

## Ministry rejects KMT bond payment

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Chinese Nationalist Party (KMT) Administration and Management Committee director-general Chiu Da-chan speaks at a news conference in Taipei yesterday.

**Photo: CNA**

The Ministry of Finance yesterday rejected the Chinese Nationalist Party's (KMT) offer to pay a NT\$864.8 million (US\$28.6 million) fine imposed by the Ill-gotten Party Assets Settlement Committee with US dollar-denominated bonds issued by the government in 1947.

The party would pay the fine, which has a deadline of today, with US dollar bonds issued by the KMT administration in 1947, KMT Administration and Management Committee director-general Chiu Da-chan (邱達昌) said yesterday, adding that the bonds are worth at least NT\$38.5 billion at the current exchange rate.

The committee in June fined the KMT in connection with more than 485 properties determined to be ill-gotten, which were partially acquired and expropriated by the KMT in 1947 after the party designated them as "special state-owned properties."

The KMT later sold all the properties.

If the KMT fails to meet the deadline, the fine is to be "forcibly administered" by the Administrative Enforcement Agency, meaning the party's assets are to be confiscated.

"It is reasonable that the KMT has offered to pay for the properties targeted by the committee with government bonds issued the same year," Chiu told reporters.

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Asked what the party would do if the payment method is rejected, Chiu said that he is confident that such a thing would not happen.

“We are paying, in a sense,” he said, adding that the KMT would propose other payment methods should the plan be rejected.

The ministry said its decision was made in accordance with the Act Governing Relations Between the People of the Taiwan Area and the Mainland Area (兩岸人民關係條例), which states that all government debts — including bonds and deposits received by state-run financial institutes — accrued before 1949, when the KMT regime fled to Taiwan, will not be repaid until the nation is unified, meaning that the bonds the KMT referred to are not legally binding.

KMT Chairman Wu Den-yih (吳敦義) in response to media queries said that he is “not afraid” of a possible travel ban the committee could place on him in case the party fails to pay the fine.

Additional reporting by Shih Hsiao-kuang and CNA

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