

Regulations Governing Loans, Investments and Guarantees for International Cooperation and Development Affairs

The following 10 articles were promulgated on December 29, 2011, through Order No. Wai-Jing-Mao-San 10033009510.

Article 1

These Regulations are established in accordance with Article 8, Paragraph 2 of the International Cooperation and Development Act (hereinafter the “Act”).

Article 2

Terms used in these Regulations are defined as follows:

1. Diplomatic allies: Refers to countries that have formal diplomatic relations with the Republic of China (Taiwan) (hereinafter the “ROC”).
2. Friendly countries: Refers to countries that do not have formal diplomatic ties with the ROC, but are willing to cooperate with the ROC to achieve mutual economic development or to enhance substantive bilateral relations.

Article 3

Loans provided by the competent authority pursuant to Article 8, Paragraph 1, Subparagraph 3 of the Act shall be used for the following purposes:

1. Assisting diplomatic allies or friendly countries with economic and social development.
2. Improving bilateral economic interaction with diplomatic allies or friendly countries.
3. Assisting with the economic and social development of diplomatic allies or friendly countries by cooperating with intergovernmental organizations, international non-governmental organizations or third countries.
4. Other activities that contribute to the development of international economic cooperation or the promotion of international friendship.

Article 4

When commissioned to provide loan services prescribed in the preceding article pursuant to Article 11, Paragraph 1 of the Act, the International Cooperation and Development Fund (hereinafter the “TaiwanICDF”) shall observe the regulations stipulated in the Regulations Governing Loan Services by the International Cooperation and Development Fund with respect to the recipients, types, methods, procedures, qualifications and other requirements.

Domestic or overseas financial institutions, legal entities or other professional institutions that are commissioned by the TaiwanICDF to provide loan services prescribed in the preceding article pursuant to Article 11, Paragraph 2 of the Act shall also comply with the regulations prescribed in the preceding paragraph with respect to the recipients, types, methods, procedures, qualifications and other requirements.

Article 5

Investment services provided in accordance with Article 8, Paragraph 1, Subparagraph 2 of the Act shall fulfill one of the following objectives:

1. To assist diplomatic allies or friendly countries with developing strategic industries, facilitating technical upgrades and expediting economic development.
2. To assist diplomatic allies or friendly countries with developing small and medium-sized enterprises, strengthening the private sector and creating employment opportunities.
3. To assist diplomatic allies or friendly countries with achieving self-sufficiency by developing their agriculture, fisheries and livestock farming industries.
4. Other activities that contribute to the development of international economic cooperation or the promotion of international friendship.

Article 6

When commissioned to provide the investment services prescribed in the

preceding article pursuant to Article 11, Paragraph 1 of the Act, the TaiwanICDF shall observe the relevant regulations stipulated in the Regulations Governing Loans and Investments by the International Cooperation and Development Fund with regard to the means, procedures and other requirements.

Domestic or overseas financial institutions, legal entities or other professional institutions that are commissioned by the TaiwanICDF to provide the investment services prescribed in the preceding article pursuant to Article 11, Paragraph 2 of the Act shall also comply with the regulations prescribed in the preceding paragraph with respect to the methods, procedures and other requirements.

Article 7

The competent authority may commission the TaiwanICDF or related legal entities to provide credit guarantees to ROC businesses, enabling them to successfully obtain credit facilities from financial institutions for investment in the ROC's diplomatic allies. The aim is to encourage ROC businesses to invest in the ROC's diplomatic allies, thereby expanding their overseas market and improving economic and diplomatic relations between these countries and the ROC.

Article 8

When commissioned to provide the credit guarantee services prescribed in the preceding article, the TaiwanICDF shall observe the relevant regulations stipulated in the Regulations Governing Guarantees Provided to Private Enterprises for Investment in Diplomatic Allies by the International Cooperation and Development Fund with respect to the recipients, type and limit of the guarantee, and other requirements.

Those legal entities other than the TaiwanICDF that are commissioned to provide credit guarantee services prescribed in the preceding article shall also comply with the regulations prescribed in the preceding paragraph with respect to the recipients, type and limit of the guarantee, and other requirements.

Article 9

These Regulations shall also apply to those government agencies/institutions other than the competent authority that, based on their official authority, are separately engaged in providing loans, investments or guarantee services.

Article 10

These Regulations shall enter into force on the date of promulgation.