Content

Title: Rules for the Establishment and Governance of Private High Schools, Lower Grade Schools and Affiliated Kindergartens for International Residents Ch

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5. The formal title of the set of Regulations and forty articles composed thereof are hereby issued, after revision, by the Order Tai-Reference No.0970259573C of the Ministry of Education on December 31, 2008. The set of Regulations shall take effect starting from the issuance date (original title: Regulations for the Establishment of Schools for Foreign Residents) 6. Article 36 of the 'Revised Rules for the Establishment and Governance of Private High Schools, Lower Grade Schools and Affiliated Kindergartens for International Residents' is hereby issued, after revision, by the Order Tai-Reference No. 0990141367C of the Ministry of Education on September 6, 2010.

Content: Article 1 The Rules for the Establishment and Governance of Private High Schools, Lower Grade Schools and Affiliated Kindergartens for International Residents (hereinafter as the "Rules" or the "revised Rules") is enacted pursuant to Article 83, Section 4 of the Private School Law.

> Article 2 The authority of administration and enforcement of the Rules shall be given to the Ministry of Education at the central government level; the municipal government at the level of municipality, and the county (city) government at the county (city) government level.

- Article 3 The following persons who meet certain criteria may establish for international residents in the Republic of China (hereinafter as "ROC" or "Taiwan") private high schools, lower grade schools and affiliated kindergartens (hereinafter as "Schools for International" Residents" or "SIR") to admit only students of foreign nationality:
- 1. a national of the Republic of China: means a natural or non-profit legal person who complies with Article 2 of the Nationality Law to hold registered household status in the Taiwan region, or
- 2. a foreign national: means an international person who does not bear the nationality of the Republic of China, yet has the legal right of residence in the Taiwan region, or
- 3. a lawfully approved international legal person: means an international non-profit legal person who acquires recognition and approval in accordance with the laws of the Republic of China.

Article 4 The person who applies to establish a School for International Residents (SIR) shall be the founder of such a school and have experience in conducting the educational affairs for the public welfare.

Article 5 A person may not be the founder of a SIR if he or she has met one of the following conditions:

- 1. has committed a crime while serving as the Chairperson of the Board of Directors, Director or Principal of the SIR by exploiting such a position, and has been adjudicated guilty or legally removed or dismissed from such a position;
- 2. has been sentenced to a term of confinement for one year or longer and the completion of such sentence occurred within the last three years;
- 3. has declared bankruptcy and has yet to come out of bankruptcy to regain full rights;

4. is incapacitated or only with limited legal capacity.

Article 6 The founding purpose or the curriculum content of a SIR shall not transgress the laws and regulations of the Republic of China.

In order for an international natural person or an international legal person approved under the laws of the Republic of China to apply to establish a SIR, the laws of their home countries shall not deny the people of the Republic of China the right to enjoy reciprocality in their respective countries.

Article 7 A SIR in Taiwan for the foreign nationals of a given country shall conduct its education business in compliance with the pedagogic purposes, the educational goals of various levels of schools and the current legal system of the given country; and to connect with their home country's educational system.

A SIR shall primarily enroll the nationals of its home country residing in Taiwan first, with the reservation of available openings for the students of other nationalities to apply for admission.

Article 8 To apply for the establishment of a SIR, the following criteria shall be upheld:

- 1. the ratio of full-time teachers to students shall be adjusted according to the number of students enrolled. For a school with less than 540 students, the ratio of full-time teachers to students shall not be less than 1:15. If the number of students is greater than 540, such a ratio shall not be less than 1:20.
- 2. the campus shall occupy sufficient land premise;
- 3. the installation, operation and maintenance of school buildings and the equipment associated therewith shall comply with relevant rules and regulations of the Taiwanese authorities;
- 4. the School shall solicit and maintain a sufficient sum of establishment fund commensurate with the scale of the school, along with adequate operating budget for tasks including purchase or lease of real estate, construction and equipment, and normal annual expense preparation for conducting the school's daily operation;
 5. the employment of qualified teachers in accordance with relevant laws
- and regulations of the respective home country of the SIR.

Half of the full-time teacher seats designated in accordance with Paragraph 1 Section 1 of this Article may be offset by hiring part-time teachers at the ratio of three part-time teachers being equivalent to one full-time teacher.

Article 9 The term "sufficient land premise" of Article 8, Paragraph 1 Section 2, shall be defined as follows:

- 1. for a school with less than 360 students, the developable land area shall be at least 3,825 square meters;
- 2. for a school with more than 360 students, but less than 540 students, the developable land area shall be no less 6,255 square meters;
- 3. for a school with more than 540 students, but less than 840 students, the developable land area shall be no less than one hectare;
- 4. for a school with more than 840 students, but less than 1260, the developable land area shall be no less than one hectare and 5,000 square
- 5. for a school with more than 1,260 students, the developable land area shall be at least 2 hectares with an increase of 10 square meters for per additional student.

If the public facilities of the community where the SIR locates can be loaned to the school for physical education purposes and such an act can be evidenced by showing the consent-to-use document for the facilities and approved by relevant regulating authorities, the SIR may reduce its required developable land area as mandated by Article 9 up to half of the usable area of the loaned facilities. However, the reduced area shall not

exceed one fifth (1/5) of a SIR's required area of land premise.

Article 10 The term "sufficient sum of establishment fund" of Article 8, Paragraph 1 Section 4 shall be defined as follows:

- 1. for a school with less than 360 students, the establishment fund is NT\$10,000,000;
- 2. for a school with more than 360 students, but less than 540 students, the establishment fund is NT\$15,000,000;
- 3. for a school with more than 540 students, but less than 840 students, the establishment fund is NT\$20,000,000;
- 4. for a school with more than 840 students, but less than 1260, the establishment fund is NT\$25,000,000;
- 5. for a school with more than 1,260 students, the establishment fund is NT\$30,000,000.

Article 11 To apply for the establishment of a SIR, the founder shall draw up the "Plan to Establish a School for International Students" (hereinafter as "Establishment Plan" or "Plan"). The Plan shall first acquire the consent of the residents' respective country from its diplomatic mission or representative agency in Taiwan. The Plan then is sent to the Ministry of Foreign Affairs for further recognition before the Ministry agrees to pass the Plan to the municipal or county (city) government for final approval.

Article 12 The aforementioned Establishment Plan shall specify the following details:

- 1. the category of plan-to-establish school and its Chinese and English names;
- 2. the founding purpose, the pedagogic ideas and characteristics;
- 3. the location of school, the measure of land area and buildings;
- 4. the curriculum and teaching plan: including how many grades, classes, total number of students and planned schedule of enrollment, etc.;
- 5. the estimated budget, and the sum, varieties and values of establishment fund and properties;
- 6. the curriculum vitae of the founder(s);
- 7. the names and briefed resumes of Directors invited;
- 8. other items the regulating authorities require the founder to offer.

Per Section 1 of the first paragraph re the category and names of the school, the name of school shall indicate legibly the country origin of its students and be capped with the name of the municipal city or county (city) where the school locates.

Per Section 3 of the first paragraph re: the land area, the school shall attach the deeds or proof of the land owners' consent to provide the land for school's use. The proof of landowners' consent needs to be legally notarized. To evidence the conformity with Section 5 through 7 of the first paragraph, the school shall proffer certified document and relevant materials.

Article 13 To evaluate whether to approve the establishment of a SIR or not, the regulating authorities of the municipal or county (city) government shall examine the requirements of the Rules as well as the local needs, the allocation of schools among different localities and source of students, etc.

Article 14 Once the establishment of a SIR is approved, the founder(s) shall per the Establishment Plan complete the development and submit the following documents to the regulating authorities to apply for formal completion of establishment:

- 1. the charter of Board of Directors;
- 2. the inventory lists of the land premise, school properties, volumes of books, equipment and teachers planned to hire;

- 3. the school's organizational charter and rules;
- 4. the school principal's curriculum vitae, certificates and his or her consent to assume the position;
- 5. the certified financial reports by public accountants;
- 6. the explanation and calculation re: the solicitation of funds for the school's operation budget, its safekeeping and disbursement;
- 7. the preliminary statement of revenue and expenditure for the next five years and certified documents of the deposit account of the establishment fund.

The establishment fund and operation expenses required during the preparation period of a SIR as well as the necessary funds for the operation of the school in three years after enrollment may not be solicited through loans or borrowing.

Article 15 If a SIR can not complete its establishment and file for finalization of its preparation stage in three years after receiving approval of establishment, the regulating authorities of the municipal or county (city) government shall order its prompt completion within a specific time frame. If the school can not be completed within such a time frame, or the establishment activities involve any transgression of laws and regulations, the regulating authorities may withdraw the original approval and publish such a decision.

Article 16 After granting approval to the finalization of the preparatory stage of establishment of a SIR, the regulating authorities of the municipal or county (city) government shall report to the central regulating authority for reference the documents as listed in Section 1 through Section 4 of the first paragraph of Article 14.

A SIR starts enrollment upon total completion of its establishment and shall report any changes to the documents as required in Section 1 through Section 4 of Article 14 per the provision of the first paragraph of Article 16.

If a SIR can not start enrollment in three years after reporting its finalization of its preparatory stage of establishment, the regulating authorities of the municipal or county (city) government shall order its prompt completion of enrollment within a specific time frame. If the school can not complete enrollment within such a time frame, the regulating authorities may repeal the original approval and publish it.

Article 17 A SIR shall set up a Board of Directors. The Board shall consist of 7 to 21 Directors. The number of Directors shall be cited in the charter of the Board of Directors.

One third (1/3) of the Directors of a SIR shall bear the nationality of the home country of the school, and shall at least have a Master's degree or above from the home country, or have taught or conducted research in that country for more than 10 years.

A person who meets any one of the conditions listed in Article 5 can not be the Director of a SIR.

Article 18 The aforementioned Board of Directors charter shall stipulate the following:

- 1. the number of Directors, the qualifications, recommendation of candidates by Directors and the selection, removal and re-election matters;
- 2. the selection of Chairperson of the Board and removal of such;
- 3. the organization, scope of authority, meeting frequency, the convening process of a meeting, the selection of the host of a meeting, the method of reaching resolution and the dealing of conflict of interests as well as other operational matters.

Article 19 The founder of a SIR is the Director by right. He does not have to run for re-election.

If the founder of a SIR is a natural person, his resignation, death, removal or dismissal may result in the loss of directorship by right. If the founder is a legal person, it shall lose its directorship when that legal person is dissolved. The vacancy of the Director seat shall be filled up by election.

Article 20 If an internal dispute of the Board of Directors has made convening a Board meeting impossible and such an impasse has affected the smooth operation of the school, the regulating authorities of the municipal or county (city) government shall take necessary steps to resolve such an issue per the provisions of Article 32 or Article 33 of the Rules.

Article 21 A SIR shall have a principal whose selection shall be made by the Board of Directors.

The principal shall manage the school's affairs, execute the resolutions of the Board, act under the supervision and evaluation of the Board and represent the school to the public.

Article 22 The management and use of the SIR's establishment fund and properties shall be under the scrutiny of regulating authorities. The school's fund and expenses shall not be loaned to or entrusted to the Chairperson of the Board, the Directors, other non-financial institutions or individuals.

Article 23 A SIR may conduct its business in accordance with its home country's laws and regulations in terms of the supply of teaching equipment, admission requirements and charges of tuitions and fees.

Article 24 A SIR's curriculum shall be formulated in accordance with its home country's directives. The curriculum may be asked to add courses of Chinese language, social studies, sexual equality education, life science and other subjects when deemed necessary.

Article 25 A SIR shall openly publish its charges to the students in terms of the variety and the sum of money collected for each academic year. It shall also publish such information on the school's website or its information sheet of enrollment.

Article 26 A SIR may proceed with mergers with other SIRs upon evaluating its original resources, its conditions and critical development.

Article 27 The merger of SIRs may be conducted in the following approaches: 1. a merger with continuity: only one SIR left after the merger and the school merged becomes part of the continuing SIR;

2. a merger with new entity: all older SIRs extinguish after the merger. A new SIR comes to existence with a new name.

Article 28 To plan a merger, the SIRs involved may designate the representatives for their respective school to form a commission to draw up the plan and contract of merger. Once the Boards of Directors of the respective schools agree to the merger, the commission shall submit the application on behalf of involved SIRs to the regulating authorities of the municipal or county (city) government. The regulating authorities may deliberate on the development trend of SIRs, the distribution of schools, the number of students, the allocation of pedagogical resources and other factors to evaluate if the merger plan should be approved or not.

Article 29 The aforementioned merger plan shall stipulate the following:

- 1. the type of school after merger and its Chinese and English names;
- 2. the initiative reasoning of the merger;
- 3. the status quo of the schools and analysis of existing problems;
- 4. the subject matters of the merger: including the prospectus, the layout of the new campus, the allocation and adjustment of school buildings space and other issues;
- 5. the schedule of the merger and a list of things to do;
- 6. the names and curriculum vitas of the representatives of merger commission;
- 7. the arrangements of the rights and interests of the faculty and staff of involved SIRs and continuity of students accounts;
- 8. the balance sheets and inventory lists of properties certified by public accountants:
- 9. other items required by the regulating authorities of the municipal or county (city) government.

Section 1 of the first paragraph requires the new SIR after the merger shall have its home country's name capped on its Chinese and English names with indication of the name of the municipal or county (city) where it is located.

Section 6 and Section 8 of the first paragraph requires the merger commission to enclose relevant materials, the balance sheets and inventory lists of properties for submission.

Article 30 After the merger plan of SIRs acquires the necessary approval from the regulating authorities of the municipal or county (city) government, the merger commission shall complete the merger in three years per the approved plan and file for completion of the merger.

Article 31 If the SIRs fail to complete the merger as approved by the regulating authorities of the municipal or county (city) government, the regulating authorities may order the prompt completion of such merger within a certain time frame. The failure to complete the merger within the time frame or the merger involves any transgression of laws and regulations, the regulating authorities may repeal such approval and publish it.

Article 32 If a SIR has poor management or violates the Rules or other relevant pedagogic regulations, the regulating authorities of the municipal or county (city) government shall demand rectification and improvement thereof within a certain time frame. Once the school fails to deliver the required rectification and improvement thereof within the time frame, the regulating authorities may, depending on the seriousness of default or violation, order the school to stop enrolling students in part or in full.

Such a sanction order shall be reported to the central regulating authority to further relay the decision to the Ministry of Foreign Affairs.

The Ministry of Foreign Affairs shall eventually inform the diplomatic mission or representative agency of the SIR's home country in Taiwan.

Article 33 When a SIR encounters one of the following situations, it shall report the issue to the regulating authorities of the municipal or country (city) government. The local regulating authorities shall further consult with the Ministry of Foreign Affairs and the central regulating authority to order the school to cease operations:

- 1. the purpose of establishment of the school has become impractical or the operation of school has encountered major difficulties and is unable to continue:
- 2. after the regulating authorities of the municipal or county (city) government has ordered proper disposal of issues per the Rules, or a shakeup and improvement of the school within a certain time frame, the school still fails to dispose of the issues or straighten out and improve

the operations thereof within the time frame, or the disposal of issues and improvement of school show no effect to the operations.

A SIR which has met one of the above conditions, but not reported to the regulating authorities to request cease of operations on its initiative may be ordered to stop operating the school by the regulating authorities of the municipal or county (city) government, if the regulating authorities deemed necessary to issue such a cease order after consulting with the Ministry of Foreign Affairs and central regulating authority.

Article 34 Upon the event that the SIR has been forced to cease operations, its currently enrolled students shall receive report cards and recommendation letters from the school to facilitate his transfer to other schools.

Upon the event that two or more SIRs decide to proceed with the merger, the currently enrolled students who do not wish to continue to enroll with the newly merged school, be it merger with continuity or merger with new entity, may request assistance from the school per the first paragraph of this Article.

Article 35 The graduate students of a SIR who would like to continue their study in Taiwan shall proceed per the relevant rules and regulations of the ROC.

Article 36 A child, whose father and mother were originally foreign nationals, but later both acquired the nationality of the Republic of China, may be deemed to qualify for quoting the relevant rules with respect to the children of international residents to register with a SIR to study, regardless if that child only possesses the nationality of Republic of China at the time of such registration, as long as the registration with the SIR takes place within fifteen (15) years of the latest effective date of father's or mother's naturalization to become a national of the Republic of China.

Article 37 A SIR shall submit the inventory lists of its teachers, staff and students on a regular schedule annually to the regulating authorities for inspection.

The regulating authorities of the municipal government or county (city) government shall conduct annual inspections, regularly or randomly, of a SIR by paying visits to the school.

Article 38 If a SIR is established in accordance with certain agreement or treaty, such an agreement or treaty shall have priority in application over the Rules.

A SIR may apply to be registered as a legal person with donated property in accordance with relevant laws.

A SIR may enjoy waiver or reduction of land price tax, property tax, income tax and all other levies in accordance relevant laws.

Article 39 For those international schools which have legally registered and acquired approval to enroll students before December 31, 2008, the day the Rules receive approval after revision and put into effect, they can operate without adherence to the limits regarding land premise area, full-time teacher-to-student ratio and establishment fund.

The aforementioned international schools which have registered and acquired approval to enroll students before the promulgation of the Rules shall complete adjustment of the organization of Board of Directors, its charter and so on in three years after the promulgation of the Rules to eliminate any deviation from the revised Rules.

Article 40 The Rules shall take effect immediately on the day of

promulgation.

Important Notice: The English translation of the "Revised Rules for the Establishment and Governance of Private High Schools, Lower Grade Schools and Affiliated Kindergartens for International Residents" is based on the original Chinese version of the same Rules, which has been published by the Government of the Republic of China on December 31, 2008, and further amended on September 6, 2010. The original Chinese version shall control in case of any discrepancy between the English translation and the original Chinese version. The English translation is provided for reference purpose only and is subject to changes without prior notice.

Data Source: Laws and Regulations Retrieving System