

Committee freezes KMT bank account

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Ill-gotten Party Assets Settlement Committee Chairman Wellington Koo, right, speaks at a news conference in Taipei yesterday.

Photo: Chien Jung-fong, Taipei Times

The Ill-gotten Party Assets Settlement Committee yesterday said it froze a bank account of the Chinese Nationalist Party (KMT) over the issuance of 10 checks worth a collective NT\$520 million (US\$16.54 million) immediately after a law was promulgated prohibiting political parties from disposing of assets presumed to have been obtained illegally.

Following the implementation on Aug. 10 of the Act Governing the Handling of Ill-gotten Properties by Political Parties and Their Affiliate Organizations (黨產法), the KMT on Aug. 11 withdrew NT\$520 million from Bank SinoPac (新加坡銀行) and asked Bank of Taiwan (台灣銀行) to issue 10 checks worth NT\$52 million each, reportedly to pay for party expenses and employees' salaries, committee spokeswoman Shih Chin-fang (施進芳) said.

One check was cashed on Aug. 30, and funds were transferred to about 200 accounts, which might constitute a violation of the act, because the money is presumed to have been gained through illegal means and cannot be disposed of, Shih said.

"The committee has asked SinoPac to freeze the KMT's account, making it deposit-only," committee Chairman Wellington Koo (吳敦義) said.

"Bank of Taiwan has been asked to place the nine uncashed checks on hold, in case anyone attempts to cash them," Koo said.

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If the cashed check was used to pay party employees' salaries, the committee would ask the KMT, not the recipients, to return the money, Koo said.

Money in the SinoPac account is presumed to be ill-gotten, as the committee estimates that the KMT's legitimate assets are worth about NT\$630 million and its ill-gotten assets are worth NT\$1.932 billion, while a total of NT\$2.385 billion has been withdrawn from the account, Koo said.

Shih said the committee is to relaunch a Web site with the results of an investigation into ill-gotten party assets.

The Web site, launched in 2002 by the administration of former president Chen Shui-bian (陳水扁), was used to publish data gathered by an investigation between 2002 and 2007, but it was shut down in 2008 when former president Ma Ying-jeou (馬英九) took office.

"The committee decided to relaunch the Web site, because such data should be available to the public in a democratic nation such as Taiwan," Shih said.

The committee is to hold a hearing to determine whether two holding companies — Central Investment Co (中興實業) and Hsinyutai Co (新育泰) — are KMT affiliate organizations, if the two companies' five shareholders are KMT trustees and whether their shares should be transferred to the state.

KMT Chairwoman Hung Hsiu-chu (洪秀柱) said the party is legally required to pay employees salaries and pensions, but the government is preventing it from meeting such a requirement.

"It is a shame that instead of doing what is necessary, the government has launched a political vendetta with no regard of the law," Hung said, adding that all of the KMT's assets are legitimate.

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The KMT does not rule out the possibility of initiating protests, in addition to taking legal action, Hung said.

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