

Guidelines of Project Loans for Returning Overseas Taiwanese Businesses

Adopted at the 70th Management Committee on November 7, 2018
Amended by the 71st Management Committee on December 24, 2018
Amended by the 74th Management Committee on April 30, 2019
Amended by the 76th Management Committee on June 17, 2019

1. Purpose

To encourage Taiwanese companies abroad to return and invest in Taiwan and actively assist them to return to Taiwan, so as to activate domestic investment and promote economic development.

2. Amount and Source of Funds

The total amount of the loan is NT\$500 billion. The National Development Fund (NDF) shall pay the commission fee. Loans will be provided by banks, and each bank shall be fully responsible for any loan risks.

The payment method of commission fee is as follows:

(1) As the total loan amount is under NT\$37.7 billion, 1.5% of the annual interest shall be paid according to the actual average loan balance, but the payment period shall not exceed 10 years.

(2) After the total loan amount exceeds NT\$37.7 billion

A. Loans for SMEs:

According to the actual loan balance, 1.5% of annual interest shall apply, while the payment period shall not exceed 5 years.

B. Loans for non-SMEs:

The first NT\$2 billion of the total loan amount of each manufacturer shall be paid at the annual interest rate of 0.5% based on the actual loan balance. The amount exceeding NT\$2 billion to NT\$10 billion will be paid at an annual interest rate of 0.3% based on the actual average balance of the loan. The amount exceeding NT\$10 billion will be paid at an annual interest rate of 0.1% on the actual average balance. However, the payment period shall not exceed 5 years.

3. Application Period

During the implementation of the Action Plan for Returning Overseas Taiwanese Businesses.

4. Loan Eligibility

Eligible under the Action Plan for Returning Overseas Taiwanese Businesses.

5. Loan Scope

- (1) Construction of factory buildings and related facilities.
- (2) Purchase of Machinery and Equipment.
- (3) Medium-term working capital.

6. Loan Amount

The loan amount of each plan shall be determined according to the financial situation of the applicant, and the maximum amount shall not exceed 80% of the investment cost of the plan.

The ratio of the medium-term working capital to the credit line shall be examined and approved by the lending bank in accordance with the relevant regulations of the Credit Criteria for Members of the Bankers Association of the Republic of China and the bank credit checking principle.

7. Interest Rate of Loan

The interest rate of the loan shall not exceed the 2-year term floating rate of postal saving interest rate plus 0.5%. If the 2-year term floating rate of the postal saving interest rate is adjusted, it shall be adjusted accordingly.

8. Loan Term

The maximum loan term shall not exceed 10 years (including grace period), and the maximum grace period shall be 3 years.

9. Handling Unit

This loan shall be handled by domestic public and private banks, and a managing bank shall be selected to handle the financing management business.

10. Guarantee Conditions

It shall be handled in accordance with the provisions of the loan approval operation of each lending bank. If necessary, credit guarantee can be provided by the SME Credit Guarantee Fund in accordance with the "Guidelines for policy loan credit guarantee of the SME Credit Guarantee Fund".

11. Loan Application Procedure

- (1) These lending guidelines are formulated by the lending bank.
- (2) The lending bank shall, in accordance with the loan plan of the applicant, examine the feasibility of the loan plan and the repayment ability of the applicant.

12. Supervision of Use

- (1) The lending bank shall supervise the use of the loan, and assist applicant in preparing the investment plan and establishing a complete accounting system.
- (2) In case of any dispute over the eligibility of the applicant, the lending bank shall consult with the managing bank for assistance in determination. In case the managing bank is unable to do so, the managing bank shall consult with the Ministry of Economic Affairs for confirmation.
- (3) NDF, the Small & Medium Enterprise Credit Guarantee Fund of Taiwan and the lending banks may send personnel to the applicant's premises to investigate the use of the loan, and the applicant shall not refuse such investigation.
- (4) The applicant shall keep accurate and complete accounting records and vouchers. In case the applicant violate guidelines, the lending bank shall return all the handling fees paid by the NDF for the case.