paragraph 2 of Article 63 shall be conducted in accordance with the Teachers Act. Persons having worked as private school presidents and teachers shall receive retirement, death, incapacitation or severance pay from the Fund for the length of time they worked before the postal savings system the Teachers Act stipulates was introduced. Persons having worked as public school presidents and teachers shall receive retirement, death, incapacitation or severance pay from the school authority for the length of time they worked before the new retirement and compensation system was introduced on January 31, 1996, and from the Public Servants Retirement and Compensation Fund Supervisory Committee for the length of time they worked after the new system was introduced.
The above retirement, death, incapacitation and severance pay shall be computed one the basis of the one-time payment before introduction of the postal savings system. Only persons meeting the requirements for public school presidents and teachers collecting monthly retirement pay are permitted to collect monthly retirement pay.
When persons having retired from one school and become another public or private school's president or teacher retire, die or are incapacitated, the length of time they had worked before their first retirement shall be taken into account when computing their seniority, without exceeding the maximum established before the postal savings system was introduced.
The funds needed for the retirement, death, incapacitation and severance pay incurred as a result of allowing persons aged over 65 to work as

presidents and teachers as stated in Article 57 shall be financed by the school legal persons and their schools. This rule does not apply to university presidents aged 70 and younger, and fulltime teachers of junior colleges not having exceeded their maximum working age.

Chapter 7: Merger, Conversion, Suspension, Dissolution and Liquidation
Article 67: When a school legal person merges with another school legal person or a private school merges with another private school, the school legal persons shall draw up a merger plan and contract, and submit them to the legal person authority along with CPA-certified balance sheets and asset lists for approval. The legal person authority shall consult the consultative committee before deciding to approve the merger.
The school legal person that remains or the new school legal person established after the merger shall inherit the rights and obligations of the school legal person(s) that cease to exist. The school that remains or the new school established after the merger shall inherit the rights and obligations of the school(s) that cease to exist.
Within 15 days after receiving approval, the school legal person shall prepare and publish the consolidated financial statements and asset lists, and separately notify known creditors of the merger. Creditors object to the merger shall raise their written objection in two months. Creditors fail to do so shall be considered to have accepted the merger.
The school legal person shall do the following to respond to creditors raising objection:
1. Pay off liabilities that are due.
2. Provide adequate assurance for liabilities not yet due.
School legal persons failing to notify creditors of said mergers, pay off liabilities due, or provide adequate assurance shall not exercise their right of claim against the creditors when they seek to enforce their rights.

Article 68: For mergers approved by the legal person authority, applications shall be made to update the registered information. When applying for registration of transfer of immovable property, movable property and secured claims as a result of the merger, the processing fee, stamp duty and deed tax may be waived by presenting a letter from the legal person authority approving the merger.
Marketable securities transferred as a result of the merger are exempt from the securities transaction tax. Goods and services transferred are not subject to business tax.
Land value increment tax payable as a result of the transfer shall be recorded, and paid when the school legal person that inherits the lands transfers them. When the school legal person that inherits the lands dissolves, priority shall be given to the recorded land value increment tax when it repays its debts.

Article 69: When a private school plans to convert to a different type of school, it shall prepare a conversion plan and submit it to the school authority for approval. The school authority shall consult the consultative committee before deciding to approve the conversion.

Article 70: If a school is found to be confronted with one of the following problems, the school legal person shall inform the school authority and shut down the school after being granted approval.
1. Insurmountable hurdles have been encountered which prevent the school from achieving its objective or continuing operating.
2. Improvements have not been made by the date set by the school authority.
If the school legal person fails to inform the school authority of the problem(s) with which the school is confronted, the school authority may order its shutdown after consulting the consultative committee.

Article 71: If a school legal person is unable to achieve the objective as indicated in the Rules and has shut down its schools according to the preceding article, it may apply to the legal person authority for a change of objective after obtaining approval from its board.
The legal person authority shall consider carefully the donator's real intention and allow the change after obtaining approval from the relevant supervisory authority and consulting the consultative committee, and request to the court with jurisdiction to process registration of the change.
In the event that the school legal person has shut down its schools and finished the registration of the change, the land value increment tax, transferred from the school legal person as described in Land Tax Act Article 28-1, is exempted from the due retroactively and a fine. Land value increment tax payable as a result of the transfer shall be recorded, and paid when the changed legal person dissolves. However, if the rules governing the changed legal person stipulate that upon dissolution, the remaining property of the entity will be transferred to the local government, then the land value increment tax shall be exempted.
When the changed legal person that inherits the lands dissolves, priority shall be given to the recorded land value increment tax when it repays its debts.

Article 72: If one of the following exists, a school legal person may inform the legal person authority and dissolve after being granted approval:
1. Its school(s) has shut down in accordance with Article 70, and has been unable to reopen or make improvements after the specified period of time.
2. The school legal person meets the criteria set forth in the Rules for dissolution.
3. The school legal person has donated all its property to the government or other school legal persons.

4. The school legal person has merged with another school legal person and needs to dissolve.
The legal person authority may order school legal persons meeting one of the following criteria to dissolve after consulting the consultative committee:
1. School legal persons in a condition as indicated in Point 1 of the preceding paragraph fail to inform the legal person authority for approval to dissolve.
2. School legal persons shutting down their schools or stopping enrolling students without being granted approval.
3. School legal persons failing to obey the school authority's order and shut down their schools as stipulated in the paragraph 2 of Article 70.
Priority shall be given to the wages and severance pay the school legal persons owe before they begin dissolving or liquidating.

Article 73: Unless a school legal person has gone bankrupt, all the board members are the liquidators after it dissolves. The liquidators shall apply to the court with jurisdiction for dissolution of the legal person within 15 days after the legal person authority's dissolution notice arrives. If all or some of the liquidators are unwilling or unable to take office, the court may appoint persons of its choice as the liquidators on the legal person authority, prosecutor or interested parties' request.
When necessary, the court may remove all or some of the above liquidators. The court may consult the legal person authority when appointing or removing the liquidators. The legal person authority may take the initiative to contact the court and express its opinion.
The liquidators shall notify the court of the date they took office within 30 days after taking office.

Article 74: Unless a school legal person is merged, the property remaining after it dissolves and liquidates shall be handled in the following order. The property remaining shall by no means be handed over to natural persons or for-profit organizations.
1. Handled in accordance with the Rules.
2. Donated to public schools or juridical persons engaged in educational, cultural or social welfare undertakings per the board's resolution and the legal person authority's approval.
3. Handed over the city/county in which the school legal person is located. However, the immovable property belongs to the city/county in which it is located.
The city/county government shall use the property for educational, cultural and social welfare purposes only.

Article 75: The liquidators shall prepare financial statements for the liquidation and submit them along with relevant records to the supervisors for review and the board for approval within 15 days after it is over.

The financial statements and records shall be forwarded to the court within 15 days after the board’s approval.

Article 76: When a private school shuts down or a school legal person dissolves, the students shall be issued a transfer certificate and transferred to other schools. If necessary, the school authority may assign them to other schools.
The above applies to students unwilling to study at the remaining or newly established school after their school is converted or merged.

Chapter 8: Punitive Provisions
Article 77: Presidents, board members and supervisors of school legal persons meeting one of the following criteria shall be fined NT$100,000-500,000 if they fail to take corrective actions by a specified date. The fine may be assessed for more than once until corrective actions are taken.
1. Arguments take place between the president, board members and supervisors to the extent that it interferes with the school legal person or the school’s normal operation.
2. The board members fail to exercise their power properly, which prevents board meetings from reaching or carrying out resolutions, and interferes with the school legal person or the school’s normal operation.
3. The board members fail to observe the paragraph 2 of Article 26, which stipulates that a replacement is found by a specified date for the board member, supervisor or president who has left the position.
4. The president, board members or supervisors violate the paragraph 1 of Article 29 and become the school’s headmaster or hold other administrative positions at the school.
5. The president, board members or supervisors breach the paragraph 1 of Article 30, or whose remunerations exceed the upper limits set by the legal person authority.
6. Board members fail to observe the paragraph 2 of Article 31.

Article 78: The student status of students enrolled in the private schools that fail to observe the paragraph 1 of Article 39 shall not be recognized. The schools shall be ordered to take corrective actions by a specified date. The school legal persons to whom the schools failing to take such actions by the date belong shall be fined NT$200,000-1,000,000 by the school authority. They may be fined for more than once until corrective actions are taken.

Article 79: Schools violating Article 40 shall be fined NT$300,000-1,000,000 and ordered to shut down by a specified date. Those failing to comply shall be fined for more than once until they shut down.

Article 80: Presidents, board members and supervisors of school legal persons and headmasters and staff members of private schools having done

one of the following shall be fined NT$300,000-1,000,000. They may be fined for more than once until corrective actions are taken.
1. Breach enrollment regulations or take actions to prevent enrollment from being carried out in a fair manner.
2. Conceal or destroy accounting evidence, account books, statements, or falsify these documents.
3. Evade, obstruct, or refuse inspection by persons sent by the legal person authority or the school authority.
4. Violate the paragraph 2 of Article 45.
5. Violate the first or paragraph 2 of Article 49, or the paragraph 1 of Article 53.
6. Violate the paragraph 2 of Article 50.
7. Fail to observe the paragraph 1 of Article 52.
8. Fail to observe the paragraph 3 of Article 64.
If one of the above is found to exist and the school's organization fund or other property has been embezzled or borrowed without permission, the legal person authority or school authority shall order the school legal person to urge them to return it by a specified date. If they fail to do so and cause the school legal person to suffer losses, all of the school legal person's board members shall be held liable.

Chapter 9: Supplementary Provisions
Article 81: School legal persons and their schools' founders, board members, supervisors, liquidators, presidents, staff members and teachers holding concurrent administrative positions shall avoid conflicts of interest and are forbidden to abuse their power to make personal gains or those of a third party.
The legal person authority or school authority, prosecutors, school legal persons' board members, supervisors or interested parties may request the court to order the return of above ill-gotten gains.

Article 82: Foreigners or foreign legal persons approved by law may set up private senior high schools and above in the Republic of China in accordance with the Law.

Article 83: Taiwan nationals, foreigners and foreign legal persons approved by law may set up private senior high schools and under and affiliated preschools in the Republic of China, enrolling only foreigners.
Provisions the Law contains regarding supervision, merger, conversion, shutdown, dissolution and liquidation are applicable to the above schools. The rest of the provisions and other laws governing schools are not applicable to the above schools. Only the provisions the Preschool Education Act contains regarding safety are applicable to the above-said affiliated preschools.
The Teachers Act is not applicable to teachers of the schools and preschools as mentioned in the first paragraph.
Rules governing the schools and preschools as mentioned in the first

paragraph including their establishment and supervision shall be drawn up by the Ministry.

Article 84: Private senior high schools and under may set up departments or classes offering non-domestic courses and enrolling foreign students after being approved by the school authority.
Rules governing the above departments or classes including their establishment and enrolling of students shall be drawn up by the Ministry.

Article 85: Taiwan nationals may set up private schools abroad including Hong Kong and Macau to provide their children with desired education. Rules governing these schools including their establishment, supervision, rewards and grants, and rights and obligations of the presidents, teachers, staff members and students shall be drawn up jointly by the Ministry and relevant supervisory authority.

Article 86: Taiwan nationals, legal persons, groups or other organization permitted to invest or enter into a tech partnership in China may set up senior high schools and under there after informing the Ministry, educating only Taiwan nationals, with preschools affiliated to them.
Rules governing said schools including their establishment, curricula, equipment, enrollment, rewards and grants, and qualifications for the presidents, teachers and staff members shall be drawn up jointly by the Ministry and Mainland Affairs Council and submitted to the Executive Yuan for approval.
Students of these schools transferring to Taiwan schools or furthering their studies in Taiwan shall enjoy the same student status as those having studied in Taiwan schools from the very beginning.
Provisions in the Government Employees and Teachers Insurance Act and National Health Insurance Act governing private schools are applicable to the insurance for Taiwan nationals who are presidents, teachers or staff members of these schools. For the schools whose personnel system is the same as that of Taiwan schools, the Law applies to their presidents, teachers and staff members without regard to their retirement, compensation and severance.

Article 87: Private schools set up by a juridical person before the Law, amended on (date), went into force, with one juridical person establishing only one school, may continue to exist using the same organization and name. Their nature is the same as that of the school legal persons referred to by the Law, and they are subject to the amended provisions of the Law. Aspects of these schools not conforming to the Law shall be modified within three years after the Law goes into effect.
The above-said juridical persons and their private schools may convert into school legal persons and schools. Rules governing the conversion shall be drawn up by the Ministry.

If the above-said modifications necessitate amendment of the Rules, and a board meeting called to amend the Rules has been aborted three times in the three years mentioned above because less than two-thirds of the board members attended the meeting. If less than two-thirds of the board members, and at least half of them, is attending the fourth meeting, the resolution reached to amend the Rules shall be carried with the actual number of board members attending and over half of them voting for it, without being bound by the juridical person’s rules or the board’s organization rules.

Article 88: Enforcement rules for the Law shall be drawn up by the Ministry.

Article 89: The Law takes effect from the date it is announced.

This Law is made in Chinese, which shall prevail in case of any discrepancy between the English translation and the Chinese original.

Data Source： Laws and Regulations Retrieving System