Content

Title：	Private School Act Ch
Date：	2014.06.18
Legislative：	1.Enacted in full (79 articles); promulgated by the President of the Republic of China (R.O.C.) on November 16, 1974, Presidential Decree (63) Tai-Tung (I) I No. 5207. 2.Articles 6, 8, 10, 11, 13, 18－22, 27, 28, 30, 35, 36, 39, 40, 48, 51, 56, 58, 62, and 68 amended; Article 77 deleted; promulgated by the President of the Republic of China (R.O.C.) on January 11, 1984, Presidential Decree (73) Hua-Tsung (I) I No. 0128. 3.Article 55 amended; promulgated by the President of the Republic of China (R.O.C.) on December 30, 1991, Presidential Decree (80) Hua-Tsung (I) I No. 6902. 4.Articles 54 and 55 amended; promulgated by the President of the Republic of China (R.O.C.) on October 2, 1996, Presidential Decree (85) Hua-Tsung (I) I No. 8500237270. 5.Amended in full (81 articles); promulgated by the President of the Republic of China (R.O.C.) on June 18, 1997, Presidential Decree (86) Hua-Tsung (I) I No. 8600140330. 6.Articles 4 and 43 amended; promulgated by the President of the Republic of China (R.O.C.) on January 19, 2000, Presidential Decree (89) Hua-Tsung (I) I No. 8900011920. 7.Article 75 amended; Article 75-1 added; promulgated by the President of the Republic of China (R.O.C.) on October 31, 2001, Presidential Decree (90) Hua-Tsung (I) I No. 9000213970. 8.Articles 14, 15, 22, 23, 26, 27, 29, 54, and 60 amended; Article 79-1 added; promulgated by the President of the Republic of China (R.O.C.) on February 6, 2003, Presidential Decree Hua-Tsung (I) I No. 09200019230. 9.Article 9 amended; promulgated by the President of the Republic of China (R.O.C.) on April 7, 2004, Presidential Decree Hua-Tsung (I) I No. 09300063991. 10.Articles 27, 29, and 32 amended; promulgated by the President of the Republic of China (R.O.C.) on June 8, 2005, Presidential Decree Hua-Tsung (I) I No. 09400082771. 11.Article 10 amended; promulgated by the President of the Republic of China (R.O.C.) on January 18, 2006, Presidential Decree Hua-Tsung (I) I No. 09500005851. 12.Amended in full (89 articles); promulgated by the President of the Republic of China (R.O.C.) on January 16, 2008, Presidential Decree Hua-Tsung (I) I No. 09700003941, effective from the date of promulgation. 13.Article 71 amended; promulgated by the President of the Republic of China (R.O.C.) on December 28, 2011, Presidential Decree Hua-Tsung (I) I No. 10000291441. 14.Article 41 amended; promulgated by the President of the Republic of China (R.O.C.) on January 30, 2013, Presidential Decree Hua-Tsung (I) I No. 10200017721. 15.Article 36 amended; promulgated by the President of the Republic of China (R.O.C.) on January 8, 2014, Presidential Decree Hua-Tsung (I) I No. 10300000581. 16.Articles 83 and 86 amended; promulgated by the President of the Republic of China (R.O.C.) on June 18, 2014, Presidential Decree Hua-Tsung (I) I No. 10300093301.
Content：	Chapter 1　General Principles Article 1 The Act has been formulated to facilitate the diversified, comprehensive development of private schools, and to enhance their publicness and

autonomy in an effort to encourage the establishment of schools by private and provide people with more opportunities and fair choice for education. Matters not stipulated herein shall be governed by the Civil Code and related laws and regulations.

Article 2
Unless otherwise stipulated by law, private schools of various kinds and levels shall be established by school foundations (hereafter referred to as school legal persons) upon application to the competent authority.
The school legal persons mentioned in the preceding paragraph refer to those that have been permitted by the competent authority to be formed according to the Act for the purpose of establishing and running private schools.

Article 3
The Ministry of Education shall have the authority to supervise private schools established by the same school legal persons in two or more special municipalities or cities/counties, private junior colleges and institutions above this level, 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 competent 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 competent authority of legal persons or schools shall select and appoint academics, experts, leading members of society, teacher representatives from private schools, representatives from school legal persons, and other representatives from relevant authorities or institutions to form a private school consultative committee of 15 to 25 for advice to review the establishment, conversion, merger, suspension, dissolution and other major issues of school legal persons and of the private schools they establish. Teacher representatives from private schools and representatives from school legal persons in total shall account for at least two-fifths of the number of the committee members.
The teacher representatives from private schools and representatives from school legal persons mentioned in the preceding paragraph shall be selected and appointed from those recommended by pertinent groups.
Regulations governing appointment of members of the committee and its organization and operation mentioned in Paragraph 1 shall be prescribed by the Ministry of Education.

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, procedures for the establishment and governing regulations of campuses and branches mentioned in the preceding paragraph shall be prescribed by the Ministry of Education.

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 cultivating clergymen and religious persons and conferring religious degrees, school legal persons may apply to the Ministry for permission to establish religious schools.
This also applies to legal persons permitted to be formed by the authority in charge of religious affairs.
Regulations governing the procedures and conditions for approval of the

above applications, conferment of religious degrees, and related matters mentioned in the preceding paragraph shall be prescribed jointly by the Ministry of Education and the central competent authority in charge of religious affairs.

Chapter 2: School Legal Persons

Section 1: Establishment

Article 9
Natural and legal persons may create school legal persons by applying for permission from their competent authority according to the Act in order to establish private schools.
To apply for the permission mentioned in the preceding paragraph, the donor or executor shall draft a donation charter and a plan to establish a private school, attach an inventory of donated property and relevant information, and submit an application to the competent authority of legal person.Regulations governing the procedure for and conditions for approval to the above applications, and related matters mentioned in the preceding paragraph shall be drawn up by the Ministry of Education.

Article 10
The charter governing the donation shall include the following:
1. Purpose of the school legal person.
2. Assets donated.
3. Educational philosophy.
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 chairperson.
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 of a resolution, provisions addressing conflicts of interest, etc.
8. Number, qualifications and powers of supervisors, and their appointment and dismissal.
9. Matters concerning the management of the school legal person and the school(s) it establishes.
10. The date (year, month, and day) of the donation charter be drawn up.
The donation charter mentioned in the preceding paragraph shall be approved by the competent authority of legal persons before the school legal person is created. Changes to the charter shall be approved by the competent authority of legal persons as well.
Regulations for drawing up the donation charter mentioned in Paragraph 1 shall be prescribed by the Ministry of Education.

Article 11
The donator or executor shall be the founder of the school legal person. The person designated by the donator or executor may be the founder in accordance with the donation charter as well.
If the founder is a legal person, the representative it appoints shall exercise the legal person’s powers.
The number of founders is limited to one to three people.

Article 12
A school legal person shall have 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 donation charter within three months after the competent authority of legal persons grant them permission to establish the school legal person with their names submitted to the authority for approval.
The first cohort of directors and supervisors will be appointed by the founder within thirty days after the authority’s approval, and a board of directors founding meeting shall be held to elect one of the directors as chairperson.

Section 2: Registration

Article 13
The first chairperson of a school legal person shall submit pertinent information to the competent authority of legal persons 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 chairperson, board members and supervisors following registration and occurrence of other changes to the registration shall be submitted to the competent authority of legal persons, which shall then be approved and forwarded to the submission to the above-mentioned court for a change in registration.
After the establishment and registration of a school as a legal person, if there is an increase or decrease in its real estate and major assets, within five months after the end of the school year, a property change list and an audit report certified by a certified public accountant (hereinafter referred to as “CPA”) should be submitted to the legal person's competent authority for approval and transfer to the governing court to update the registration.

Article 14
The founder(s) shall transfer all matters regarding the organizing of the school legal person to the first cohort of board members within three months following the approval of the competent authority of legal persons, with ownership of all donated assets transferred to the school legal person.
When violating the time limit specified in Article 12, Paragraph 1 of the Preceding Article and the Preceding Paragraph, the competent authority of legal persons shall set a due date for the legal persons to comply, the competent authority shall withdraw approval if the legal persons fail to do so. For those who have completed registration, the governing court shall be notified to revoke their registration.

Section 3: The Board, Board Members and Supervisors

Article 15
The board shall have 7 to 21 board members, and 1 chairperson elected by the members. The chairperson shall represent the school legal person externally.
The board may hire several office clerks, who may be included in the staffing headcount of the school.

Article 16
Board members who are spouses, relatives by blood or marriage within third degrees of kinship shall not exceed one-third of the total number of the board.

Article 17
The term of office for each board is four years, and all the members may be re-elected for consecutive terms.
On top of the existing number of board members stipulated in the donation charter, the board shall recommend at least an additional one-third of eligible persons as candidates for the next board to ensure a sufficient number of board members to be elected.
Candidates referred to in the preceding paragraph should submit in advance a letter of consent to be included. If a candidate dies, withdraws consent, or fails to assume the position of board member after being elected but before the approval of the competent authority of legal persons, the position is considered vacant during the term of office and shall be filled through a by-election.
The same applies to candidates elected in accordance with the Act in a by-election.

Article 18
The founder(s) are ex officio board members who may serve consecutive terms

without having to run for re-election. The founder who is a natural person shall lose the ex officio status upon resignation, death, or removal or dismissal pursuant to the relevant provisions of the Act during the term as an ex officio director. The founder who is a legal person shall lose the ex officio status upon its dissolution. A by-election shall be held to fill the vacancies left.

Article 19
The school legal person shall have 1 to 3 supervisors, selected and appointed by the board of directors from suitable persons with qualifications stipulated in the donation charter, for a term of four years.Powers of the supervisors are as follow:
1. Supervision of financial affairs.
2. Supervision of account books, documents and asset information.
3. Supervision of financial reports.
4. Supervision of other matters as indicated in the donation charter.
If the rewards and grants the school legal person receives from the competent authorities of schools amount to more than or equal to 25% of its revenue in the preceding year or NT$100 million, the competent authority of legal persons may appoint an impartial third party as the legal person's public supervisor, whose powers are the same as those of the other supervisors and who may be replaced or displaced when circumstances require.
Regulations governing qualifications, appointment of and expenses incurred as a result of the public supervisor shall be drawn up by the Ministry of Education.

Article 20
Persons under any of the following circumstances shall not serve as founders, board members or supervisors:
1. Having been chairperson or board member of a private school belonging to a juridical person, or chairperson, board member or supervisor of a school legal person, or principal/president of a private school, who have abused their power to commit crimes and been convicted, removed from office or dismissed prior to the implementation of the amendments made on December 18, 2007 to the Act.
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 has no or is limited in capacity to make juridical acts.

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 competent authority of legal persons for approval within 30 days following the election. The new board members shall not exercise their powers until approved by the competent authority of legal persons.
If incumbent board members are unable or neglect to exercise their powers and so fail to elect new board members in accordance with the donation charter four months after their term expires, which threatens to cause damage to the legal person, the competent authority of legal persons shall petition for appointment of provisional board members to assume the powers after consulting the school's consultative committee.

Article 22
Within 30 days after the new board is approved by the competent authority of legal persons, the outgoing chairperson shall convene a meeting of the new board to elect a new chairperson, and the election of the new chairperson shall be submitted to the competent authority of legal persons for approval. The handover shall be completed by the date the outgoing board's term expires, and its completion shall be reported to the competent authority of legal persons for reference.
If the newly-elected board members are unable or neglect to exercise their powers and so fail to elect a new chairperson in accordance with the donation charter four months after the new board is formed, which threatens to cause damage to the legal person, the competent authority of legal

persons shall petition the court for appointment of provisional board members to assume the powers 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 competent authority of legal persons for approval within 30 days following the election.
If the board fails to elect new supervisors in accordance with the donation charter four months after the terms of outgoing supervisors expire, the competent authority of legal persons shall appoint provisional supervisors after consulting the school's consultative committee.
The competent authority of legal persons may petition the court for removal of the supervisors under any of the circumstances set forth in Article 80, Paragraph 1, Subparagraph 2, 3, 5 or 7. after consulting the school's consultative committee.

Article 24
chairpersons, board members and supervisors under any of the following circumstances shall be automatically dismissed:
1. Having a letter of resignation presented to a board meeting and included in the meeting's minutes.
2. Under any of the circumstances as set forth in Article 20.
3. Having abused their power to commit crimes and been convicted.
4. Chairpersons having been absent from three consecutive board meetings for no legitimate reasons.
5. Chairpersons having called no board meetings in one year.
The effective date for the automatic dismissal mentioned in the preceding paragraph shall be stipulated in the enforcement rules of the Act.
Chairpersons, board members and supervisors suspected of committing crimes as stated in Subparagraph 3 of Paragraph 1 or Subparagraph 1 of Article 20, who have been indicted shall be suspended from office.

Article 25
If any board, chairperson, or board members break the laws or regulations or breach the donation charter, thereby affecting the normal operations of the school legal person and/or the private school established by it, the competent authority of legal persons or that of schools shall order them to make improvements by a specified date. The competent authority of legal persons may, depending on the nature of the matter, petition the court for suspension or removal of the chairperson 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 dismissed by the court in accordance with the preceding paragraph, the competent authority of legal persons shall designate persons from among the former board members or impartial individuals who are enthusiastic about education to work together to elect board members and reorganize a new board.
After the court dismisses all the board members according to the first paragraph, it may designate at least one provisional board member to exercise the board's powers before the new board is formed.
The designated provisional board member(s) mentioned in the preceding paragraph 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 competent authority of legal persons may petition the court for removal of the chairperson and/or board members under any of the circumstances set forth in Subparagraphs 2, 3, 5, or 7 of Paragraph 1 of Article 80 after consulting the school's consultative committee.

Article 26
If the chairperson, a board member or supervisor vacates their position during their term of office, the board shall elect and appoint a new board member or supervisor through a by-election or elect a new chairperson within one month after the vacancy occurs.
If the board members are unable or neglect to exercise their powers and so

fail to complete the by-election or election as prescribed in the preceding paragraph by the date set by the competent authority of legal persons, the authority shall petition the court for the appointment of provisional board members to assume the powers after consulting the school's consultative committee, or it shall appoint provisional supervisors to assume the powers of the said members after consulting the committee.

Article 27
The chairperson and board members elected or elected through a by-election to fill a vacancy during the term of office shall serve only for the remainder of the original term.
The board shall, within 30 days after completing the election of the chairperson or the by-election and appointment of board members or supervisors, submit the relevant documents to the competent authority of legal persons for approval.

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 competent authority of legal persons shall petition the court for appointment of provisional board members to assume the powers after consulting the school's consultative committee.

Article 29
The board, chairperson, board members and supervisors shall exercise their powers in accordance with the Act and the donation charter, and respect the principal's/president's powers as endowed by the Act and related laws and regulations and contracts.
The chairperson, board members and supervisors shall not serve as the principal of their school or hold any other administrative positions at the school concurrently.

Article 30
Chairpersons, board members and supervisors holding their position without remunerations may receive payments for attendance and transportation. However, Chairpersons, board members and supervisors who may receive remunerations according to the donation charter shall be full-time and receive no additional payments for attendance and transportation.
The upper limit of the remunerations and payments mentioned in the preceding paragraph shall be determined by the competent authority of legal persons.

Article 31
The board shall convene in accordance with the donation charter.
In the event of one of the following circumstances, the competent authority of legal persons may appoint board members to convene 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 chairperson or the position of the elected chairperson becomes vacant for some other cause.
3. The board fails to convene as prescribed in the donation charter, causing problems in the operation of the school legal person.

Article 32
Resolutions reached at board meetings shall be carried out with over half the board members in attendance and over half the board members in attendance voting for them. However, resolutions having to do with the following material matters shall be carried out with at least two-thirds of the board members in attendance and over half the board members in attendance voting for them.
1. Reelection and by-election of board members.
2. Election, reelection and by-election of the chairperson.
3. Employment or removal of the principal/president.
4. Disposing of, collateralizing, purchasing, or leasing immovable property according to Paragraph 1 of Article 49.

5. Decision to suspend, dissolve the school or declare bankruptcy.
Resolutions listed in the preceding proviso subparagraphs may be passed by the actual number of board members in attendance, provided that at least half but less than two-thirds of the board members are present in the fourth meeting, following the first three meetings being aborted due to less than two-thirds of the board members in attendance.
The donation charter shall stipulate the number of board members. However, board members having died, resigned, or served a provisional injunction and so forbidden to exercise their powers, or suspended or dismissed shall be excluded.

Article 33
Resolutions reached at board meetings that violate the laws and regulations or the donation charter shall be null and void.
Board members may petition the court within one month for cancellation of resolutions reached using a method that is against the law or the donation charter at board meetings called using a procedure that is against the law or the donation charter. However, this does not apply to board members who fail to raise objections at the meetings.
The competent authority of legal persons after having learned the case mentioned in the preceding paragraph shall, either ex officio or upon application, notify the board of its failure to abide by the law or the donation charter and order it to make rectification by a specified period.
The competent authority may, within six months from the resolution date, petition the court to annul the said resolutions if the board fails to make rectification within the specified period.

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 the provisions of school laws of all levels, the competent authority of schools shall grant permission to applications by school legal persons for establishing, converting, merging or closing private schools after taking into account factors including regional demand and school distribution.
The Ministry shall determine the conditions for and regulations governing review of establishment, conversion, merger and closure 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 said competent authority of schools for review in accordance with pertinent provisions of the laws governing schools of different levels and categories.
After obtaining approval under the preceding paragraph, if a school legal person fails to complete the establishment and registration of a private school within the prescribed period without justifiable reasons, and fails to complete it again after being given a grace period by the competent authority of schools, or if its school establishment activities involve illegal acts, the said competent authority may revoke or annul the original establishment approval and make the decision known to the public. If necessary, the competent authority of legal persons may revoke or annul the establishment approval granted to the said 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 Code, 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, a review 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 within the period permitted by the competent authority of schools, with the chairperson submitting the following documents to the school authority to apply for the approval of school registration. A deadline extension may be applied for if necessary.
1. Legal person registration certificate.
2. Lists of lands, properties, books, equipment and proposed teachers.
3. Organization charter of the school.
4. The proposed principal's/president's resume, documents and letter of consent.
5. CPA-certified financial statements.
6. Calculations and descriptions of the raising, custody and outlays of funds.
7. Revenue and expenditure budgets for the next five years, supporting documents 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 with borrowed money for the school organization funds, necessary establishment expenses, or the operational expenses within three years after obtaining registration and enrollment approval.

Article 38
Under review by the competent authority of schools, private schools are permitted to register provided that they have met all requirements, completed the organizing process, and deposited organization funds in a designated bank account and left no establishment procedure unfinished.
The case on private senior high schools and schools below this level having registered with the school authority upon approval shall be forwarded to the Ministry for reference.

Article 39
Private schools may not enroll students until they obtain registration approval from the competent authority of schools. Unless otherwise stipulated by laws or regulations, the said schools shall draw up the following and submit them to the competent authority of schools for approval before their student enrollment in every academic year.
1. Rules governing enrolling students.
2. Admission quotas for the colleges, departments, schools, programs, divisions and subdivisions, grades and classes.
3. Admissions and distribution of students among different colleges, departments, schools, programs, and classes.
The private schools may purchase performance bond insurance to serve the interest of the students according to the total approved admission quota in the preceding paragraph. The regulations governing relevant matters such as the contract, coverage, amount, and premium of this insurance shall be prescribed by the Ministry of Education.

Article 40
Entities not registered as prescribed in the Act may neither enroll students nor conduct instruction in the name of engaging formal education.
Section 3: School administration

Article 41
Private schools shall install one person possessing statutory qualifications as the principal/president to be selected and appointed in accordance with pertinent laws.
Spouses and lineal blood relations of the school legal person’s chairperson, board members and supervisors shall not serve as the principal.
The principal/president, whose performance shall be evaluated by the board of the school legal person, under the supervision of the board, administers the school in accordance with the laws and regulations and the school rules, and carries out decisions made by the said board. The principal/president represents the school externally within the scope of the position’s powers.
Apart from teaching at the school, the principals/presidents shall not hold fulltime positions outside the school.
When a private elementary school merges with a private junior high school, the newly-merged school may install an additional principal/president based on actual needs. The duties and power scopes of these principals/presidents, whose qualifications shall comply with Paragraph 1, and the only president on behalf of the school shall be explicitly specified in the school organization charter and submitted to the competent authority of schools for approval.

Article 42
When the position of a principal/president becomes vacant, the school legal person shall select a replacement and appoint the replacement within six months in accordance with applicable laws.
If a school legal person fails to select and appoint a replacement by the deadline or the replacement does not possess required qualifications, the competent authority of schools shall order the legal person to complete re-selection and re-appointment within three months. If the said legal person still fails to select and appoint a replacement by the deadline or the replacement still does not possess required qualifications, the competent authority of schools may assign an appropriate person to the position of acting principal/president until a qualified person is re-selected and re-appointed to take office.

Article 43
The principal/president having abused powers to commit crimes and prosecuted may be suspended before conviction by the school legal person, which shall then appoint an acting principal/president from among the personnel specified in the relevant regulations of the school organization after submission to and approval by the competent authority of schools.

Upon a principal/president being convicted by a final judgment, or significantly violating education laws and regulations, or exhibiting severe misconduct detrimental to the integrity of educators, the school legal person shall promptly dismiss the said principal/president and conduct principal/president re-selection, appointing the re-selected principal/president thereof in accordance with the relevant laws and regulations.
If the school legal person fails to suspend the principal/president as stipulated in the first paragraph, the competent authority of schools may directly suspend the principal/president and appoint personnel designated by the relevant regulations of the school organization to serve as the acting principal/president. If the school legal person fails to dismiss the principal/president as stipulated in the preceding clause, the competent authority of schools shall directly dismiss the principal/president and assign an appropriate person to the position of acting principal/president until a qualified principal/president is re-selected and re-appointed to take office.

Article 44
Spouses and blood relations or in-laws within the third degree of kinship of the chairperson, board members and supervisors of a school legal person shall not hold positions in the school's general affairs, accounting and personnel departments. The competent authority of schools shall order the school to immediately dismiss any of the personnel violating this provision.

Chapter 4: Supervision

Article 45
Management and use of properties and funds owned by schools and school legal persons shall be placed under the supervision of the said legal persons and the competent authority of schools. These funds shall not be entrusted or lent to board members, supervisors, and other individuals or non-banking institutions.
Finance, personnel and properties 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 the school organization funds and necessary expenses separately raised, prepared, and deposited in a designated bank account before registration. The virement of the said funds shall not be allowed unless it complies with the Act.
Expending of organization funds mentioned in the preceding paragraph shall be approved by the competent authority of schools.

Article 46
Private schools' incomes shall be used to pay for budget expenditures in the current year. The surplus shall be retained in the school fund for use. With the approval of the competent authority of schools, the school legal person may spend less than half the accumulated surplus mentioned in the preceding paragraph on investments helping to increase financial resources of the school or on virements for a different school set up by the same school legal person. Regulations governing use of the surplus, its items, conditions, procedures, ratios, limitations, and other matters to be observed shall be drawn up by the Ministry of Education.
The board shall make the investments mentioned in the preceding paragraph in accordance with the provisions of the Charter and relevant laws. If the school legal person incurs losses as a result of a breach of the said provisions, the board members taking part in making the investment decisions shall be held liable for the losses. However, any board members expressing objections which can be corroborated by records or written declarations shall not be held liable.

Article 47
Regulations governing tuition and fees collected by private schools, their items, purposes, amounts, and other matters to be observed shall be drawn up by the competent authority of schools.

Information regarding tuition and fees collected by private schools, their items, purposes, and amounts shall be made known to the public and posted on the school’s website and admission brochure.

Article 48
A school legal person may submit a special proposal as necessary for the school affairs of its private schools to the competent authority of schools, requesting said authority to consult with the land management agency or relevant industry authorities for the purchase or lease of public land, land owned by public enterprises, or land owned by foundations in accordance with the law.
The lands mentioned in the preceding paragraph that requires a change in use shall be reported by the school legal person to the competent authority of schools forwarding it to the authorities concerned for handling in accordance with pertinent provisions.
When the urban planning authority drafts or modifies urban plans that affect the existing campus land of a private school, it shall seek the opinions of the competent authority of schools and the private school.

Article 49
Resolutions on the disposition or encumbrance of immovable property shall be carried out by the board and reported to the competent authority of schools forwarding them to the competent authority of legal persons for approval before being handled. The same applies to those regarding purchase or leasing of immovable property. Disposition or collateralization of immovable property mentioned in the preceding paragraph shall comply with the following provisions.
1. Immovable property shall be disposed of without interfering with school development and operation.
2. Only lands and buildings not directly related to teaching or those approved to be shelved as useless may be collateralized.
For those with statutory mortgage rights over immovable property of a school legal person, the provisions of other relevant laws shall be observed.

Article 50
To enhance teaching effect and financial resources, 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 competent authority of schools and relevant industry 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 the school fund. Unless otherwise stipulated by law or approved by the competent authority of schools, the surpluses shall not be diverted to specific individuals in any way. The property that remains on the closure of said affiliates belongs to the school legal persons.
Handling of the affiliates and related undertakings in accordance with the provisions of the preceding paragraph shall not affect normal operation of the school, whose operation and finances shall still be under the supervision of the school legal persons.

Article 51
School legal persons and their schools shall establish an internal control system for self-monitoring in personnel, financials and school operations.Enforcement regulations governing the system shall be drawn up by the Ministry of Education.
Private schools founded prior to the implementation of the amendments made on December 18, 2007 to the Act shall set up an internal control system within one year after the effective date of the regulations that are mentioned in the preceding paragraph.

Article 52

School legal persons and their schools shall set up an accounting system to handle accounting matters. Regulations governing the matters to be stipulated in the system, the establishment of accounting units and the appointment, dismissal, handover, and management of their personnel, as well as other matters to be observed shall be drawn up by the Ministry of Education.
Annual revenue and expenditure budgets for school legal persons and their schools shall be submitted to the competent authority of legal persons and that of schools, respectively, for reference.
The items, categories, standards, calculation methods, and funding sources for the budgets of school legal persons and private schools they establish shall be posted on the school's information network until the end of the budget year.

Article 53
School legal persons and the private schools they establish shall complete their final accounts within four months after the end of the fiscal year. Along with their annual financial statements certified by CPA who is qualified by the competent authority of legal persons, submit to the competent authority of legal persons and that of schools, respectively, for reference.
The competent authority of legal persons or that of schools, in order to supervise the finances of school legal persons and those of the private school they establish may send personnel or commission CPAs to check their financial statements, financial audit reports, internal control and other matters at any time.
School legal persons and the private schools they establish shall cooperate in providing relevant information for the audits or inspections specified in the preceding two paragraphs. They shall not evade, hinder, or refuse.
The CPA audited and certified annual financial statements of school legal persons and the private schools they establish shall be made known to the public in accordance with the pertinent provisions of the Compilation and Administration of Education Expenditures Act.

Article 54
In the event of a major dispute at a private school due to illegal acts such as personnel or financial issues, which seriously affects normal operation of the school and causes an urgent situation, the competent authority of schools may directly suspend the principal/president and relevant personnel from their duties and assign appropriate personnel to temporarily replace them.
If the principal/president, organizer, or personnel handling related affairs of a private school seriously violates any of the provisions of Paragraph 1 of Article 80, the competent authority of schools may directly dismiss them from their duties after consulting the consultative committee of the said private school.

Article 55
If a private school established by a school legal person is poorly run or breaches the Act or other relevant educational laws and regulations, and fails to make improvements after being corrected or ordered to make rectification by the competent authority within a specified period, the said authority, after consulting the consultative committee of the said private school, shall impose the following penalties based on the severity of the school's wrongdoings:
1. Suspending part or all of the rewards and grants to the private school established.
2. Suspending enrollment for some or all classes of the private school established.

Chapter 5: Rewards, Grants and Donations

Article 56
The competent authority of legal persons or that of schools may reward school legal persons, principals/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 development of the school.
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, and have achieved remarkable results.
3. Schools that offer educational activities that promote balanced development of the students in morality, intellect, physical fitness, social skills, and aesthetics, or have done exceptionally well in guiding or serving the students.
4. Schools that nurture talent or promote academic research, making significant or unique contributions to society and the nation.
5. Schools that have demonstrated remarkable achievements in managing the schools.
6. Teachers and staff members that have demonstrated professionalism, dedication and excellence.
In addition to medals, the rewards mentioned in the preceding paragraph 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, service, student guidance, school administration, and student participation. Rules governing such evaluations shall be drawn up by the schools.
The competent authority of schools shall form evaluation committees or commission a professional evaluation institution to periodically evaluate the private schools and announce evaluation results to serve as a reference for the government in educational funding subsidies and for the schools in adjusting their development scales.
In addition to rewards, private schools whose evaluation results indicate that they have been well run may not be bound by the Act and related regulations when setting out to do the following, after being reported to and approved by the said authority:
1. Adding new departments, schools, programs, divisions, subdivisions and classes.
2. Deciding the number of students to be admitted for departments, schools, programs, divisions, subdivisions and classes, the admission methods, and the allocation of admission quotas.
3. Deciding the age requirements for the selection and appointment of the principal/president and full-time teachers.
4. Deciding the items, purposes, and amounts of fees charged to students, provided that the schools have 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 receiving government-granted subsidies or rewards may not subject to the restrictions imposed by the Act and pertinent laws and regulations when they set out to handle the above, after having notified the competent authority of schools in writing. However, any said schools found to have violated the laws and regulations or have been poorly run, after being verified by the competent authority of schools, the imposed restrictions shall be reinstated.
The age requirements as mentioned in Subparagraph 3 of Paragraph 3 shall be decided by the schools, provided that the age does not exceed 75.
The items, benchmarks, procedures and other relevant matters for the evaluation under Paragraph 2, as well as the exemption scope, implementation methods, procedures, and other related matters under the subparagraphs of Paragraph 3, shall be determined by the competent authority of schools.
Rules governing affairs as mentioned in paragraph 4 shall be determined by the Ministry of Education.

Article 58
Scholarships and grants established by the governments at all levels shall include students at private schools as recipients.

Article 59
When preparing revenue and expenditure budgets, the governments at all levels shall clearly indicate their 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. Regulations governing said rewards and grants shall be prescribed by the competent authority of schools.

Article 60
If private schools are found to have used government rewards, grants or subsidies in violation of the laws and regulations, or if they have used the funds for purposes other than those specified, or if they have not used the funds in accordance with approved plans, the competent authority of schools may, in addition to pursuing legal action against those responsible, order the said schools to return all or part of the rewards, grants or subsidies.
Before the funds are returned according to preceding paragraph, all or part of the rewards, grants, or subsidies for subsequent years shall be suspended.

Article 61
The land taxes, house tax, and customs duties on imported goods for private schools established by a school legal person shall be levied and exempted in accordance with the pertinent tax laws.
Individuals or groups that donate to school legal persons or legal person-established private schools prior to the implementation of the amendments made on December 18, 2007 to the Act, or religious legal persons that donate for the establishment of religious schools, may be granted tax exemption or tax reduction in addition to any rewards allowed by law, in accordance with the pertinent tax laws.

Article 62
The Ministry of Education may set up a foundation for encouragement of school by private 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 prior to the implementation of the amendments made on December 18, 2007 to the Act may claim said donations as itemized deductions 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 profit-seeking enterprises shall not exceed 25% of their gross income.
Individuals or profit-seeking enterprises making donations through the foundation referred to in the first paragraph to non-specified school legal persons or schools may claim said donations as itemized deductions from their incomes or classify them as expenses or losses when filing their tax return.
The sources of administrative expenses, organization, operation, revenue and expenditure of funds, distribution, custody, use, auditing, and management regulations of the foundation mentioned in the first paragraph shall be prescribed jointly by the Ministry of Education and the Ministry of Finance.

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

Article 63
The qualifications and age limits for the selection and appointment of principals/presidents and teachers in private schools at all levels and of all types shall follow the regulations prescribed for public schools at

corresponding levels and of corresponding types.
Principals and teachers mentioned in the preceding paragraph, who have been reviewed, registered, certified, or approved by the school authorities, may have their years of service combined when transferring to public schools for the purpose of determining qualifications and salaries. When handling retirement, death gratuity or bereavement compensation, or severance in public schools, their years of service may also be combined, except for the years already counted for retirement or severance in private schools. The combination of years of service for retirement, death gratuity or bereavement compensation, or severance shall be applicable to principals and teachers who transfer from public schools to private schools.

Article 64
The matters of retirement, death gratuity or bereavement compensation, resignation, and severance for the staff and teachers of school legal persons and of the private schools established by these legal persons shall be prescribed by a separate law.
Before the enactment of the law referred to in the preceding paragraph, school legal persons shall draw up rules and allocate funds to handle the matters for the welfare of the staff and teachers pertinent to retirement, death gratuity or bereavement compensation, and severance. The rules shall be submitted to the competent authority of schools forwarding them to the competent authority of legal persons for approval.
After approval of the rules, each semester private senior high schools and those above this level shall contribute an amount equivalent to 3% of tuition, while private primary and junior high schools shall contribute 70% of miscellaneous fees, to mutually establish a national Retirement and Compensation Fund for Private School Teachers and Staff (hereinafter referred to as the Fund). The money contributed to the Fund shall be deposited in designated bank accounts and used exclusively for retirement, death gratuity or bereavement compensation, and severance payments for private school teachers and staff. The competent authority of legal persons or that of schools shall immediately demand repayment if any use or virement of the Fund is against the rules, and hold the related persons liable.
If private school teachers' retirement, death gratuity or bereavement 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 competent authority of schools; 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 the private schools they establish.

Article 65
The Ministry and related ministries of Executive Yuan shall jointly provide guidance for the establishment of the Management Committee of the Fund. The committee shall be made up of school legal persons, private school teachers and staff members, and representatives from pertinent educational groups. It shall register with the court as a foundation to take overall charge of the establishment, collection, allocation, management, and use of the fund, and shall be subject to the supervision of the Ministry of Education.
The Ministry and related organizations may jointly form a small supervisory group for the Fund to oversee operation of the foundation referred to in the preceding paragraph.
Supervisory regulations governing establishment, management and use of the Fund shall be prescribed by the Ministry of Education.

Article 66
When principals/presidents and teachers transfer between public and private schools as referred to in Paragraph 2 of Article 63, the aggregation of their years of service for retirement, death gratuity or bereavement compensation, and severance shall be conducted in accordance with the

provisions of the Teachers' Act.
Before the establishment of the savings system as stipulated by the Teachers' Act, retirement, death gratuity or bereavement compensation, and severance payments for the years of service as principals/presidents and teachers at private schools shall be paid from the Fund. For years of service as principals/presidents and teachers at public schools, retirement, death gratuity or bereavement compensation, and severance payments due before the implementation of the new retirement and compensation system on January 31, 1996, shall be budgeted and funded by the competent authority of schools. For contributions made after the implementation of the new retirement system on February 1, 1996, but not withdrawn upon resignation, the years of service from public and self-contributed funds shall be paid by the Management Board of Public Service Pension Fund.
The retirement, death gratuity or bereavement compensation, and severance payments for the years of service mentioned in the preceding paragraph shall be calculated based on the basis for computing lump-sum pension payments before the establishment of the savings system. Those eligible to receive monthly retirement benefits upon retirement from public schools must meet the requirements for receiving such benefits for principals/presidents and teachers of public schools.
Upon re-retirement or handling of death gratuity or bereavement compensation after re-employment as a principal/president or teacher in a public or private schools post-retirement, the basis used for computation shall aggregate the years of service from previous retirement, not exceeding the maximum basis applicable to principals/presidents and teachers of public and private schools before the establishment of the savings system.
In accordance with Article 57, a portion of the retirement, bereavement, and severance benefits for principals and full-time teachers of schools evaluated as well-performing who have been hired beyond the age of 65 shall be approved, with the required expenses to be borne by the school legal person and the private schools it establishes. However, this does not apply to university presidents who are under the age of 70 and full-time teachers of junior colleges or above who are under the maximum extended service age limit.

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 competent authority of legal persons along with CPA-certified balance sheets and asset lists for approval. The legal person authority shall consult the consultative committees of said private schools 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 the approval mentioned in the first paragraph, 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 within two months after the publication. 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, publish as required in Paragraph 3, settle outstanding liabilities, or provide adequate assurance as mentioned in the preceding paragraph may not use the mergers to counter creditors' claims.

Article 68
Upon the merger of a school legal person with another school legal person, or a private school with another private school, and with the approval of the competent authority of legal persons, the legal person registration shall be updated according to the law. When applying for the registration of the transfer of immovable property, movable property that requires registration, and various secured claims as a result of the merger, the registration may be processed with a letter of approval from the competent authority of legal persons, and the processing fee, stamp duty, and deed tax may be waived.
Marketable securities transferred as a result of the merger are exempt from the securities transaction tax. The transfer of goods or services is not subject to business tax.
When land owned by a school legal person is transferred due to the merger, the land value increment tax payable shall be recorded and deferred. It shall be paid when the school legal person that inherits the land transfers it again. If the school legal person that inherits the land dissolves, the recorded land value increment tax shall have priority over all other claims and mortgages in repayment.

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 competent authority of schools for approval. The said authority shall consult the consultative committee of the said school before deciding to approve the conversion.

Article 70
If a private school encounters any of the following situations, the school legal person shall report to the competent authority of schools and shut down the school upon approval.
1. Insurmountable obstacles have been encountered which prevent the school from achieving its objectives or continuing operations.
2. Under the provisions of the Act, if the competent authority of schools sets a deadline for the school to make legal adjustments or improvements, and the school fails to do so by the deadline or the adjustments or improvements prove ineffective.
In the aforementioned situations, if the school legal person fails to apply for approval from the competent authority of schools to shut down, the authority may, if necessary, order its shutdown after consulting the consultative committee of the said school.

Article 71
If a school legal person is unable to achieve the objectives specified in the donation charter due to changes in circumstances and has shut down its established private schools according to the preceding article, it may, with the resolution of the board of directors and the approval of the competent authority of legal persons, change its objectives to undertake other educational, cultural, or social welfare enterprises.
The legal person authority shall consider carefully the donator's real intention and allow the change after obtaining approval from the relevant competent authority and consulting the consultative committee, and forward the request to the court with jurisdiction for processing registration of the change.
In the event that the school legal person, in accordance with the first paragraph, transitions to a foundation for other educational, cultural, or social welfare enterprises, the land received under Article 28-1 of the Land Tax Act is exempt from penalties as prescribed by the said Act. The land value increment tax that shall be paid may be recorded and deferred until the next transfer of the land, at which point it shall be paid in full. However, if the next transfer occurs due to the dissolution of the restructured foundation, and the donation charter specifies the land to be transferred to the local government where the foundation is located, the land value increment tax shall be exempted.
The recorded land value increment tax mentioned in the preceding paragraph shall take priority over all debts and mortgage claims upon transfer of the

land.

Article 72
In any of the following circumstances, a school legal person may report to the competent 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 donation charter 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 must dissolve upon merger as stipulated.
The legal person authority may order a school legal person under any of the following circumstances to dissolve after consulting the consultative committee:
1. A school legal person in a circumstance as indicated in Subparagraph 1 of the preceding paragraph fails to report to the competent authority of legal persons for approval to dissolve.
2. A school legal person shuts down their schools or stopping enrolling students without being granted approval.
3. A school legal person fails to comply with the order to cease operations issued by the competent authority of schools as stipulated in paragraph 2 of Article 70. Priority shall be given to the payment of unpaid wages and severance pay owed under employment contracts before the commencement of dissolution or liquidation by the school legal person.

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 liquidators referred to in the preceding paragraph.
The court may consult the legal person authority when appointing or removing the liquidators. The competent authority of legal persons 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. Handling in accordance with the donation charter.
2. Donating to public schools, other private school legal persons, or foundations engaged in educational, cultural or social welfare undertakings per the board's resolution and with the approval of the competent authority of legal persons after reporting to it.
3. Handing over to the special municipality or city/county in which the school legal person is located. However, the immovable property belongs to the special municipality or city/county in which it is located.
The special municipality and city/county governments shall use the remaining property of the school legal person mentioned in the preceding paragraph for educational, cultural and social welfare purposes only.

Article 75
Upon completion of the liquidation, 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.
The court shall be notified of the financial statements referred to in the preceding paragraph, along with all relevant books and records, within fifteen days after approval by the board.

Article 76
When a private school shuts down or a school legal person dissolves, their enrolled students shall be issued a transfer certificate and transferred to other schools. If necessary, the competent authority of schools may assign them to other schools.
The preceding paragraph applies to the said 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 under any of the following circumstances shall be fined NT$100,000 to 500,000 if they fail to make improvements by a specified date. The fine may be assessed for more than once until improvements are made.
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 comply with the order of the competent authority of legal persons, issued in accordance with Paragraph 2 of Article 26, to hold a by-election for board members or supervisors, or to elect a president.
4. The president, board members or supervisors violate Paragraph 2 of Article 29 by concurrently serving as the principal/president or holding other administrative positions at the private school under their legal person.
5. The president, board members or supervisors breach the proviso of paragraph 1 of Article 30, or whose remuneration or fees received exceed the upper limits as prescribed by the competent authority of legal persons according to Paragraph 2.
6. Board members fail to comply with the order from the competent authority to convene a board meeting as specified in Paragraph 2 of Article 31.

Article 78
A private school that violates Paragraph 1 of Article 39 by admitting students without authorization shall not have their student registrations recognized and shall be ordered to take corrective actions by a specified date. If the violation persists beyond the deadline, the competent authority of schools shall impose a fine on the school legal person ranging from NT$200,000 to NT$1,000,000, and may impose further penalties until rectification are made.

Article 79
Those whose person responsible or offender violating Article 40 shall be fined NT$300,000 to 1,000,000 and ordered to cease operations by a specified date by the competent authority of schools. Those failing to comply shall be fined for more than once until operations are ceased.

Article 80
Presidents, board members and supervisors of school legal persons and principals/presidents and staff members of private schools having committed any of the following on exercising their powers shall be fined NT$300,000-1,000,000. They may be fined for more than once until rectification are made.
1. Breaching laws and regulations pertaining to student admission or taking actions to prevent enrollment from being carried out in a fair manner.
2. Concealing or destroying accounting evidence, account books, statements, or falsifying these documents.
3. Evading, obstructing, or refusing inspections or audits by persons assigned or commissioned by the competent authority of legal schools and/or that of schools.

4. Violating paragraph 2 of Article 45 that prescribes expenditure virement and its proviso.
5. Violating Paragraph 1 or paragraph 2 of Article 49, or Paragraph 1 of Article 53.
6. Violating Paragraph 2 of Article 50 by granting special benefits to specific individuals.
7. Failing to establish accounting books, record accounting matters, or complete the budget as stipulated in Paragraph 1 of Article 52.
8. Failing to allocate and disburse the Fund as stipulated in Paragraph 3 of Article 64.
Those who commit the offenses mentioned in the preceding paragraph embezzle, misappropriate, or borrow from the school organization funds or other property against what has been stipulated, the competent authority of legal persons or that of schools shall issue a specified date for the school legal person to prompt return. If the matter is not resolved by the date and results in damage to the school legal person, all board members of the school legal person shall be held jointly liable to make up for the loss.

Chapter 9: Supplementary Provisions

Article 81
School legal persons and the founders, board members, supervisors, liquidators, principals/presidents, staff members, and teachers holding concurrent administrative positions of the private schools under the said legal persons shall avoid conflicts of interest and shall not abuse their power to make personal gains or those of a third party.
The competent authority of legal persons or that of schools, prosecutors, and board members, supervisors or interested parties of the school legal persons may request the court to order the personnel mentioned in the preceding paragraph to return their undue gains to the said legal persons or private schools.

Article 82
Foreigners or foreign legal persons recognized and permitted by law may establish private senior high schools or higher-level institutions in the territory of the Republic of China in accordance with the Act.

Article 83
Citizens of the Republic of China, foreigners, and foreign legal persons legally recognized and permitted may establish private schools at the senior high level or below and affiliated preschools in the territory of the Republic of China, exclusively for students with foreign nationality.
The private schools referred to in the preceding paragraph shall not be subject to the rest of the provisions of this Act or other laws governing educational institutions of all levels, but the provisions of the Act pertaining to supervision, merger, conversion, suspension of operations or closure, and liquidation may apply to them. Except for those pertaining to safety measures, the provisions of the Early Childhood Education and Care Act shall not apply to the affiliated preschools referred to in the preceding paragraph.
The Teachers Act is not applicable for teachers in the schools and preschools referred to in the first paragraph.
The regulations governing the eligibility, requirements, and procedure for applying to establish the schools and preschools referred to in the first paragraph, the establishment criteria, their supervision, ceasing admission of students, and other associated matters shall be prescribed by the Ministry of Education.

Article 84
Private senior high schools at the senior high level or below may establish departments or classes offering non-domestic courses and enrolling students of foreign nationality after being approved by the competent authority of schools.
Regulations governing the departments or classes including their establishment and enrolling of students mentioned in the preceding

paragraph shall be prescribed by the Ministry of Education.

Article 85
Taiwan nationals may establish private schools abroad, in Hong Kong, or in Macau to provide their children with desired education. Regulations governing these schools including their establishment, supervision, rewards and grants, and rights and obligations of the principals/presidents, teachers, staff members and students shall be drawn up and prescribed jointly by the Ministry of Education and relevant competent authorities.

Article 86
Individuals, legal persons, groups, or other organizations from Taiwan given approval to invest or enter into technical cooperation activities in mainland China may establish schools at the senior high level or below there, catering exclusively for educating people from Taiwan, after applying to the Ministry of Education for registration (hereafter referred to as Taiwan Businessman's School in mainland China), and may also set up affiliated preschools.
The regulations for Taiwan Businessman's School in mainland China governing their registration application procedure, curricula, facilities and equipment, admission and enrollment, awards and subsidy grants, students' education after returning to Taiwan, the qualifications required by people from Taiwan to be appointed as principal/president, teachers, and other staff members, and their annual salary increments shall be drawn up and prescribed jointly by the Ministry of Education and the Mainland Affairs Council and submitted to the Executive Yuan for approval.
If students at schools which comply with the regulations referred to in the previous paragraph return to Taiwan, their student records may be amalgamated with the student records they subsequently obtain at a school at the same educational level in Taiwan.
The provisions of the Government Employees and Teachers Insurance Act and the National Health Insurance Act governing private schools may also apply, mutatis mutandis, to insurance for people from Taiwan appointed as the principal/president, teachers, and other staff members of these Taiwan Businessman's School in mainland China. If the personnel system of such a school is the same as that of schools in Taiwan offering the same level/s of education, the relevant provisions of this Act may also apply, mutatis mutandis, to the retirement, bereavement payment, and layoff with severance pay matters of their principal/president, teachers, and other staff members.

Article 87
Private schools established by a juridical person prior to the implementation of the amendments made on December 18, 2007 to the Act, 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 Act, and the amended provisions of the Law shall apply to this. Aspects of these schools not conforming to the Act shall be modified within three years after the Act goes into effect.
The private schools established by their school legal persons mentioned in the preceding paragraph may convert into school legal persons and schools. Regulations governing the conversion upon application regarding conditions, procedures, methods of change, and other matters to be observed shall be prescribed by the Ministry of Education.
If the modifications necessitate an amendment to the donation charter in accordance with Paragraph 1 of Article 10, and if the board has held three meetings within the three years as prescribed in the first paragraph, all of which were aborted due to less than two-thirds of the board members being present, then at the fourth meeting, if less than two-thirds but at least half of the members are present, the resolution may be reached with the actual number of board members in attendance and over half of them voting for it, without being bound by the extant private school donation charter of the legal person or the organization charter of the board.

Article 88

The enforcement rules of this Act shall be prescribed by the Ministry of Education.

Article 89
This Act shall come into effect on the date of promulgation.

Data Source： Laws and Regulations Retrieving System