

# **Guidelines of Loans for Accelerated Investment by Domestic Corporations**

Adopted by the 76th Management Committee on June 17,2019

## **1. Purpose**

The Guidelines are formulated to promote the investment momentum of enterprises in Taiwan and accelerate the upgrading and transformation of them.

## **2. Amount and Source of Funds**

- (1) The total amount of the loan is NT\$80 billion. The National Development Fund (NDF) shall pay the commission fee. Loans will be provided by a bank, and the lending bank shall be fully responsible for any loan risks.
- (2) The payment method of commission fee is as follows:  
The commission fee of the first NT\$2 billion of the accumulative amount of each applicant shall be paid at the annual interest rate of 0.5% according to the average balance of the actual loan. Commission fee of the exceeding NT\$2 billion to NT\$10 billion will be paid at an annual interest rate of 0.3% on the average balance of the actual loan. The commission fee for the amount exceeding NT\$10 billion shall be paid at an annual interest rate of 0.1% based on the actual average balance of the loan. However, the payment period shall not exceed 5 years.

## **3. Application Period**

During the implementation of the Action Plan for Accelerated Investment by Domestic Corporations.

## **4. Loan Eligibility**

Eligible under the “Action Plan for Accelerated Investment by Domestic Corporations”.

## **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 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**

The loan shall be entrusted to domestic public and private banks, while a managing bank shall be selected to handle financing and management business.

## **10. Guarantee Conditions**

Handled in accordance with the regulations of the lending banks.

## **11. Loan Application Procedure**

- (1) The lending practices are prescribed by the bank.
- (2) The bank shall examine the feasibility and repayment ability of the investment plan of the applicant before approving the loan.

## **12. Supervision of Use**

- (1) The lending bank shall be responsible for supervising the use of the loan, assisting 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. If the managing bank is unable to do so, the managing bank shall consult with the Minister of Economic Affairs for confirmation.
- (3) NDF and each lending bank 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 commission fees paid by the NDF for the case.