Title: The Consumer Debt Clearance Statute
Promulgation Date: July 11, 2007
Amendment Date: December 26, 2018

Chapter I General Provisions

Section I General Rules

Article 1
This Statute is formulated for the purpose of enabling consumers with debts to clear their debts according to the process set out in this Statute, to adjust the consumers' rights and obligations with their creditors and other interested parties, to assure fair repayment of creditors, and to promote financial rehabilitation of consumers and sound development of the social economy.

Article 2
The term Consumers as used in this Statute refers to natural persons who have not engaged in business activities within five years or have engaged in small business activities.

"Small business" in the preceding paragraph refers to a business of which gross income per month is less than NTD 200,000.

The amount specified in the preceding paragraph may be increased or reduced by an order of the Judicial Yuan if circumstance so requires.

Article 3
If a debtor is unable or might be unable to repay his/her debts, he/she may clear his/her debts according to the rehabilitation or liquidation process set out by this Statute.

Article 4
If a debtor is a person without capacity for juridical acts or a person with limited capacity for juridical acts, the provisions of this Statute regarding the obligations and penalties of the debtor shall also apply to his/her statutory agent.

Article 5
Rehabilitation and liquidation matters shall be under the exclusive jurisdiction of the district court where the domicile or residence of the debtor is located.

If the court of jurisdiction cannot be determined under the preceding paragraph, the court at the place where the majority of the debtor's property is located shall have jurisdiction.

Article 5-1
The district court shall establish either a dedicated tribunal for consumer debt clearance or a dedicated division for settlement of consumer debt clearance matters.

Article 6
Each application for rehabilitation or liquidation shall require an application fee of NTD 1,000.

The postal service fee and the travel expense of court personnel will not be otherwise charged. However, if the amount of the expense required exceeds the amount of application fee charged, the excess amount shall be charged according to the actual amount expensed.

In respect of the expense required under the preceding paragraph and the fee necessary for the rehabilitation or liquidation process, the court may fix a reasonable amount, and determine a date and order the applicants to make prepayment of such amount within a fixed period. If the prepayment is not made, unless otherwise provided for, the court may dismiss the application for rehabilitation or liquidation.

Article 7
A debtor who applies for liquidation but has no financial means to pay the fee under the preceding Article may apply to the court for temporary exemption from payment.

The reason for the debtor’s lack of financial means to pay the fee shall be explained.

No appeal may be taken from a ruling of the court concerning the approval or denial of temporary exemption from payment.

The fee for which payment is temporarily exempted under the first paragraph of this Article shall be advanced by the national treasury.

Article 8
If the application for rehabilitation or liquidation fails to conform to the applicable legal requirements, the court shall dismiss the application. However, if such failure can be corrected, the court shall determine a period and order the correction first.

Article 9
The court shall investigate the necessary facts and evidence on its own initiative, and may make inquiries with taxation or other agencies or organizations.

In order to investigate the facts, the court may order any related person or statutory agent to be present in person or state his/her opinions in writing.

The court's investigation and interrogation may not be made public.

Article 10
Relatives of the debtor, persons who manage the property for the debtor, or other related persons shall have the obligation to reply when the court inquires about the debtor's property, income, and business conditions.

If any person mentioned in the preceding paragraph does not respond to the court's inquiry without reason or makes a false statement, the court may impose a fine of NTD 3,000 to NTD 30,000.

If any person to whom this article applies has been fined under the preceding paragraph, but makes a false statement or fails to reply without reason, the court may impose additional punishment on him/her.

The court shall give the punished person an opportunity to state his/her opinions before the rulings under the preceding two paragraphs.

The rulings under paragraphs 2 and 3 of this article shall be suspended when an appeal is pending.

Article 11
Adjudication for rehabilitation or liquidation matters shall be determined by a single judge.

The appeal shall be heard by judges sitting in council of the district court with jurisdiction.

If an appeal is dismissed by an appeal court on ground of nonconformity with the law, no re-appeal may be taken. Notwithstanding, an objection may be filed with the original court.

For the objection under the preceding paragraph, the provisions of paragraphs 2 and 3 of Article 484 of the Taiwan Code of Civil Procedure shall apply mutatis mutandis.

Except as provided in the preceding two paragraphs, a re-appeal may be taken from a ruling made by the appeal court only when it is based on the ground that there is a manifest error in the application of the law.

No application for rehearing may be made with respect to the ruling rendered under this Statute.

Article 11-1
Before rendering a ruling dismissing the application for rehabilitation or liquidation, the court shall give the debtor the opportunity to state his/her opinions before the court.

Article 12
After the court approves initiation of the rehabilitation or liquidation process, the debtor may not withdraw the application for rehabilitation or liquidation without the consent of all creditors who have declared their unsecured and unprivileged claims. The same shall apply to any case when the disposition of preservation has been made under Article 19 before the court's ruling.

The withdrawal of the application for rehabilitation or liquidation shall be made by pleadings.

The creditors under paragraph 1 of this article shall be deemed to have agreed to the withdrawal if they fail to raise an objection within 10 days from the date of service of the withdrawal pleading.

Article 13
If the debtor has applied for rehabilitation or liquidation under this Statute, creditors may not apply for declaration of bankruptcy of the debtor in accordance with the Bankruptcy Act.

Article 14
Each public notice under this Statute shall be publicly announced in the court's bulletin, or on its information website or other proper place; the court may also order that the notice be published in a bulletin, newspaper, or by any other method, if it deems necessary.

Unless otherwise provided for in this Statute, each public notice under the preceding Paragraph shall have the effect of service on all interested parties from the day following the last announcement date.

Article 15
Regarding the rehabilitation or liquidation process, unless otherwise provided for in this Statute, the provision of the Taiwan Code of Civil Procedure shall apply mutatis mutandis.

Section II Supervisors and Administrators

Article 16
After ruling on the initiation of the rehabilitation or liquidation process, the court may order the judicial associate officer to conduct the rehabilitation or liquidation process; and, if necessary, may select one attorney, CPA, or another proper natural person or juristic person as the supervisor or the administrator.

If it is deemed necessary, the court may order the supervisor or the administrator to provide reasonable security.

Remunerations to the supervisor or the administrator shall be determined by the court and shall have priority to be paid off.

Rules of selection of juristic persons as the supervisors or the administrators by the court shall be determined by the Judicial Yuan.

If the court orders a judicial associate officer to conduct the rehabilitation or liquidation process, but does not select a supervisor or administrator, unless otherwise provided for or otherwise restricted by the court, the procedure to be conducted by the court and the supervisor or administrator shall be conducted by the judicial associate officer.

If after ruling on the initiation of the rehabilitation or liquidation process, the court neither selects a supervisor or administrator, nor orders a judicial associate officer to conduct the rehabilitation or liquidation process, unless otherwise provided for, the duties of the supervisor or administrator shall be performed by the court.

Article 17
The supervisor or administrator shall be subject to the direction and supervision of the court. The court may order him/her to make a report on clearance affairs and make other necessary investigations from time to time.

The court may replace the supervisor or administrator based on the resolution of the creditors' meeting or on its own initiative. However, before the replacement, the court shall provide him/her with the opportunity to state his/her opinions.

Article 18
The supervisor or administrator shall perform his/her duties with due care of a good administrator; and may not resign from the duties without approval of the court.

If the supervisor or administrator breaches the obligations under the preceding paragraph, resulting in damage to the interested parties, he/she shall be liable for compensation of damage.

Section III Preservation of the Debtor's Property

Article 19
Before ruling on the application for rehabilitation or liquidation, the court may, on application of the interested parties or on its own initiative, make the following order of preservation by a ruling.

1. Disposition of preservation of the debtor's property
2. Restriction on the debtor's performance of debts and the creditors' exercise of claims against the debtor.
3. Suspension of the compulsory enforcement proceedings of the debtor's property.
4. Disposition of preservation of the beneficiary's or the acquiring person's property
5. Other necessary dispositions of preservation.

Unless the initiation of the rehabilitation or liquidation process has been ruled on by the court, the disposition of preservation under the preceding Paragraph may not exceed 60 days. If necessary, the court may, on application of the interested parties or on its own initiative, extend such period once more for a further period of not more than 60 days.

When the application for rehabilitation or liquidation is dismissed or if it is deemed necessary, the court may, on application of the interested parties or on its own initiative, change or revoke the disposition of preservation under paragraph 1 of this article.

Before expiration of the period under paragraph 2 of this article, if the application for rehabilitation or liquidation is dismissed and such dismissal becomes final, the disposition of preservation under Paragraphs 1 and 3 shall be inoperative.

The disposition of preservation under paragraphs 1 and 3 of this article shall be executed by the competent court on its own initiative by applying mutatis mutandis the provisions of the Compulsory Enforcement Act with regard to provisional seizure and provisional injunction.

Public notice shall be effectuated for any ruling rendered under Paragraphs 1 to 3 of this article.

Article 20

Unless otherwise provided for in this Statute, the following acts of the debtor may be revoked by the supervisor or the administrator:

1. Any gratuitous act of the debtor within 2 years before the court's ruling on the initiation of the rehabilitation or liquidation process, which act is likely prejudicial to the rights of creditors,
2. Any non-gratuitous act of the debtor within 2 years before the court's ruling on the initiation of the rehabilitation or liquidation process, which act is likely to be prejudicial to the rights of creditors, if the debtor knew of the likelihood of prejudice at the time of doing that act and a beneficiary of that act had knowledge of the act knew of the circumstance at the time of receiving the benefit.
3. Any provision of security, repayment of debts or other act of the debtor within 6 months before the court's ruling on the initiation of the rehabilitation or liquidation process, which act is likely prejudicial to the rights of creditors, if the likelihood of prejudice to the rights of creditors is known to the beneficiaries when they receive their benefits.
4. Any provision of security, repayment of debts or other act of the debtors within 6 months before the court's ruling on the initiation of the rehabilitation or liquidation process, which is likely prejudicial to the rights of creditors, if such act is not his/her obligation or the obligation has not been due for repayment.

Any non-gratuitous act between the debtor and his/her spouse, lineal relative or family member, which involves the debtor's disposition of his/her property at a price lower than half of market price shall be deemed a gratuitous act.

If the debtor performs any act under subparagraph 3 of paragraph 1 of this article with his/her spouse, lineal relative or family member, it shall be presumed that the beneficiary knew such act is likely prejudicial to rights of creditors at the time he/she received the benefit.

If the security provided under Subparagraph 3 of Paragraph 1 has been undertaken and notarized earlier than 6 months before the date of the court's ruling on the initiation of the rehabilitation or liquidation process ruled by the court, such security may not be revoked.

The right of revocation under paragraph 1 of this article s extinguished by prescription if it is not exercised within one year from the day following the court's ruling on the initiation of the rehabilitation or liquidation process.

If the debtor is under any obligation of performance due to a revocable act, even if the right of revocation is extinguished due to the preceding paragraph, the debtor or the administrator may refuse the performance.

The provisions of paragraphs 2 and 3 of this article shall apply mutatis mutandis to the non-gratuitous acts done between the debtor and the person specified in Article 4 and their spouses, lineal relatives or family members.

Article 21

After any act under paragraph 1 of the preceding article is revoked, the following provisions shall apply:

1. The beneficiary is liable for restoration to the status quo ante. However, a bona fide beneficiary of gratuitous acts is liable only for return of the existing interest in money or other property which the debtor previously received from the beneficiary, or repayment of the price of that interest.
2. The beneficiary may request for return of his/her money or other property to the debtor; if such money or other property cannot be returned, he/she may request for repayment of the amount of its price and shall have the priority to be paid off.

If the beneficiary has received other money or other property in lieu of the money or other property originally agreed, the effect of his/her claim shall be restored when the money or other property received is returned or the amount of its price is repaid.

Article 22

The right of revocation under Article 20 may be exercised by any person who acquires property of the debtor under any of thefollowing circumstances:

1. The acquiring person knew that his/her predecessor had the ground for revocation at the time of acquiring.
2. The acquiring person is the spouse, lineal relative or family member of the debtor or the person defined under Article 4 or has had such relationship, unless the acquiring person can certify that he/she did not know of the ground of his/her predecessor for revocation at the time of acquiring.
3. It was acquired without compensation by the acquiring person.

The provision of subparagraph 1 of paragraph 1 of the preceding article shall apply mutatis mutandis to the circumstance under the preceding paragraph.

Article 23
After the debtor has applied for rehabilitation or liquidation, his/her gratuitous acts shall be inoperative. His/her non-gratuitous acts beyond normal administrative acts or acts within the normal business scope, shall have no effect against the creditor if the counterparty knew of the fact at the time of such acts.

For any inoperative acts specified in the preceding paragraph, the supervisor or the administrator may request the counterparty and the acquiring person to return the money or other property they accepted, unless such money or other property was bona fide acquired with compensation by the acquiring person.

Article 24
After the court has ruled on the initiation of the rehabilitation or liquidation process, if either party has not completely performed the obligations under a bilateral contract executed by the debtor, the supervisor or the administrator may terminate or rescind the contract, unless it is obviously unfair under the circumstance.

In the circumstance under the preceding paragraph, the other party may demand the supervisor or the administrator to give a definite reply whether he/she would terminate or rescind the contract within 20 days of the demand. If the supervisor fails to give the definite reply within the prescribed period, he/she shall be deprived of the right to termination or rescission; if the administrator fails to give the definite reply, he/she shall be deemed to have terminated or rescinded the contract.

Article 25
When the contract is terminated or rescinded in accordance with the provisions of the preceding article, the other party may raise an objection within 10 days.

The court shall rule on any objection under the preceding paragraph.

In case of appeal from a ruling under the preceding paragraph, the appeal court shall conduct an oral argument before its ruling.

When the rulings under the preceding two paragraphs become final, such rulings shall have the same effect as a final judgment.

Article 26
When a contract is terminated or rescinded in accordance with the provisions of article 24, the other party may exercise his/her rights to the claims of rehabilitation or liquidation for the damage caused.

When the contract is terminated or rescinded in accordance with provision of Article 24, the other party may request for return of the money or other property, interest or profit that should be returned by the debtor. If it cannot be returned, such other party may request for repayment of the amount of its price and shall have the priority to be paid off.

Article 27
If any subrogation of litigation, withdrawal of litigation or other litigation is brought by a creditor for the preservation of rights relating to the property of the debtor before the court's ruling on the initiation of the rehabilitation or liquidation process, and has not been concluded at the time of initiation of the rehabilitation or liquidation process, the proceeding of such litigation shall be suspended automatically until the supervisor or the administrator resumes the litigation or the rehabilitation or liquidation process is terminated or concluded.

Section IV Exercise and Confirmation of Claims

Article 28
Any claim against the debtor that was established before the court's ruling on the initiation of the rehabilitation or liquidation process shall be a claim in rehabilitation or liquidation.

Unless otherwise provided for in this Statute, the claims under the preceding paragraph, regardless of the existence of any party's right to court enforcement, may not be exercised unless they are made in accordance with the rehabilitation or liquidation process.

Article 29
The claims under the following Subparagraphs are inferior claims and may be repaid only out of the balance after other claims are repaid. The same shall apply to the case after termination or conclusion of the rehabilitation or liquidation process:
1. The portion exceeding 2% of annual rate of the principal of the total amount of damage compensation, default penalty and other expenses arising from the default on performance of monetary debts before the court's ruling on the initiation of the rehabilitation or liquidation process. The same shall apply to any damage compensation, default penalty or other expense for secured or preferential claims.
2. Interests accrued after the court's ruling on the initiation of the rehabilitation or liquidation process.
3. Damage compensation and default penalties arising from the default on the performance of debts after the court's ruling on the initiation of the rehabilitation or liquidation process. The same shall apply to damage compensation and default penalties for secured or preferential claims.
4. Penalties, fines, default surcharges, overdue charges, delinquent reporting surcharges, late report fees, non-reporting surcharges, and additional levies.

If there are provisions in the law for claims under subparagraph 4 of the preceding paragraph, such provisions shall govern.

The creditor may not request the debtor to return the expenses paid for his/her participation in the rehabilitation or liquidation process.

Article 30
If several persons are jointly and severally liable for the full repayment of the same money or other property, and if one or several or all of them are subject to the court's ruling on the initiation of the rehabilitation or liquidation process, the creditor may exercise his/her right to the existing amount of the claim at the time of the ruling against each rehabilitation debtor or the liquidation estate.

If the guarantor is subject to the court's ruling on the initiation of the rehabilitation or liquidation process, the creditor may exercise his/her right to the existing amount of the claim against the guarantor at the time of the ruling.

Article 31
If several persons are jointly and severally liable for the full repayment of the same money or other property, and if one or several of them are subject to the court's ruling on the initiation of the rehabilitation or liquidation process, other joint debtors may exercise their rights to the amount that they may claim for repayment in the future; unless the creditor has exercised his/her right to the existing amount of the claim at the time of initiation of the rehabilitation or liquidation process.

The provision of the preceding paragraph shall apply mutatis mutandis to the person providing the security for the debtor or the guarantor of the debtor.

Article 32
If the issuer or endorser of a bill of exchange is subject to the court's ruling on the initiation of the rehabilitation or liquidation process, and if the payer or other person who prepares to pay the bill of exchange makes acceptance or payment thereof without knowledge of such fact, the claim arising therefrom may be exercised as a right to the claim in rehabilitation or liquidation.

The provision of the preceding paragraph shall apply mutatis mutandis to checks and other securities of which objects are monetary payment or other things.

Article 32-1
Any claim that has not yet become due shall be deemed to have become due at the time of the court's ruling on the initiation of the rehabilitation or liquidation process.

Regarding a claim without interest that becomes due only after the court's ruling on the initiation of the rehabilitation or liquidation process, the amount of such claim shall be deducted with the statutory interest accrued for the period from the court's ruling on the initiation of the rehabilitation or liquidation process until the due date.

Article 33
The creditor shall, within the period for declaration of claims as fixed by the court, submit a description of claims, which shall include categories, amounts and priority of his/her claims, as well as supporting documents, if any.

If the creditor is a financial institution or an asset management company, the description of claims under the preceding paragraph shall also state the following:
1. The principal of the outstanding claim and the occurrence date of the claim.
2. The amount of interest and default penalties, and their respective calculation methods.
3. The amount already repaid by the debtor.
4. The sequence and amount of offset of expenses, interest and principal against the amount under the preceding subparagraph.
5. The account number at a financial institution used for repayment, the handling person, and the contact method.
6. Other matter requested by the debtor which is considered proper by the court.

If the creditor fails to submit the description of claims in accordance with the provision of the preceding paragraph, the court shall, on application of the debtor, determine a date and order the creditor to make all necessary corrections. If no correction is made within such period, the court, in rendering the ruling under Article 36, shall take into consideration any evidence presented during oral argument.

If a creditor cannot provide the declaration of claims within the period prescribed under paragraph 1 of this article due to a cause not attributable to him/her, he/she may supplement the declaration within 10 days after that cause is extinguished; however, the extra time allowed may not go beyond the period for supplemental declaration of claims prescribed by the court.

If the creditor declares his/her claim after the prescribed period, the supervisor or the administrator shall report to the court for dismissal of such declaration by a ruling; however, this shall not apply to the circumstances under the preceding paragraph.

After receipt of the declarations of claims, the supervisor or the administrator shall prepare the list of claims after expiration of the prescribed period for supplemental declaration of claims. Such list shall be publicized by the court and shall be served on the debtor and creditors whose residence, office, or business place are known.

If neither a supervisor nor an administrator is selected, the list of claims under the preceding paragraph shall be prepared by the court.

Article 34
Any relevant statute of limitations shall be tolled by the declaration of claims.

At the end of the prescription period, if the prescription cannot be interrupted in accordance with the provision of the preceding Paragraph for cause not attributable to the creditor, the prescription shall not be completed within one month from the time when the hindering cause is extinguished.

Article 35

If the creditor has a preferential right, pledge, mortgage, lien or other security right in rem over specific property of the debtor, he/she shall declare such claims in accordance with provisions of this Statute.

If necessary, the supervisor or the administrator may request the creditor under the preceding paragraph to surrender the object of his/her right or to assess the amount of its price. If the creditor fails to surrender it without any justifiable reason, the supervisor or the administrator may apply to the court for handover of such object.

Article 36
Regarding the claims and their categories, amounts or priorities declared by the creditor, the debtor or other creditors may raise an objection within 10 days from the next day following the service of the list of claims, and the supervisor, administrator or other interested party may raise an objection within 10 days from the day following the last disclosure of the list of claims.

The objection under the preceding paragraph shall be ruled on by the court, and shall be served on the objector and the creditors subject to the objection.

For any appeal from a ruling under the preceding paragraph, the appeal court shall conduct the oral argument before rendering its ruling.

The appeal from the ruling under paragraph 2 of this article shall not be prejudicial to the resolution of the creditors' meeting. The creditor subject to the objection may exercise his/her right according to the content of such ruling before the ruling becomes final. However, the amount repaid according to the rehabilitation or liquidation process shall be lodged with the court.

The claims declared by the creditor, which are not subject to objection in accordance with the provisions of paragraph 1 of this article, or regarding which the objection is ruled upon and becomes final, shall be deemed as final and have same effect as a final judgment on the debtor and all creditors.

Article 37
If the court's ruling on the dispute over the participation of a claim and its category, amount or priority becomes final, the supervisor, the administrator or the court shall revise and publicize the list of claims.

Section V Creditors' Meeting

Article 38
If necessary, the court may convene the creditors' meeting on its own initiative.

When convening the creditors' meeting, the court shall predetermine the date, place and matters to be discussed at the meeting and shall publicly announce them within 5 days before the predetermined date.

Article 39
The creditors' meeting shall be directed by the court.

The supervisor or the administrator shall appear at the creditors' meeting.

Article 40
A creditor may appoint a proxy to attend the creditors' meeting on his/her behalf by producing a written power of attorney. However, the court may limit the total number of persons represented by a proxy to one-tenth of the number of the creditors declaring their rights.

Article 41
The debtor shall attend the creditors' meeting and shall reply to inquiries of the court, the supervisor, the administrator, or the creditor.

Chapter II Rehabilitation

Section I Application for and Initiation of Rehabilitation

Article 42
If the total amount of the principal and interest of the debt which is unsecured or without preferential right does not exceed NTD 12,000,000, the debtor may apply to the court for rehabilitation before the initiation of the liquidation process is ruled on or the bankruptcy is announced by the court.

The total amount of the debt under the preceding paragraph may be added or reduced by order of the court, if circumstance so requires.

Article 43
In applying for rehabilitation, the debtor shall submit the description of his/her property, his/her income status, and the roster of his/her creditors and debtors.

The roster of creditors under the preceding paragraph shall state the following matters:
1. Names or titles and addresses of the creditors, and the amount, reason and category of each claim.
2. Identification of property with security rights or preferential rights, and the amount of claims which cannot be satisfied for repayment after the exercise of such rights.
3. Claim of the debtor's residential mortgage.

In applying for rehabilitation, the debtor who has a residential mortgage shall also state whether the special provision for residential mortgage is set forth in his/her rehabilitation proposal.

The residential mortgage under subparagraph 3 of paragraph 2 of this Article refers to a building owned by the debtor and used as the residence of himself/herself and his/her

family. If there are two or more houses, it shall only refer to one which is the debtor's principal residence. The residential mortgage claim refers to the claim for funds which are required by the debtor for construction or purchase of the house or its improvement, including funds for acquisition of the site land of the house or the use right thereof, and which shall be repaid by installments as agreed in the borrowing from the creditor by creation of security of the house.

The roster of debtors under paragraph 1 of this article shall state names or titles and addresses of debtors, and amount, reason, category and security of each debt.

The description of property and income status under paragraph 1 of this article shall state the following matters and shall include supporting documents:
1. Property inventory, and the nature and location of the property.
2. Whether the debtor has engaged in business activities in the most recent five years, and the average turnover per month, if any.
3. Amounts, reasons and categories of incomes and necessary expenses.
4. Persons to be supported by the debtor under the law.

Article 44
If necessary, the court may set a date on which the debtor must report factually the status of change in property within 2 years before the application for rehabilitation, to make a supplemental statement for the matters under the preceding Paragraph, to submit relevant documents, or make other necessary investigation.

Article 45
The court's ruling on the initiation of the rehabilitation process shall include its year, month, day, and hour, and shall become effective immediately.

No appeal may be taken from a ruling under the preceding paragraph, and such ruling shall be publicly announced.

Article 46
Under any of the following circumstances, the application for rehabilitation shall be dismissed:
1. The debtor has been sentenced to a criminal penalty under this statute or the Bankruptcy Act.
2. The debtor has been approved by the court for the compromise, rehabilitation or negotiation, but fails to perform the conditions thereof for any cause attributable to him/her.
3. Upon notification by the court, the debtor fails to appear without any justifiable reason, or appears but intentionally fails to make a true statement, or refuses to submit relevant documents, or fails to report the status of change in property without any justifiable reason.

Article 47

If the court rules on the initiation of the rehabilitation process, the following matters shall be publicly announced:

1. The main text and the year/month/day/hour of the ruling on the initiation of the rehabilitation process.
2. Name and address of the selected supervisor; or name, statutory agent and office or business location of the supervisor if it is a juristic person.
3. The period of declaration and supplemental declaration of claims, during which the creditor shall declare his/her claims to the supervisor, or to the court if no supervisor is selected, and shall submit supporting documents, if any.
4. The effect of deprivation of claims if such claims were not declared or supplementarily declared in accordance with the provision of the preceding subparagraph.
5. The period during which the objection to the declared or supplemental declared claims shall be raised to the court.
6. The date and place of and the matters to be discussed at the creditors' meeting, if such meeting is convened.

The period for declaration of claims under subparagraph 3 of the preceding paragraph shall start from the day following the initiation of the rehabilitation process and shall last for 10 – 20 days; the period for supplemental declaration of claims shall start from the day following the expiration of the period for declaration of claims and shall last no longer than 20 days.

If the creditor exercises his/her rights in accordance with the provision of paragraph 1 of Article 26, the period for declaration of claims under the preceding paragraph shall start from the day following the termination or rescission of the contract. However, the declaration or supplemental declaration of claims may not be later than the previous day of the date when the creditors' meeting adopts the rehabilitation proposal or when the court approves the rehabilitation proposal.

The public announcement and the roster of creditors under paragraph 1 shall be served on the creditors whose residences, offices or business places are known; and the public announcement shall be separately served on the debtor.

A creditor who has been recorded in the roster of creditors shall be deemed to have declared his/her claims as recorded in the roster on the first day of the period for declaration of claims.

Article 48

After the court's ruling on the initiation of the rehabilitation process, if the property of the debtor must be registered under the law, the registration authority shall be notified.

After the court's ruling on the initiation of the rehabilitation process, the litigation and the compulsory enforcement proceedings against the debtor may not be initiated or continued, unless such proceedings apply to secured or preferential claims.

Article 49

The supervisor shall have the following duties:

1. Investigate the property, income and business status of the debtor and submit the written report to the court.
2. Assist the debtor in preparing the rehabilitation proposal.
3. Try to calculate the total amount of unsecured and non-preferential claims that may be repaid according to the liquidation process at the time of court's ruling on the initiation of the rehabilitation process.
4. Other matters provided for in this statute or specified by the court.

The provision of Article 10 shall apply mutatis mutandis to any case when the supervisor investigates the property, income, and business status of the debtor; unless the person subject to the investigation is an individual and is exempt from such investigation.

If no supervisor is selected, the court may set a date and order the debtor to submit a report of his/her property and income status.

Article 50

The supervisor shall make the originals, transcripts or copies of the following documents available to interested parties for review or transcription thereof:

1. The documents relating to the application for rehabilitation and the rehabilitation proposal.
2. Report of the property and income status of the debtor, and the roster of his/her creditors and debtors.
3. The documents relating to the declaration of claims and the list of claims.

Article 51

The court shall publicly announce the report of property and income status of the debtor and the rehabilitation proposal.

Article 52

If a creditor has owed debts to the debtor before the court's ruling on the initiation of the rehabilitation process, to the extent that such debts may be offset before expiration of the period for supplemental declaration of claims, the creditor may offset his/her debts against his/her claims with the debtor before the expiration of such period and notify the supervisor or report to the court of such offset.

Under any of the following circumstances, the debts may not be offset:

1. The debts owed to the debtor and incurred by the creditor after he/she has knowledge of the application for rehabilitation, except for debts which are owed on statutory grounds or which were incurred for cause arising before his/her knowledge of the application.
2. The claims acquired from the debtor or the claims in rehabilitation acquired from others by a debtor of the debtor after the court's ruling on the initiation of the rehabilitation process.

3. The claims acquired by a debtor of the debtor after he/she has knowledge of the application for rehabilitation, except for claims which are acquired on statutory grounds or for cause arising before the knowledge of the application.

Section II Adoption and Approval of Rehabilitation

Article 53

The debtor shall submit the rehabilitation proposal to the court within 10 days of receipt of the list of claims.

The rehabilitation proposal shall include the following matters:
1. Amount to be repaid.
2. The method of repayment by installment payments at least once every three months.
3. The final repayment period shall not exceed 6 years starting from the day following the court's final approval of the rehabilitation proposal. However, if special provisions for the residential mortgage are provided in the rehabilitation proposal, or if a repayment agreement is established between the debtor and other creditors with security or preferential rights, or for the purpose to attain the minimum total amount repaid under subparagraphs 3 and 4 of paragraph 2 of Article 64, such period may be extended to 8 years.

If the amount due for repayment of ordinary guaranteed claims is not repaid, the remaining unpaid amount estimated by the supervisor shall be included in the rehabilitation proposal, and if the claim brought by the creditor against the main debtor fails, the remaining unpaid amount shall be repaid according to the rehabilitation conditions.

If the creditor or the debtor disputes the estimated amount under the preceding paragraph, the provisions of paragraphs 1 to 4 of Article 36 shall apply mutatis mutandis.

If the debtor fails to submit the rehabilitation proposal within the prescribed period, the court may rule on the initiation of the liquidation process.

If the debtor is unable to make complete statements or expressions for the matters specified in Articles 43 and 44, the debtor may, if necessary, after the court's ruling on the initiation of the rehabilitation process is ruled by the court, apply to the municipal or county (city) government for assistance with preparation of the rehabilitation proposal.

The procedure and relevant rules for the application under the preceding paragraph shall be set forth by the Judicial Yuan and the Executive Yuan jointly.

Article 54

The debtor may agree with the residential mortgage creditor to include a special provision for the residential mortgage in the rehabilitation proposal, unless other

persons owning security and/or other rights in the debtor's principal residence disagree with its inclusion at the rehabilitation proposal.

Article 54-1

If the special provision for the residential mortgage cannot be agreed upon in accordance with the preceding paragraph, even if the mortgage provides that the repayment period shall become due if the debtor is deprived of interest in expectancy, such provision shall not bind the debtor, and repayment shall be determined by the following methods:

1. The total amount of the unrepaid principal of the debts in the residential mortgage, and the interests which have become due as originally agreed, as well as the default penalty not exceeding the annual rate of 2% of the principal incurred before the court's ruling on the initiation of the rehabilitation process, shall be evenly repaid by installments on a monthly basis before the final repayment period as originally agreed, and the interests on the unrepaid principal shall be accrued at the originally agreed interest rate at the time of payment of each installment.
2. Before the expiration of the final repayment period specified in the rehabilitation proposal, interest shall be accrued on a monthly basis only on the unrepaid principal of the debt in the residential mortgage at the interest rate as originally agreed. After the expiration of the final repayment period, the total amount of such principal, the interest which became due previously, and the default penalty not exceeding the annual rate of 2% of the principal which has been incurred before the court's ruling on the initiation of the rehabilitation process ruled by the court, shall be evenly repaid on a monthly basis before the final repayment period as originally agreed, and the interests on the unrepaid principal shall be accrued at the originally agreed interest rate at the time of payment of each installment.

If the remaining period of the final repayment period of the debt in the residential mortgage as originally agreed is shorter than the final repayment period specified in the rehabilitation proposal, it may be extended to such final repayment period.

If the debtor has difficulty in the performance according to the periods under the preceding two paragraphs, the period of his/her performance may further be extended to 6 years.

If the period is extended under the preceding Paragraph, interest shall be accrued on the unrepaid principal at the originally agreed interest rate.

Article 55

The following debts may not be reduced or exempted without consent of the creditor:

1. Penalties, fines, default surcharges and additional levies.
2. Any debt for compensation of damage caused by the debtor's intentional torts.
3. Any expense of the debtor for the performance of his/her statutory support obligations.

Regarding the debts which have not be reduced or exempted with consent of the creditor under the preceding Paragraph, the debtor is liable for repayment thereof after the expiration of the repayment period specified in the rehabilitation proposal.

Article 56
If one of the following circumstances applies to the debtor, the court may rule on the initiation of the liquidation process:
1. Fails to attend the creditors' meeting without any justifiable reason or does not reply to inquiries.
2. Fails to follow the ruling or order of the court, thus preventing the proceeding of the rehabilitation process.

Article 57
At the creditors' meeting, the supervisor shall submit the list of claims, submit the list of assets of the debtor based on the investigation results, report the property and income status of the debtor, and state his/her opinion on the rehabilitation proposal submitted by the debtor.

The conditions of rehabilitation shall be freely negotiated by the debtor and the creditors. The court shall make its best efforts to seek compromise of the parties and ensure fairness of the conditions of rehabilitation.

Article 58
If the rehabilitation proposal submitted by the debtor involves any guarantor, security provider, or other person who assumes the debt jointly, such person may appear at the creditors' meeting to state his/her opinion.

The court shall notify the person under the preceding paragraph of the date of the creditors' meeting and the contents of the rehabilitation proposal.

Article 59
The rehabilitation proposal at the creditors' meeting shall be adopted with the consent of a majority of attending creditors who have declared their unsecured and non-preferential claims, and the amount of claims represented by them must exceed one half of the total amount of the declared unsecured and non-preferential claims.

In calculating the claims under the preceding paragraph, the inferior claims shall be deducted.

If the special provision for the residential mortgage is set forth in the rehabilitation proposal, the mortgage creditor shall have no voting right on the rehabilitation proposal.

Article 60
The court may notify the creditors of the contents of the rehabilitation proposal and the report of the property and income status of the debtor, and may order the creditors to consent or dissent in writing to such proposal within a period determined by the court.

If no definite reply is given within the fixed period, the creditors shall be deemed to have given their consents.

If more than half of the declared unsecured and non-preferential creditors have agreed or are deemed to have agreed to the rehabilitation proposal, and the amount of claims represented by them has exceeded one half of the total amount of the declared unsecured and non-preferential claims, it shall be deemed that the rehabilitation proposal is adopted in the creditors' meeting.

The provisions of paragraphs 2 and 3 of the preceding Article shall apply mutatis mutandis to the circumstances under the preceding paragraph.

Article 61
If the rehabilitation proposal is not adopted in accordance with the provisions of the preceding two Articles, except for the circumstances under Articles 12 and 64, the court shall initiate the liquidation process by a ruling.

Before ruling under the preceding paragraph, the court shall give the creditors and the debtor opportunities to state their opinions.

An appeal may be taken from the ruling under the preceding paragraph, and the liquidation process will proceed only after the ruling becomes final.

Article 62
If the rehabilitation proposal is adopted, the court shall rule on the approval or disapproval thereof.

In ruling on its approval, the court may, if necessary for the performance of the rehabilitation proposal, impose reasonable restrictions on the lifestyle of the debtor before he/she has completed the full performance of the conditions of the rehabilitation.

The ruling under paragraph 1 of this article shall be publicly announced. Any approval ruling shall be served on the creditors who dissented from the rehabilitation proposal, and any disapproval ruling shall be served on the debtor.

An appeal from the approval ruling under paragraph 1 of this article may be filed only by the creditors who dissented from the rehabilitation proposal.

Article 63
Under any of the following circumstances, except for the circumstance provided for in Article 12, the court shall disapprove the rehabilitation proposal by a ruling:
1. The rehabilitation proposal adopted at the creditors' meeting is unfair to the creditors who dissented therefrom or did not attend the meeting.
2. The rehabilitation process violates the requirement of the law and such violation is not correctable.

3. The rehabilitation proposal violates the imperative or prohibitive provision of the law, or is against public order and good morals.
4. The rehabilitation proposal is adopted by improper means.
5. The total amount of the principal and interest on the declared unsecured and non-preferential claims exceeds NTD 12,000,000.
6. The rehabilitation proposal sets forth a special provision for the residential mortgage, but the special provision makes it likely that the debtor will lose ownership or the right to use the house or the land on which the house is erected.
7. The special provision for residential mortgage set forth in the rehabilitation proposal is not established in accordance with the provision of Article 54 or Article 54-1.
8. The performance of the rehabilitation proposal is impossible.
9. The debtor falsely reports the debt, conceals the property, or allows additional significant benefits to one or more of the creditors.

The total amount of claims under subparagraph 5 of the preceding paragraph may be increased or reduced by an order of the Judicial Yuan, if circumstance so requires.

The provision of paragraph 2 of Article 61 shall apply mutatis mutandis to the circumstance under paragraph 1.

Article 64

If a debtor, who has a salary, income from professional practice, or other fixed income, has made efforts to repay under the conditions of the approved rehabilitation proposal according to his/her income and property status, the court shall approve the rehabilitation proposal. The court shall also approve the rehabilitation proposal if the debtor does not have fixed income, but the rehabilitation proposal has a guarantor, security provider or other person assuming the debts jointly under conditions which are deemed fair by the court.

Under any of the following circumstances, the court may not give its approval under the preceding paragraph:
1. The creditor was released from his/her obligation in accordance with provisions of the Bankruptcy Act or this Statute within the previous 7 years.
2. Any circumstance under any subparagraph of paragraph 1 of the preceding Article.
3. The total amount repaid for unsecured and non-preferential claims is obviously lower than the total amount which would be repaid if determined according to the liquidation process at the time of the court's ruling on the initiation of the rehabilitation process.
4. The total amount repaid for unsecured and non-preferential claims is lower than the remaining amount of the disposable income of the debtor, after deducting the amount of necessary living expenses for himself/herself and the persons who must be legally supported by him/her during the two years before the application for rehabilitation.

In calculating the total amount which would be repaid if determined according to the liquidation process under subparagraph 3 of the preceding paragraph, any property which cannot be appraised easily and any property which may not fall within the scope

of the liquidation estate as extended by a ruling in accordance with Article 99, shall be deducted.

In any approval ruling under paragraph 1 of this article, the court shall give the creditors notice of the contents of the rehabilitation proposal and the report of the property and income status of the debtor, and shall give the creditors opportunities to state their opinions.

Article 64-1

Under the following circumstances, the debtor shall be deemed to have exerted efforts for repayment:

1. If the property of the debtor has a liquidation value, more than nine-tenths of the balance of such value is used for the repayment, after adding the total amount received from the disposable property during the performance period of the rehabilitation proposal, and deducting the necessary living expenses required by himself/herself and the persons who should be legally supported by him/her,.
2. If the property of the debtor does not have a liquidation value, more than four-fifths of the balance is used for the repayment, after adding the total amount received from the disposable property during the performance period of the rehabilitation proposal, and deducting the necessary living expenses required by himself/herself and the persons who should be legally supported by him/her,.

Article 64-2

The necessary living expenses required by the debtor shall be determined to be 1.2 times the minimum living expense per month per person as publicly announced by the Ministry of Health and Welfare or the municipal government for that area in the latest year.

The amount of necessary living expenses for any supported person shall be calculated by applying mutatis mutandis the calculation standards under paragraph 1, and shall be determined according to the proportion of the support obligations legally assumed by the debtor.

For the circumstances under the preceding two paragraphs, if the debtor expressly states that he/she is not required to assume part or all of the necessary living expenses, then he/she is not subject to the restriction on minimum living expenses in paragraph 1 of this article. If the debtor can prove with certainty that he/she has necessary expenses for any supported persons, then he/she is not subject to the limitations imposed by paragraphs 1 and 2 of this article.

Article 65

When the court rules on the disapproval of the rehabilitation proposal, it shall rule on the initiation of the liquidation process at the same time.

If an appeal from the ruling on disapproval of the rehabilitation proposal is filed, the ruling on the initiation of the liquidation process under the preceding paragraph shall also be adjudicated by the appeal court.

The liquidation process may proceed only after the ruling under paragraph 1 becomes final.

Article 66
The rehabilitation process shall be concluded when the ruling on the approval of rehabilitation proposal becomes final.

After the approval ruling becomes final, the court shall deliver the final certificate to the parties on its own initiative.

Article 67
After the court's ruling on the approval of the rehabilitation proposal becomes final, unless otherwise provided for in this Statute, the ruling shall take effect on all creditors. If a special provision for residential mortgage is set forth, such special provision shall be binding on the mortgage creditor. The same shall apply to any joint debtor, guarantor, or third person providing security who has claims against the debtor.

If creditors are financial institutions, the debtor may make a written request for the financial institution with the largest amounts of claims to generally conduct the operation of collection and payment.

Article 68
The rehabilitation may not affect the rights of creditors who have secured or preferential rights, unless otherwise provided for in this Statute or consented to by such creditors.

Article 69
Upon conclusion of the rehabilitation process, unless otherwise provided for in this Statute, the order of preservation made under Article 19 shall be inoperative. Any compulsory enforcement proceedings which have been terminated in accordance with Article 48 shall be deemed to have been concluded.

Article 70
Any creditors with secured or preferential rights, on whom the rehabilitation proposal has no effect, may, after the conclusion of the rehabilitation process, initiate or continue the compulsory enforcement proceedings.

When a creditor with preferential rights or security rights over specific property of the debtor applies for compulsory enforcement, the debtor may, before the public announcement of auction, state to the enforcement court that he/she is willing to present cash in the amount of the auction price or show proof that the creditor has extinguished the preferential rights and security rights over the property.

In the circumstance under the preceding paragraph, if the debtor fails to pay the necessary cash within 7 days after notice of the enforcement court, the subject property shall be bought by the winning bidder or assumed by the creditor.

If the object of the auction under paragraph 2 of this article is land, the land increment tax shall be deducted from its price.

The provisions of the preceding three paragraphs shall apply mutatis mutandis to any auctions conducted according to other laws.

Article 71
Rights of creditors against a joint debtor or a guarantor of the debtor or a third person who provides security for the debtor shall not be affected by the rehabilitation.

Article 72
If the debtor allows any other additional benefit to a creditor than those set forth in the rehabilitation proposal, such allowance shall be inoperative.

Section III Performance of Rehabilitation and Release from Obligations

Article 73
If the debtor has completed the full performance of the conditions of rehabilitation, unless otherwise provided for in this Statute, any remaining unpaid portion of the declared claims and the undeclared claims shall be deemed to have been extinguished. However, the debtor shall remain liable for the performance of the conditions of the rehabilitation, with respect to any creditors whose failure to declare claims is not for cause attributable to the creditors.

If the debtor has difficulty in the performance of the claims specified in the preceding paragraph for cause not attributable to him/her, he/she may apply to the court for extension of his/her performance period. However, the extended period may not exceed 2 years.

Article 74
After the court's ruling on approval of rehabilitation proposal becomes final, if the debtor fails to perform the conditions of rehabilitation, the creditor may apply for compulsory enforcement against the debtor, the guarantor of rehabilitation, the security provider, or other person assuming the debt jointly, unless the creditor's claims are objected to under Article 36 and no final ruling thereon is rendered.

If the creditor applies for compulsory enforcement against the debtor, the court may, on application of the debtor, rule on the initiation of the liquidation process.

Article 75
After the court's ruling on approval of rehabilitation proposal becomes final, if the debtor has difficulty in performance for cause not attributable to him/her, he/she may

apply to the court for extension of his/her performance period. However, the extended period may not exceed 2 years.

If the balance of the disposable income of the debtor after deducting the necessary living expenses for himself/herself and the persons who should be legally supported by him/her, has been lower than the amount to be repaid under the rehabilitation proposal for three successive months, the existence of cause under the preceding paragraph shall be presumed.

If of the debtor encounters obvious and great difficulties during the extended period under paragraph 1 of this article, then when the amount repaid by the debtor to each creditor has reached two-thirds of the amount originally agreed, and the amount repaid for unsecured and non-preferential claims has exceeded the total amount that may be repaid according to the liquidation process, the court may, on application of the debtor, release the debtor from his/her obligation. However, before ruling on the request for release from obligation, the court shall give the creditors an opportunity to state their opinions.

The provisions of the preceding three paragraphs shall not apply to claims relating to residential mortgages or to special provisions applicable to them.

If the debtor has difficulty in performance under paragraph 1 of this article, the court may, on the debtor's application, rule on the initiation of the liquidation process.

Article 76
If it is found, within one year from the day following the date when the rehabilitation proposal was approved by the court, that the debtor has falsely reported his/her debts, concealed his/her property, or allowed additional interest to one or several of the creditors, the court may, on application of the creditor, revoke the rehabilitation process and at the same time re-initiate the liquidation process.

If an appeal from the ruling on revocation of rehabilitation is filed, the ruling on the initiation of the liquidation process in the preceding paragraph shall also be adjudicated by the appeal court.

The liquidation process may proceed only after the ruling under paragraph 1 of this article becomes final.

Article 77
No debt secured or assumed by a third person for the rehabilitation shall be affected by the court's revocation of rehabilitation

Article 78
After the court has ruled on the initiation of the rehabilitation process, but before the debtor has been released from his/her obligations, if the court rules on the initiation of the liquidation process, all parts of the rehabilitation process which are applicable to

the liquidation process shall serve as part of the liquidation process, and the application for rehabilitation shall be deemed an application for liquidation.

In any circumstance under the preceding paragraph, the claims which have been declared in the rehabilitation process shall also be deemed declared in the liquidation process; expenses incurred for the rehabilitation process and debts assumed for the performance of the rehabilitation proposal shall, respectively, be deemed as expenses or debts of the liquidation estate.

Article 79
After the court's ruling on approval of the rehabilitation proposal becomes final, when the court subsequently rules on the initiation of the liquidation process because of the failure of the debtor in the full performance thereof, any original claim of a creditor that was made before the approval of the rehabilitation proposal shall still be included in the liquidation process, taking into account the creditor's repayment according to the rehabilitation conditions, and the portion repaid shall be included in the liquidation estate to determine the amount distributable to the creditor.

A creditor under the preceding paragraph may receive distributions only after the distribution received by other creditors reaches the same proportion as the degree to which he/she has been repaid.

Chapter III Liquidation

Section I Application for and Initiation of Liquidation

Article 80
Before the court has ruled on the initiation of rehabilitation or approved the settlement or announced bankruptcy, the debtor may apply to the court for liquidation; even if there is only one creditor, the debtor may still file such application.

Article 81
In applying for liquidation, the debtor shall submit the description of his/her property and income status, and the roster of his/her creditors and debtors.

The roster of creditors under the preceding paragraph shall state the following matters:
1. Names or titles and addresses of creditors, and the amount, reason and category of each claim.
2. Identification of all property with security rights or preferential rights, and the amount of claims which cannot be satisfied for repayment after the exercise of such rights.

The roster of debtors under paragraph 1 of this article shall state names or titles and addresses of debtors, and amount, reason, category and security of each debt.

The description of property and income status under paragraph 1 shall state the following matters and shall include supporting documents:
1. Inventory of properties, and their natures and locations.
2. Whether the debtor has engaged in business activities in the most recent five years, and the average turnover per month, if any.
3. Amounts, reasons and categories of incomes and necessary expenses.
4. Persons to be supported by the debtor under the law.

Article 82
Before ruling on the initiation of the liquidation process, the court may make inquiries on its own initiative with the debtor, the creditors and other related persons, and may set a date and order the debtor to report the status of any change in the debtor's property within two years before the application for liquidation.

If the debtor violates the obligation to report in accordance with the preceding paragraph, the court may dismiss the application for liquidation.

Article 83
The court's ruling on the initiation of the liquidation process shall include its year, month, day and hour, and shall become effective immediately.

No appeal may be taken from a ruling under the preceding paragraph.

Article 84
The provisions of other laws relating to the qualifications and restrictions on rights of bankruptcy shall apply mutatis mutandis to the debtor subject to the court's ruling on the initiation of the liquidation process.

Article 85
If the property of the debtor is insufficient to pay off expenses for the liquidation process, the court shall initiate the liquidation process and simultaneously terminate the liquidation process.

An appeal may be taken from the ruling on simultaneous termination of the liquidation process under the preceding paragraph.

The ruling under paragraph 1 of this article shall be publicly announced and shall be served on the known creditors

Article 86
After ruling on the initiation of the liquidation process, the court shall publicly announce the following matters:
1. The main text and the year/month/day/hour of the ruling on the initiation of the liquidation process.

2. Name, address and office of the administrator selected to handle liquidation affairs; or title, statutory agent and office or business location of the administrator, if it is a juristic person.
3. Debtors of the debtor and holders of the property belonging to the liquidation estate may not make repayment or deliver their property to the debtor, but shall immediately return it to or notify the administrator or a person designated by the court thereof. A person, who fails to comply with the requirements in the preceding sentence without reason during the period for declaration of claims, shall be liable for compensation of the damage to the liquidation estate caused thereby.
4. The periods for declaration and supplemental declaration of claims, during which the creditors shall declare their claims to the administrator, or to the court if no administrator is selected, and shall submit supporting documents, if any.
5. The effect of deprivation of claims if such claims are not declared or supplementarily declared according to the provision of the preceding subparagraph.
6. The period during which any objection to the declared or supplemental declared claims shall be raised to the court.
7. The date and place of and the matters to be discussed at the creditors' meeting, if such meeting is convened.

The provisions of paragraphs 2 to 5 of Article 47 shall apply mutatis mutandis to the circumstance under the preceding paragraph. However, if a creditor exercises his/her right in accordance with paragraph 1 of Article 26, the right may not be exercised after the day preceding the date of public announcement of the final distribution table.

Article 87

When ruling on the initiation of the liquidation process, the court shall notify the competent registration authority to make all necessary registrations regarding debtors and the liquidation estate.

The administrator may also apply to the registration authority under the preceding paragraph for liquidation registration by providing that authority with the ruling on the initiation of the liquidation process. If the debtor has acquired rights in rem of real estate by inheritance, compulsory enforcement, expropriation, court judgment, or other non-juridical act before the registration, the court may, on application of the administrator, notify the registration authority to register that property as owned by the debtor.

For the return or transfer of the liquidation estate in the liquidation registration requested by the administrator, the court may, on application of the administrator, request the registration authority to cancel its liquidation registration and then register the property as provided in the preceding paragraphs of this article.

Article 88

After the court rules on the initiation of the liquidation process, the clerk shall immediately record the closing accounts in the debtor's account book regarding business property, sign and seal it, and make an abbreviated record of the status of the account book.

Article 89
After the debtor applies for liquidation, his/her lifestyle may not exceed the normal level of the general public. The court may also, on application of interested parties or on its own initiative, impose restrictions thereon.

Without permission of the court, the debtor may not leave his/her place of residence. The court may also notify the Customs and Border Protection agency to restrict his/her exit.

Article 90
If the debtor has any of the following circumstance, the court may arrest him/her, to the extent necessary to compel his/her appearance:
1. After being duly notified, the debtor fails to appear in the court without any justifiable reason.
2. It is obvious that the debtor is likely to flee or hide.
3. It is obvious that the debtor is likely to conceal, destroy, or dispose of the property belonging to the liquidation estate.
4. The debtor violates the provision of paragraph 2 of the preceding Article without any justifiable reason.

Article 91
If any of the following circumstances apply to the debtor, the court may place the debtor into custody, if it is obviously difficult to proceed with the liquidation process without placing the debtor into custody:
1. Any circumstance under subparagraphs 2, 3 or 4 of the preceding Article.
2. The violation of the provisions in paragraph 1 of Article 102 or paragraph 1 of Article 103.

The custody period may not exceed three months.

Article 92
When the reason for custody ceases to exist, the person in custody shall be released.

Article 93
In addition to the provisions of the preceding three Articles, the provisions of the Compulsory Enforcement Act shall also apply mutatis mutandis to the arrest and to the custody.

Article 94
After the court initiates the liquidation process, the debtor shall no longer have the right to manage and dispose of his/her property belonging to the liquidation estate.

After the court's ruling on the initiation of the liquidation process, any juridical acts taken by the debtor with respect to the property belonging to the liquidation estate shall be inoperative unless acknowledged by the administrator.

In the circumstance under the preceding Paragraph, the counterparty of the juridical act may demand the administrator to state whether he/she acknowledges such act or not within 10 days. If the administrator fails to give a definite reply within the prescribed period, he/she shall be deemed to have refused to acknowledge such act.

Any juridical act conducted by the debtor on the date of the court's ruling on the initiation of the liquidation process shall be presumed to be an act conducted after the initiation of the liquidation process.

Article 95
An administrator who refuses an acknowledgment under paragraph 2 of the preceding Article may ask the court to order the counterparty to return the money or other property he/she received, to cancel the registration of the right he/she acquired, or to conduct any other act of restoration to the status quo ante.

In the event of an appeal from the ruling under the preceding paragraph, the appeal court shall conduct an oral argument before ruling.

When rulings under the preceding two paragraphs become final, they shall have the same effect as final judgments.

If a counterparty fails to perform in accordance with a ruling under paragraph 1 of this article, the court may, on application of the administrator, carry out compulsory enforcement, or request the registration authority to cancel the registration of the counterparty's acquisition of rights. However, if the counterparty files an appeal, the enforcement shall be suspended.

Article 96
A debtor of the debtor, who makes repayment after the court's ruling on the initiation of the liquidation process without knowledge of the initiation of the process, may assert such repayment against the creditors. If he/she makes repayment with knowledge of the initiation, he/she may assert the repayment against the creditors to the extent that the liquidation estate received a benefit from the amount for which he/she claims repayment.

If the repayment of a debtor under the preceding paragraph is made before the court's public announcement of the initiation of the liquidation process, such debtor shall be presumed to have no knowledge of the fact; if the repayment is made after the public announcement, he/she shall be presumed to have knowledge of its fact.

Article 97
If a statutory agent of the debtor is liable for compensation of damage to the debtor, the court may, on application of the administrator or the creditor or on its own initiative, order him/her to make compensation. If there are more than one statutory agents who are liable for the same cause, they shall be ordered to make compensation jointly.

In the circumstance under the preceding paragraph, the court shall, before ruling, give the parties the opportunities to state their opinions, unless they are served by constructive notice.

For an appeal from a ruling under paragraph 1 of this article, the appeal court shall conduct oral argument before ruling on the appeal.

When the rulings under paragraphs 1 and 3 of this article become final, they shall have the same effect as final judgments.

Section II Composition and Management of Liquidation Estate

Article 98

The following properties comprise the liquidation estate:

1. All properties which belong to the debtor at the time of the court's ruling on the initiation of the liquidation process, and all property claims which may be exercised in the future by the debtor.
2. Any properties which are acquired by inheritance or without compensation after the court's ruling on the initiation of the liquidation process but before termination or conclusion of the process.

Any rights which are exclusively owned by the debtor, as well as the properties which are not subject to judicial seizure, shall not belong to the liquidation estate.

Article 99

Within one month after the ruling on the initiation of the liquidation process, the court may, on application of the debtor or on its own initiative, take into consideration the living status of the debtor, category and amount of the property of the liquidation estate, the foreseeable income of the debtor and other factors to rule on the extension of the scope of the property not belonging to the liquidation estate.

Article 100

If the debtor inherits property within three months before the application for liquidation, the inheritance may not be waived after the application for liquidation.

Article 101

After the court's ruling on the initiation of the liquidation process, the debtor shall submit to the court and the administrator a written record of the properties belonging to the liquidation estate.

Article 102

The debtor and the users of the properties shall hand over all books and documents relating thereto and all properties in their custody to the administrator or the person designated by the court, except for the property which is not subject to judicial seizure.

If the persons under the preceding paragraph refuse the handover, the court may, on application or on its own initiative, carry out compulsory enforcement.

Article 103
The debtor is obliged to reply to the inquiries of the administrator regarding his/her property, income and business status.

The provisions of Article 10 shall apply mutatis mutandis to the investigation of property, income and business status made by the administrator.

However, the provisions of Article 10 shall not apply if the inquired person is an individual and is exempt from inquiries regarding his/her property, income and business status.

Article 104
If any rights of the debtor belong to the liquidation estate, the administrator shall take all necessary acts to preserve those rights.

Article 105
The administrator shall prepare a list of collected and collectible assets of the debtor, which shall be publicly announced by the court.

The list of claims and the list of assets shall be deposited at the court and at the place where the liquidation affairs are processed for review or transcription thereof by the interested parties.

Article 106
Each of the following is an estate expense:
1. The fee advanced by the national treasury.
2. The expenses arising out from management, appraisal and distribution of the liquidation estate and the taxes payable on the liquidation estate.
3. The application and trial fees required for common interests of creditors.
4. The remuneration to the administrator.

The necessary living expenses and funeral expenses of the debtor and the persons who should be legally supported by him/her shall also be deemed as estate expenses.

Article 107
Each of the following is an estate debt:
1. Debt arising out from acts conducted by the administrator regarding the liquidation estate.
2. Debt incurred under a bilateral contract of which the performance is requested by the administrator for the liquidation estate, or debt incurred under a bilateral contract which must be performed after the court's ruling on the initiation of the liquidation process.
3. Debt incurred for the management of liquidation without mandate.
4. Debt arising out from the unjust enrichment of the liquidation estate.

Article 108
Each of the following shall be repaid by the liquidation estate from time to time with priority to the liquidation claims.
1. Estate expenses
2. Estate debts
3. The debts under subparagraph 2 of paragraph 1 of Article 21 and paragraph 2 of Article 26.
4. Any labor wages which were owed by the debtor under a labor contract which could not be repaid by other methods within the six-month period before the court's ruling on the initiation of the liquidation process.

Article 109
In the circumstances under the preceding Article, when the liquidation estate is insufficient for the repayment, the following shall be repaid in order; if the order is the same, repayment shall be made in proportion to the amounts of claims:
1. The estate expenses under subparagraphs 1 to 4 of paragraph 1 of Article 106.
2. The estate debts under subparagraph 1 of Article 107.
3. The estate expenses under paragraph 2 of Article 106, and the estate debts under subparagraphs 2 to 4 of Article 107 and subparagraphs 3 and 4 of the preceding Article.

Article 110
If the administrator is liable for compensation of damage to the liquidation estate, the provision of Article 97 shall apply mutatis mutandis.

Section III Liquidation Claims and Creditors' Meeting

Article 111
If the object of a claim is not money, or it is money but its amount is uncertain, or it is foreign currency, the administrator shall include the amount estimated at the time of the court's ruling on the initiation of the liquidation process into the distribution. The administrator shall also include the estimated amount in cases where the repaid amount of ordinary guaranteed claims, the amount of fixed-term claims, or the duration of claims is uncertain.

In a case where the creditor or the debtor disputes the amount estimated under the preceding Paragraph, the provision of Article 36 shall apply mutatis mutandis.

In a case where the creditor's claim is conditional, the creditor may claim the entire amount as its liquidation claim.

Article 112
Before the court's ruling on the initiation of the liquidation process, the rights of any creditors with a pledge, mortgage, lien or other security right in rem over the property of the debtor, shall be exempt from the liquidation process.

A creditor with exemption rights may not exercise his/her rights irrespective of the liquidation process. However, if necessary, the administrator may auction or sell off the objects of exemption rights, and use the net proceeds from their sale after deducting expenses for the repayment, and may ask the court to request the competent registration authority to cancel the registration of such rights.

Article 113
A creditor with exemption rights may, for the purpose of repayment of claims, exercise his/her rights with respect to any claim which cannot be repaid after the exercise of exemption rights. However, this does not apply to claims which are not declared according to the liquidation process.

Article 114
A holder of rights in property that does not belong to the debtor may retrieve it from the administrator irrespective of the liquidation process.

If the property under the preceding paragraph is transferred to a third person by the debtor before the court's ruling on the initiation of the liquidation process, or by the administrator after the court's ruling on the initiation of the liquidation process, but the debtor or administrator who transferred the property did not receive money or other property in consideration for the transfer, the holder of rights in paragraph 1 of this article may request a transfer from the administrator to him/her of the right to all money or other property due as consideration for the transfer.

In the circumstance under the preceding paragraph, where the administrator receives money or other property as consideration, the retrieval right holder may request delivery thereof.

Article 115
If the seller has sent the object of a transaction, but the buyer has not received it, nor paid the full price, and the transaction therefore is subject to the court's ruling on the initiation of the liquidation process, the seller may rescind the contract and retrieve its object. However, the administrator may request for delivery of the object by repaying the full price.

The process forretrieval of the object under the preceding paragraph shall apply mutatis mutandis to the case where the broker has sent the object bought under mandate to a consignor.

Article 116
Any preferential claims on the property of the liquidation estate shall be repaid in priority to other claims. If preferential claims are of the same priority, they shall be repaid in proportion to their amounts of claims.

Article 117

If, at the time of the court's ruling on the initiation of the liquidation process, the creditor owes debts to the debtor, offset may be made without following the liquidation process, regardless whether the categories of money and other property are same.

The creditor's claims which are subject to expiration, or which may be released only if certain conditions are met, may be offset.

Any claims that become effective only when a certain condition is met, may be offset if the condition is fulfilled within 30 days of the public announcement of the list of claims.

With respect to any offset, the creditor subject to resolutory condition shall provide reasonable security, and the provision of paragraph 2 of Article 124 shall apply mutatis mutandis thereto.

The provision of paragraph 2 of Article 52 shall apply mutatis mutandis to the circumstances under paragraphs 1 to 3 of this article.

Article 118

The creditors' meeting may resolve the following matters:

1. The management of the liquidation estate and the method of disposition of its properties.
2. The suspension or continuance of business operation.
3. Return to debtors or waiver of property which cannot be easily appraised

Article 119

At the creditors' meeting, the administrator shall present the list of claims and the list of assets, and report the status of the liquidation.

Article 120

The resolution of the creditors' meeting shall be adopted with the consent of a majority of the attending creditors who have declared unsecured claims, if the amounts of claims represented by them has exceeded one-half of the total amount of the declared unsecured and non-preferential claims.

In calculating the claims under the preceding paragraph, all inferior claims shall be deducted.

Article 121

If the court does not convene the creditors' meeting, it may issue a ruling in lieu of the resolution of the meeting. However, before ruling, the court shall give written notice under Article 101 to the creditors.

No appeal may be taken from a ruling under the preceding paragraph, and such ruling shall be publicly announced.

Section IV The Distribution of the Liquidation Estate and the Closing of the Liquidation Process

Article 122
If it is necessary to appraise the properties of the liquidation estate, the administrator shall conduct the appraisal according to the resolution of the creditors' meeting. In the absence of such resolution, he/she may conduct the appraisal according to auction, selloff or other proper method.

Article 123
After 30 days from the day following the public announcement of the list of claims, the administrator shall distribute the properties of the liquidation estate to the creditors when they become distributable.

For the distribution under the preceding paragraph, the administrator shall prepare a distribution table, and state the sequence, proportion and method of distribution.

The distribution table shall be approved by the court and shall be publicly announced. Any objection to the distribution table shall be filed with the court within 10 days from the day following the public announcement.

The court shall rule on any objection under the preceding paragraph.

Article 124
When claims which may be released only if certain conditions are met receive distribution, reasonable security shall be provided. In the absence of security, the distribution amount shall be lodged with the court.

If the condition of the claims which may be released only if a certain condition is met has not been fulfilled within ten days from the day following the public announcement of the final distribution table, any creditor who has provided security shall be released from the security obligation and his/her security shall be returned.

Article 125
If the claims subject to suspenseful condition or the claims exercisable in the future cannot be exercised within 30 days from the day following the public announcement of the list of claims, such claims may not be included in the distribution.

Article 126
If objection to the liquidation claims is likely to delay the distribution, the administrator may lodge the corresponding amount according to the distribution proportion, and then distribute the remaining properties to other creditors.

If a creditor fails to notify the administrator of the change of his/her place of residence, office, business place or address, the administrator may lodge the amount distributable to him/her.

Article 127
At the time of completion of the final distribution, the administrator shall submit a report regarding the distribution to the court.

After receipt of the report under the preceding paragraph, the court shall rule on the conclusion of the liquidation process.

No appeal may be taken from a ruling under the preceding paragraph, and such ruling shall be publicly announced.

Article 128
After the termination or conclusion of the liquidation process, if additional properties distributable to creditors are found, the court may, on application of the administrator, approve the additional distribution; unless such properties are found later than two years after the day following the date when the ruling on termination or conclusion of the liquidation process becomes final.

An additional distribution under the preceding paragraph may be made even if the ruling on release from obligation of the debtor becomes final, and the provision of Article 123 shall apply mutatis mutandis thereto.

In the circumstance under paragraph 1 of this article, the process for undeclared and ascertained claims in the liquidation process shall be continued.

Article 129
After the court's ruling on the initiation of the liquidation process, if the properties of the liquidation estate are insufficient to repay the expenses and debts under Article 108, the court may, on application of the administrator or on its own initiative, terminate the liquidation process.

Before ruling under the preceding paragraph, the court shall give the administrator and creditors the opportunities to state their opinions.

No appeal may be taken from a ruling under paragraph 1 of this article, and such ruling shall be publicly announced.

Article 130
When the court rules on the termination of the liquidation process, the administrator shall perform the repayment in accordance with provision of Article 109, and shall lodge any portion in dispute.

Article 131
The provisions of Article 87 shall apply mutatis mutandis to any case where the court rules on the termination or conclusion of the liquidation process.

Section V Release from Obligations and Resumption of Rights

Article 132
After the court's ruling on termination or conclusion of liquidation becomes final, unless otherwise provided for, the court shall subsequently release the debtor from his/her debts.

Article 133
After the court rules on the initiation of the liquidation process, if the debtor has any remaining disposable income from salary, income from professional practice or other fixed income, after deducting the amount of necessary living expenses for the debtor and for any persons whom the debtor is legally required to support, and the total amount of distribution to common creditors is lower than the debtor's remaining disposable income during the two-year period prior to his/her application for liquidation, then the court may rule on the debtor's non-release from his/her obligations.

However, the preceding paragraph does not apply if the debtor can prove that he/she has obtained the consent of all common creditors.

Article 134
If any of the following circumstances apply to the debtor, the court shall rule on non-release from obligations, unless the debtor can prove that he/she has obtained the consent of all common creditors:
1. He/She has been released from obligations under the Bankruptcy Act or this Statute within the preceding seven years.
2. He/She intentionally concealed or destroyed any properties which should belong to the liquidation estate, or made other dispositions which were unfavorable to creditors, resulting in damage to creditors.
3. He/She fabricated debts or acknowledged false debts.
4. The total amount of debts assumed by him/her for consumption of luxury products or services, gambling or other speculation during the two years before the application for liquidation exceeded half of the amount of unsecured and non-preferential claims at the time of application for liquidation, and these debts caused the initiation of liquidation.
5. The reason for liquidation existed within the one-year period preceding the application for liquidation, but the debtor concealed this fact and caused others to make transactions with him/her, resulting in damage to such others.
6. He/She knew that the reason for liquidation existed, but he/she provided security or extinguished debts in a manner that favored of one or several of the creditors in a way that was not based on the debtor's personal obligations.
7. He/She concealed, destroyed, fabricated or altered all or part of the relevant accounting books or other accounting documents, resulting in the misrepresentation of the debtor's property status.
8. He/She intentionally made false entries in the description of property and income status, or committed other intentional acts in violation of the obligations under this

Statute, resulting in damage to creditors or significant delay in the liquidation process.

Article 135
If the provisions of any subparagraph of the preceding paragraph apply to the debtor, but the circumstance is minor, the court, after taking into consideration the repayment status of all common creditors and other circumstances, may rule on release from obligations if it deems appropriate.

Article 136
In any circumstances under the preceding three Articles, before ruling, the court shall conduct an investigation on its own initiative, or order the administrator to conduct the investigation and submit the written report, and shall give the creditors and the debtor the opportunity to state their opinions at court.

The debtor shall assist in the investigation under the preceding paragraph.

Article 137
When the ruling on release from obligations becomes final, unless otherwise provided for, the ruling shall apply to both declared and undeclared creditors. The same shall apply to third persons such as any joint debtor, guarantor, or security provider who has claims against the debtor.

The provisions of the preceding paragraph shall not affect the rights of creditors against third persons such as any joint debtor, guarantor, or security provider of the debtor.

Article 138
The following debts shall not be affected by the ruling on release from obligations:
1. Penalties, fines, default surcharges and additional levies.
2. Any debt of the debtor for compensation of damage caused by his/her intentional or grossly negligent tort.
3. Tax debts.
4. Any expenses of the debtor for the performance of his/her statutory support obligations.
5. Any debts held by a creditor that failed to declare its claim for a cause not attributable to that creditor, to the extent that said claim has not been repaid in the same proportion as other creditors' claims have been repaid.
6. Expenses advanced by the national treasury.

Article 139
If it is found within one year from the day following the date when the court's ruling on release from obligations becomes final that the debtor has falsely reported debts, concealed property, or received a release from obligations by any improper method, the court may, on application of a creditor or on its own initiative, revoke the release from obligations, except for any circumstance under Article 135 under which the court may release the debtor from obligations.

Article 140
After the court's ruling on non-release from obligations or revocation of release from obligations becomes final, the creditor may apply for compulsory enforcement against the debtor in accordance with the court's list of ascertained claims. Any creditor that obtained the right to enforce a claim against the debtor before the court's ruling on the initiation of the liquidation process, may also apply for compulsory enforcement in accordance with the list of ascertained claims. However, in the circumstance of non-release from obligations under Article 133, no enforcement may be carried out within two years from the day following the final ruling.

When the creditor carries out compulsory enforcement against the debtor under the preceding paragraph, the debtor may apply to the enforcement court for notifying other creditors in the list of claims. At the time of the application, other creditors shall be deemed to have declared their participation in distribution with respect to the existing amounts of their claims. The enforcement fee to be collected shall be deducted from the amount received from the enforcement.

Article 141
After any ruling on non-release from obligations based on Article 133 becomes final, if the debtor continues to repay the amount provided for in that Article, and the amounts repaid to of each of the common creditors has reached the distributable amount, the debtor may apply to the court for a ruling on release from obligations.

If the court rules on non-release from obligations in accordance with Article 133, a true copy of the ruling shall be annexed to the provision of the preceding paragraph and Article 142, and shall include an explanation that if the debtor subsequently applies for a ruling on release from obligations, he/she must continue to repay the minimum amount distributable to each common claim.

The provision of paragraph 2 of Article 67 shall apply mutatis mutandis to the case where the debtor continues to repay debts in accordance with the provision of paragraph 1 of this article.

Article 142
After the court's ruling on non-release from obligations or revocation of release from obligations becomes final, if the debtor continues to repay debts, and the amount repaid to each of the common creditors has reached twenty percent or more of his/her claim amount, the court may, on application of the debtor, render a ruling on release from obligations.

The provision of paragraph 3 of the preceding Article shall apply mutatis mutandis to a case where the debtor continues to repay debts in accordance with the provision of the preceding paragraph.

Article 142-1

After the court's ruling on non-release from obligations or revocation of release from obligations becomes final, the repayment made by the debtor to the liquidation creditors shall be used to offset expenses first, and then to offset the original principal.

The provision of the preceding paragraph shall also apply to repayment made after the enforcement of the provision of this Statute amended on December 12, 2011 by the debtor subject to a ruling under the preceding paragraph before the enforcement of the amended Articles.

Article 143
After the final ruling on release from obligations and until the final ruling on revocation of release from obligations, all claims obtained from the debtor are entitled to be repaid in priority to the liquidation claims.

Article 144
Under any of the following circumstances, the debtor may apply to the court for resumption of rights:
1. All debts are repaid by liquidation or other method.
2. The ruling on release from obligations rendered becomes final.
3. Within three years from the day following the termination or conclusion of the liquidation process, the debtor has not been sentenced to any criminal penalty by final judgment based on the provisions of Article 146 or Article 147.
4. Five years has elapsed from the day following the termination or conclusion of the liquidation process.

Article 145
If the debtor has resumed his/her rights in accordance with provisions of subparagraphs 1 to 3 of the preceding Article, but has been sentenced to a criminal penalty by a final judgment on ground of the provision of Article 146 or Article 147 within five years from the day following the termination or conclusion of the liquidation process, the court may, on its own initiative, revoke the ruling on resumption of rights.

Chapter 4 Supplementary Provisions

Article 146
A debtor who has committed any of the following acts for the purpose of interfering with claims either within the one-year period preceding the court's ruling on the initiation of the liquidation process or while the liquidation process is pending, shall be sentenced to imprisonment for not more than three years:
1. He/She concealed or destroyed his/her property or made other disposition unfavorable to creditors.
2. He/She fabricated debts or acknowledged false debts.
3. He/She concealed, destroyed, fabricated or altered all or part of the relevant accounting books or other accounting documents, resulting in misrepresentation of his/her property status.

Article 147
A debtor, who after applying for rehabilitation commits any of the acts under the preceding Article for the purpose of interfering with claims, shall be sentenced to imprisonment for not more than three years.

Article 148
Any supervisor or administrator, who demands, agrees to accept, or accepts a bribe or other improper benefits for an act relating to his/her position of supervisor or administrator, shall be sentenced to imprisonment for not more than three years; in addition, a fine of not more than NTD 200,000 may be imposed.

The bribe received by the person who committed the offense under the preceding paragraph shall be confiscated. If any portion of the bribe cannot be confiscated, an amount equivalent to its price shall be collected.

Article 149
Any supervisor or administrator, who demands, agrees to accept, or accepts a bribe or other improper benefits for an act in violation of his/her occupational duties, shall be sentenced to imprisonment for not more than five years; in addition, a fine of not more than NTD 300,000 may be imposed.

A person, who offers, promises, or gives a bribe or other improper benefits to the supervisor or the administrator for a breach of his/her occupational duties, shall be sentenced to imprisonment for not more than two years; in addition, a fine of not more than NTD 100,000 may be imposed, but, if such person turns himself/herself in for trial, his/her punishment may be reduced or remitted, and if such person confesses during investigation or trial, his/her punishment may be reduced.

Any bribe received by the person who committed the offense under paragraph 1 of this article shall be confiscated. If any portion of the bribe cannot be confiscated, an amount equivalent to its price shall be collected.

Article 150
Where a juristic person is selected as the supervisor or the administrator, if its responsible person, agent, employee or other staff member violates either of the preceding two Articles while conducting business, in addition to the punishment of such person for his/her act in accordance with the provisions of the applicable Article, the fines in accordance with the provisions of the applicable Article shall also be imposed on such juristic person.

Article 151
If the debtor owes debts to a financial institution, he/she shall, before the application for rehabilitation or liquidation, ask the financial institution with the largest amounts of claims to negotiate the debt repayment proposal, or shall apply to the mediation committee of the court, or the village, town, city, district where his/her domicile or resident is located for mediation of the debt clearance.

The debtor shall make the request or application under the preceding paragraph in writing, and shall submit the description of his/her property and income status, the roster of creditors and debtors, and provide written copies or photocopies in a number corresponding to the number of creditors.

The provisions of paragraphs 2, 5 and 6 of Article 43 shall apply mutatis mutandis to the circumstance under the preceding paragraph.

If any creditors are financial institutions, the financial institution with the largest amounts of claims shall act on behalf of other financial institutions in the course of negotiation or mediation; unless another financial institution objects in writing to the financial institution with largest amounts of claims.

If a creditor is a financial institution, an asset management company or transferee of its claims shall provide the description form of claims to the debtor, and the provisions of subparagraphs 1 to 5 of paragraph 2 of Article 33 shall apply mutatis mutandis thereto.

After the debtor asks for negotiation or applies for mediation, if any financial institution with claims applies for compulsory enforcement against the debtor, or disagrees with the deferral of compulsory enforcement proceedings, the negotiation or the mediation shall be deemed as not concluded.

If the negotiation or the mediation is concluded, the debtor may not apply for rehabilitation or liquidation, unless the performance thereof is difficult for a cause not attributable to him/her.

The provision of paragraph 2 of Article 75 shall apply mutatis mutandis to any circumstance in which the preceding paragraph applies.

The provisions of the preceding two paragraphs shall apply mutatis mutandis to any negotiation concluded before the enforcement of this Statute between the debtor and the financial institution according to the unsecured debt negotiation mechanism for consumer financial cases handled by members of the Bankers Association of the Republic of China as established through negotiation of the competent financial authority.

Article 151-1

A debtor who requests negotiation shall be deemed to have agreed or authorized the requested financial institution to inquire about his/her property, income, business and credit status from the taxation or other authorities and groups.

The financial institution under the preceding paragraph shall immediately notify the other creditors to negotiate the repayment of debts with the debtor, and shall provide the result of any inquiry under the preceding paragraph to other creditors for review or transcription.

Any creditor who transfers his/her claims to a third person shall provide relevant supporting documents to the requested financial institution, which shall ask such third person to participate in the negotiation.

If the negotiation is successfully concluded, any proposal for repayment of debts shall be made in writing, and shall be affixed with the signature, seals or fingerprints of the parties. If the negotiation is not successfully concluded, a certificate stating this fact shall be delivered to the debtor within seven days.

Article 152
The requested financial institution under Paragraph 1 of the preceding Article shall, within seven days from the day following the conclusion of negotiation, submit the proposal for repayment of debts to the competent court at the place where the financial institution is located for review and approval, unless the parties have requested the notary public to make a notarial deed for the proposal for repayment of debts in accordance with the provision of paragraph 1 of Article 13 of the Notarial Act.

The court shall review the proposal for repayment of debts under the preceding Paragraph as soon as possible, and shall approve it if it does not contradict applicable laws and regulations. The court shall deny the proposal if it contradicts applicable laws and regulations.

No appeal may be taken from a ruling under the preceding paragraph.

After the court's approval, the proposal for repayment of debts may serve as the enforcement title.

Article 153
If the negotiation has not commenced within 30 days from the day following the request for negotiation submitted by the debtor, or the negotiation has not been completed within 90 days from next following of the commencement of the negotiation, the debtor may directly apply to the court for rehabilitation or liquidation.

Article 153-1
For any mediation of the court requested by the debtor in accordance with paragraph 1 of Article 151, an application fee of NTD 1,000 shall be charged.

If the debtor applies for rehabilitation or liquidation within 20 days from the date when the court's mediation is deemed unsuccessful, the application for mediation shall be deemed as an application for rehabilitation or liquidation, and no application fee shall be otherwise collected.

If the debtor appears at the mediation date but the mediation is not successfully concluded, he/she may orally apply for rehabilitation or liquidation under the preceding paragraph before the clerk of the court.

A creditor who has transferred his/her claim to a third person shall provide relevant supporting documents to the court or the village, town, city or district mediation committee, which shall ask such third person to participate in the mediation.

Article 154
After the proposal for repayment of debts is concluded through negotiation or mediation, and the debtor is ordered to initiate the rehabilitation or liquidation process, if any creditor is not fully repaid by the proposal for repayment of debts, such creditor may request that their original claims before negotiation or mediation be included in the rehabilitation or liquidation process. If the court rules on the initiation of the liquidation process, the portion repaid to the creditor shall be calculated and included in the liquidation estate to determine the amount distributable to him/her.

A creditor under the preceding paragraph may be repaid only after other creditors have been repaid to the same proportion or degree as he/she is repaid.

Article 155
If the court has commenced handling debts which cannot be repaid before the enforcement of this Statute in accordance with provisions of the Bankruptcy Act, such case may still be concluded by the process provided for in the Bankruptcy Act.

Article 156
A consumer who has been declared bankrupt before the enforcement of this Statute may apply for release from obligations or resumption of rights in accordance with provisions of this Statute.

A consumer, whom the court has ruled is not released from obligations in accordance with the provision of subparagraph 4 of Article 134 before the enforcement of the provision of this Statute amended on December 12, 2011, may apply for a ruling for release from obligations within two years from the enforcement date of the amended Articles.

A consumer, whom the court has ruled is not released from obligations in accordance with provisions of subparagraphs 2, 4 or 8 of Article 134 before the enforcement of the provision of this Statute amended on November 30, 2018, may apply for a ruling on release from obligations within two years from the date of enforcement of the amended Articles.

Article 157
The enforcement rules of this Statute shall be set forth by the Judicial Yuan.

Article 158
This Statute shall come into force nine months after the promulgation date.
The amended Articles of this Statute shall come into force on the date of their promulgation.

Data source: Law and Regulation Retrieving System of Judicial Yuan