

Promulgated by the Ministry of the Interior as per Tai-Nei-Zhong-Zi-Di No. 0910083141 dated January 30, 2002

(Passed at the 86th meeting of the Consumer Protection Commission under the Executive Yuan)

Reviewed:

The Agreement was brought back for review by the Tenant on _____ (the minimum review period is 3 days).

The signature/seal of the Landlord:

The signature/seal of the Tenant:

Sample Residential Lease Agreement

Edited by the Ministry of the Interior
January 30, 2002

The Leasing Agreement is made

Between _____(the “Landlord”)

And _____(the “Tenant”)

Both parties agree to the following leasing terms:

Article 1. Premises: Location and Area for Rent of the Premises

Location

Owner			
City / County			
District / Township			
Road / Street			
Section			
Lane			
Alley			
Number			
Floor			
Basement			
Construction completion date	Year	Month	Day
The premises	Main building	Annex	Shared facilities
Area (Square Meter)			
Building number			
Extent of ownership			
Having set the pledge, registered foreclosure or set other rights in rem			
Any leasing or occupancy			
Note			

Car park: ground or under-ground floor ___ floor mechanical ramp lift

Car park # _____

Area for rent of the premises

House all ___ Floor Unit ___ Room ___

Car park all _____ (Day Night)

Other: _____

Article 2. Attached Equipment

Unless listed otherwise, the attached equipment includes:

- TV:___ refrigerator:_____ air conditioner:_____ sofa:
 bedding set: _____
 curtain:___ lighting:___ dressing table:___
telephone:___ (No: _____) hot water heater:___
kitchen hood sink gas stove natural gas / LPG other:___

Article 3. Term of the Agreement:

Commence on _____ and end on _____.

Article 4. Rental and its payment

The monthly rental is NT\$_____ and is due before the of each month. The Tenant shall not delay in making payment or refuse to make payment for any excuse. The Landlord shall not increase the monthly rental without approval.

Article 5. Guarantee Deposit and its return

On the signing of this Agreement, the Tenant shall pay a guarantee deposit of NT\$_____ to the Landlord. Except for the situation under Article 16 of the Agreement, the Landlord shall return the guarantee deposit to the Tenant when the Tenant vacates the premises at the expiry date.

Article 6. Payment of Guarantee Deposit and Monthly Rental

On the signing of this Agreement, the Tenant shall pay a guarantee deposit of NT\$_____ to the Landlord. Additionally, the Tenant shall

- also pay the monthly rental guarantee deposit
 not pay the monthly rental guarantee deposit

The Landlord shall return the guarantee deposit to the Tenant with no interest when the Tenant makes all payments due pursuant to this Agreement and vacates the premises.

Article 7. Other charges during the leasing period

Other charges for the use of the house during the leasing period:

- i. public fund: to be paid by the Tenant to be paid by the Landlord
- ii. administration fees: to be paid by the Tenant to be paid by the Landlord
- iii. any charges before the commencement of the Agreement shall be borne by the Landlord; starting from the commencement of the Agreement, the public fund shall be paid by the Tenant the Landlord

Article 8. Taxes

Any taxes and service fees related to this Agreement shall be managed as follows:

- i. House tax and land value tax are the Landlord's responsibility
- ii. Taxes related to the Tenant's business operation are the Tenant's responsibility
- iii. Stamp duty on the monetary payment receipts shall be paid by the Landlord
- iv. Service fees for signing of this Agreement amounting to NT\$_____ shall be paid by the Landlord the Tenant both parties equally
- v. If notarization is required, the service fee totaling NT\$_____ shall be paid by the Landlord the Tenant both parties equally
- vi. Notarization fee totaling NT\$_____ shall be paid by the Landlord the Tenant both parties equally
- vii. Agency fee amounting to NT\$_____ shall be paid by the Landlord the Tenant both parties equally
- viii. Others: _____

Article 9. Restriction of the use of the premises

The premises are to be used by _____.

The Tenant agrees to obey the tenancy rules. No use or storage of any dangerous articles that affect public safety is allowed.

Without the Landlord's approval, the Tenant shall not sublease all or part of the premises or transfer his rights under this

Agreement to other parties.

Article 10. Improvement and Repair

If it is necessary to repair the premises, it is the responsibility of the Tenant the Landlord.

If it is necessary to make improvements to the premises, with the Landlord's consent, the Tenant may make such improvements by following the relevant rules. When returning the premises, the Tenant shall be responsible for restoring _____.

Article 11. The Tenant's Responsibility

The Tenant shall maintain the premises as a good administrator. In the event of breaching of this rule, the Tenant shall indemnify for any damage done to the premises.

Article 12. Partial Destruction of the House

During the leasing period, the Tenant may request the reduction in the monthly rental for the damage done to the premises that is not attributable to the Tenant.

Should there be a disagreement on the reduced monthly rental, the Tenant can terminate the Agreement.

Article 13. Termination of the Agreement

Before the expiry of the Agreement, the Tenant the Landlord cannot can terminate the Agreement.

Should early termination of the Agreement occur, as mentioned in the preceding paragraph, a 2 weeks 1 month advance notice shall be given.

Article 14. Return of the premises

Upon expiry of the Agreement, the Tenant shall immediately vacate and return the premises to the Landlord without any excuse for delay or any claims.

If the Tenant fails to vacate and return the premises on time, the Landlord shall charge the Tenant a monthly penalty of ___ times of the monthly rental until the premises are returned. The Tenant and the Guarantor shall not have any objection.

Article 15. Ownership of the premises and its transfer

After consigning the premises, and during the occupancy by the Tenant, should the Landlord transfer its ownership to a third party, the Agreement still binds the transferee.

The above term does not apply to the Leasing Agreement which is not notarized and the leasing period is over five years or not defined.

Article 16. Other Conditions

The notarization defines that once the monetary liability is under compulsory execution, its effect also applies to the guarantor, if any.

Once the Agreement expires or is terminated, should the Tenant fail to return the premises, pay the monthly rental, or pay the penalty when breaching the Agreement, he/she will be subject to compulsory execution.

Once the Agreement expires or is terminated, should the Landlord fail to return the remaining guarantee deposit after deducting the owed monthly rental or expenses, he will be subject to compulsory execution.

Article 17. Handling of remains

When the Tenant has moved out, should there be any remains, they will be handled by the Landlord. The related handling fee will be deducted from the guarantee deposit first and the shortfall should be paid by the Tenant without objection.

Once the Agreement expires or is terminated, should the Tenant fail to return the premises and there be remains, the remains will be regarded as waste and disposed by the Landlord and the handling fee should be paid by the Tenant.

Article 18. Handling of deliverable and non-deliverable

The written communication between the Landlord and the Tenant should be based on the address stated in the Agreement. Should there be any change not notified in writing which caused the non-deliverable or rejection, the legal delivery date will be the mailing date of the first delivery by the post office.

Article 19. Termination of the Agreement by the Landlord

The Landlord may terminate the Agreement should any of the following situations occur:

- i. The Tenant has delayed rental payment for 2 months and does not make the payment after a certain period of time following the notice from the Landlord.
- ii. Violation of Article 9
- iii. Violation of Paragraph 2 of Article 10
- iv. The Tenant has not made the payment for the amount payable or owed for 2 months or to a certain amount and fails to pay after a certain period of time following the notice from the management administrator or management committee.

Article 20. Termination of the Agreement by the Tenant

The Tenant may terminate the Agreement should any of the following situations occur:

- i. The Landlord shall be responsible for the repair of the damage done to the premises; but the repair has not been done for a certain period of time after the Landlord was notified by the Tenant.
- ii. The situation described in Paragraph 1 of Article 12 occurs and negotiation of the reduced monthly rental cannot be made.
- iii. The premises may endanger the safety of the Tenant and his/her housemate(s).

Article 21. Handling of doubts

Should there be any doubts regarding the interpretation of the Agreement, interpretation should be made in favor of the Tenant.

Article 22. The binding effect of the Agreement

The Agreement shall be notarized not be notarized

Article 23. Handling of disputes

Both parties may handle any dispute arising from the Agreement as follows:

- i. Seek mediation by the Conciliation Committee on Real Estate Dispute in the place where the premises are located.
- ii. Seek mediation by the city or county's Consumer Dispute Conciliation Committee.
- iii. Unless the premises are under exclusive jurisdiction, they shall be governed by the court where the premises are located for the first trial.

Article 24. Retention of the Agreement

The Agreement is made in _____ and each contracting party shall retain one copy.

Article 25. Undefined Issues

Should there be any issue which is undefined in the Agreement, it should be solved based on the relevant laws, customs and the principles of honesty and credibility.

Article 26. Use of the Sample

Should the Agreement state that it is based on the sample from the Ministry of the Interior but there be any inconsistency, the text of the sample shall govern.

Attachments

- Copy of Ownership Certificate
- Copy of Utilization Permit
- Copies of both contracting parties' ID cards
- Copy of Company Registration Certificate
- Others (survey maps, photos of current interior condition)

IN WITNESS WHEREOF, the parties have THIS AGREEMENT executed:

The Landlord: (seal affixed)
ID No.:
Address:
Tel.:
Company Registration Certificate No.: _____
Person in Charge: _____ (seal affixed)
ID No.: _____
Address: _____
Tel.: _____

The Tenant: (seal affixed)
ID No.:
Address:
Tel.:
Company Registration Certificate No.: _____
Person in Charge: _____ (seal affixed)
ID No.: _____
Address: _____
Tel.: _____

The Guarantor: (seal affixed)
ID No.:
Address:
Tel.:
Company Registration Certificate No.: _____
Person in Charge: _____ (seal affixed)
ID No.: _____
Address: _____
Tel.: _____

The Real Estate Agent: _____ (seal affixed)
Tel.: _____
Address: _____
ID No.: _____
Real Estate Agent Certificate No.: _____
Assigned Agent: _____
Tel.: _____
Address: _____

Date: _____ Year _____ Month _____ Date

Matters to Be Noted When Signing a Lease

I. Right to review the lease

A lessor or a business operator shall give the lessee a reasonable period of 30 days to review all the terms of the lease before entering into a lease with the lessee (Article 11 of the Enforcement Rules of Consumer Protection Law).

II. “A lease is a contract whereby the parties agree that one of them shall let the other use a thing or collect profits therefrom and the latter shall pay a rental for it” (Article 421 of the Civil Code). The lease goes into effect when the parties agree on the thing to rent and the rental amount. Therefore, the lessee is the party who pays the rental and the lessor is the party who provides the thing for rent.

III. Description of the premises and the specifics of the lease

“The lessor shall be bound to deliver to the lessee the thing leased in a condition fit for the stipulated use or for the collection of profits as agreed upon. He shall be also liable to keep it up in such a condition as to be fit for such use or collection of profits during the continuance of the lease” (Article 423 of the Civil Code).

IV. Amenities

Disputes may arise out of whether or not there are amenities included in the lease. Hence, a confirmation from both parties is needed to avoid such disputes.

V. The period of the lease

1. “A lease of real property for a period exceeding one year shall be executed in writing. If it is not so executed in writing, it is deemed to have been made for an indefinite period” (Article 422 of the Civil Code).

2. “The period of a lease shall not exceed twenty years. If [it is] longer than twenty years, such period is to be reduced to twenty years” (Paragraph 1, Article 449 of the Civil Code)

VI. Rental agreement and payment

1. “The lessee shall pay the rental at the agreed date and in the absence of such agreed date, according to customs; and in the absence of such agreement or customs, the rental shall be paid at the termination of the lease. If the rental is paid periodically, it shall be paid upon the end of each of the periods” (Article 439 of the Civil Code).

2. Paragraph 1, Article 97 of the Land Act states that “in cities and municipalities, house rentals shall not exceed an amount equivalent to an annual interest of 10 percent on the total declared value of the land and the buildings thereon.”

VII. Deposit and refund

Article 99 of the Land Act states that “the cash deposit [...] shall not exceed the total amount of two months’ house rental. If the cash deposit already paid exceeds the limit [...], the lessee may use the excess deposit to counterbalance the house rental”.

VIII. Burden of charges and taxes

1. “A lease continues to exist to the transferee notwithstanding the lessor transfers the ownership of the thing leased to a third party after the lessor delivered the thing leased and the lessee has possessed such thing. The provisions of [the] preceding paragraph shall not apply to a lease of real property without notarizing, the period exceeding five

years or an indefinite period” (Article 425 of the Civil Code).

2. “All charges and taxes on the thing leased shall be borne by the lessor” (Article 427 of the Civil Code).

IX. Limitation on use of the premises

1. Besides Condominium Administration Act Building Administration Division, the regulations also include all commonly agreed terms by the residents.

2. “The lessee shall use the thing leased or collect profits therefrom only in the ways as are agreed upon, or, in the absence of such agreement, only in the ways as are in accordance with the nature of the thing leased” (Paragraph 1, Article 438 of the Civil Code).

3. “The lessee shall not sublet the thing leased to another person without the consent of the lessor. But if the thing leased is a house, the lessee may sublet a part of it to another person, unless otherwise agreed upon a contrary intention” (Paragraph 1, Article 443 of the Civil Code).

X. Repairs and renovation

1. “Unless otherwise provided by the contract or customs, the lessor shall make all repairs to the thing leased” (Paragraph 1, Article 429 of the Civil Code).

2. The lessor’s repairing obligations are to ensure that the lessee can use the thing leased or collect profits therefrom as agreed upon. If the lessee adds anything onto the leased thing, the lessor is not obliged to repair any of those additions ((63) Tai-Shang No. 99).

XI. The responsibilities of the lessee

1. “The lessee shall be bound to keep and manage the thing leased with the care of a good administrator. [...] If the lessee violates the duty under the provisions of the preceding paragraph, whereby damage or destruction has been caused to the thing leased, he is bound to compensate for the injury arising therefrom” (Article 432 of the Civil Code).

2. “If, owing to gross negligence of the lessee, damage or destruction is caused by fire to the thing leased, the lessee is bound to compensate the lessor for such injury” (Article 434 of the Civil Code).

XII. Partial destruction of the house

“If, in consequence of circumstances for which the lessee is not responsible, the thing leased is partially destroyed for the duration of the lease, the lessee may claim for a reduction of rental proportionate to the part destroyed. In the case specified in the preceding paragraph, if the lessee cannot with the remaining part accomplish the purpose of the lease, he may terminate it” (Article 435 of the Civil Code).

XIII. Expiration of the lease

“The lessee shall, at the end of the lease, return the thing leased. If the thing leased possesses productivity, he shall return to the lessor and maintain the thing in a state of normal productivity” (Article 455 of the Civil Code).

XIV. The return of the leased thing

“If the lease is made for a definite period and if it is agreed that one of the parties may terminate the lease before its end, a notice of such termination shall be given in advance according to the provisions of the third paragraph of Article 450” (Article

453 of the Civil Code).

XV. Transfer of the lease

“A lease continues to exist to the transferee notwithstanding the lessor transfers the ownership of the thing leased to a third party after the lessor delivered the thing leased and the lessee has possessed such thing. The provisions of [the] preceding paragraph shall not apply to a lease of real property without notarizing, the period exceeding five years or an indefinite period” (Article 425 of the Civil Code).

XVI. Termination of the lease by the lessor

1. The lessor may terminate the lease if “the thing leased is a house, [with] the total rental in arrears [corresponding] to two months,” or the lessee fails to pay after the lessor fixes a reasonable deadline and notifies him to pay (Paragraph 2, Article 440 of the Civil Code).

2. “If the lessee uses the thing leased [...] in a way against the provisions [agreed upon], and if he continues to so use it notwithstanding a remonstrance of the lessor, the latter may terminate the contract” (Paragraph 2, Article 438 of the Civil Code).

3. “If the lessee sublets the thing leased to another person [without the lessor’s consent], the [latter] may terminate the lease” (Paragraph 2, Article 443 of the Civil Code).

4. According to Subparagraph 3, Article 100 of the Land Act, the lessor shall take back his house leased for unlimited period, if the “cumulative amount of house rental which the lessee has failed to pay exceeds the equivalent of two months’ rental, after the entire cash deposit has been used to counterbalance the amount in arrears.” He can only do that on the condition that he abides by Paragraph 1, Article 440 of the Civil Code, which states that “if the lessee delays paying the rental, the lessor may fix a reasonable deadline and notify him to pay.” If the lessee does not pay within such deadline, the lessor may terminate the lease. Before the lease is finally terminated, it is hard to say that the lessor has the right to take the property back ((42) Tai-Shang No. 1186).

5. “When unit owners or inhabitants who are two terms behind in the payment of their shares of common fund contributions or other expenses and refuse to comply after being given [a] notice to make the payment within a specified period, the manager or management committee may sue to the court for the payment plus the overdue payment interest” (Article 21 of the Condominium Administration Act Building Administration Division).

6. Article 21 of the Condominium Administration Act Building Administration Division states that “when unit owners or inhabitants who are two terms behind in the payment of their shares of common fund contributions or other expenses and refuse to comply after being given [a] notice to make the payment within a specified period, the manager or management committee may sue to the court for the payment plus the overdue payment interest.” However, no administrative agencies can comment on whether the court shall accept the case or admit the evidences submitted. The terms mentioned in the above Article, such as “two terms behind”, reach significant amount and “given [a] notice to make the payment within a specified period”, are all evidences of facts. If a dispute arises, the involved parties should go through the legal channels for resolution (Letter Tai-(86)-Nei-Ying-Zi No. 8608643 issued by the Ministry of the Interior on November 28, 1997).

XVII. Dispute

According to Articles 43 and 44 of the Consumer Protection Law, when a consumer dispute arises between the business operator (lessor of the real property) and the lessee about the lease, the lessee may file a complaint with the lessor, consumer protection groups, or consumer service centers; if the complaint “has not been properly responded to, a further complaint with the consumer ombudsmen of the governments of the municipality or county (city) can be made.” If the complaint “is still not properly responded to, a petition for mediation may be made with the consumers’ dispute mediation commission of the municipality or county (city).”

XVIII. The effect of the lease

1. In the past few years, with the frequent communications both inside and outside of our country, and the rapid changes in social structure, people’s relationships have become more and more complicated, and rights disputes have arisen. To protect individual rights and prevent future law suits, it would be better to request the notarization of the legal behavior or facts of the individual rights as notarial certificate or notarization of private documents by the notary.
2. If the period of a lease of real property exceeds five years or is indefinite and the lease is not notarized, the lease does not continue “to exist to the transferee notwithstanding the lessor transfers the ownership of the thing leased to a third party after the lessor delivered the thing leased and the lessee has possessed such thing (Article 425 of the Civil Code).
3. To protect individual rights and avoid future law suits, great cautions should be exercised while signing a lease of real property. And the lease should be notarized by a notary to eliminate any future disputes.

XIX. Safekeeping the lease for your own record

Please thoroughly review all the terms of the lease before signing. Both parties should sign, stamp or finger print the lease, with their addresses and ID numbers clearly stated to avoid any problem finding the other party if payments are in arrears in the future.

XX. Matters uncovered in the lease

Paragraph 2, Article 148 of the Civil Code states that a “right shall be exercised and a duty shall be performed in accordance with the means of good faith.” This is cardinal law of the Civil Code, and applies to any right exercised or duty performed. Therefore, the principle of good faith applies to any outstanding issues not mentioned in the lease.

XXI. Both parties should verify each other’s identity through ID card or driver’s license before signing the lease. If one of the parties is a minor, it is required that his legal guardian or representative consents or acknowledges the lease. If the minor is married, the rule does not apply to him.

XXII. In order to verify whether a lessor is the owner or subletter of the real property, the lessee may request the lessor to provide proof of ownership of the real property, such as House Title Deed, Registration Transcript or the original lease agreement (Please pay special attention to any term in the lease forbidding the transfer of the lease.)

XXIII. If the lease of property is dealt by a broking agency (or a firm), the broker

designated by the broking agency (or a firm) should sign the lease agreement (Article 22 of the Real Estate Broking Management Act).