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# **Commentaries on Selected Issues of the Article 93-1 of Act Governing Relations between the People of the Taiwan Area and the Mainland Area**

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## Abstract

The Act Governing Relations between the People of the Taiwan Area and the Mainland Area was established on July 31, 1992 and enforced on September 18th of the same year with 16 amendments. Recently Taiwan's financial market was in chaos due to unauthorized investments from China. To prevent such unlawful investments and transactions, this amendment will raise and maximize the fine for unauthorized investments from China, as well as set up an executive department responsible for putting the unlawful investors from China under investigation and making them liable. Considering the many actual cases involving illegal investments in small monetary value, it is most appropriate for the authority to determine the punishment based on the illegal action's level of significance.

This amendment of Article 93-1 shall change the scale of fines for unauthorized investments from China from the initial range of NT\$ 120,000 to NT\$

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600,000 to become NT\$ 120,000 to NT\$ 25,000,000. The authorities who are found to be linked to said illegal investments will also be punished according to the degree of severity and proportion of the violations with a fine. In addition, based on Article 18 of the Administrative Penalty Law, whereas the benefits of the unlawful investment in Taiwan exceed the maximum legal penalty of NT\$ 25 million, the relevant organizations may impose additional punishments that are not limited by the stated maximum value of penalty. Moreover, the amendment also adds a time limit restriction for correction and if not satisfied, the investor will be demanded to withdraw their shares and be punished continuously until corrective action is done. This is believed to be appropriate for most cases. The article will be further amended in the future upon the occurrence of special cases.

**Keywords:** The Act Governing Relations between the People of the Taiwan Area and the Mainland Area, Funds from China, Illegal Investments, Administrative Punishments, Penalized Continuously