International Tax
Taiwan Highlights 2020

Updated January 2020

Recent developments:

For the latest tax developments relating to Taiwan, see Deloitte tax@hand.

Investment basics:

Currency – New Taiwan Dollar (NTD)

Foreign exchange control – Foreign exchange transactions are administered by the central bank. A limit of USD 50 million is imposed on inward and outward remittances converted from or to NTD (excluding import/export of goods and provision of services) by any single corporate entity; the limit is USD 5 million for resident individuals. Additional remittances must be preapproved by the central bank.

Corporation and individuals are required to report certain foreign exchange transactions to the central bank via the bank that handles the remittance.

Companies and individuals may hold foreign currency accounts without prior authorization; foreign currency accounts with offshore banking units also are allowed. There are no restrictions on foreign currency held locally by nonresidents, except for the overall remittance rules.

Accounting principles/financial statements – Listed companies, unlisted public companies and financial institutions regulated by the Taiwan Financial Supervisory Commission (FSC) must use International Financial Reporting Standards (IFRS) for the preparation of their financial statements. Private companies must follow the Enterprise Accounting Standard and the Business Entity Accounting Act, which have been revised based on IFRS.

A Taiwan company with paid-in capital of at least NTD 30 million must produce audited financial statements. As from 1 January 2019, private companies with paid-up capital of less than NTD 30 million but with more than 100 employees or annual net operating revenue exceeding NTD 100 million also must have audited financial statements. Taiwan's auditing standards follow the standards issued by the International Auditing and Assurance Standards Board.

Principal business entities – Four types of legal entity are available to carry on commercial activities in Taiwan: the unlimited company, hybrid unlimited company, limited company and company limited by shares. A business also may be established as a branch of a foreign company or a representative office. Company limited by shares is the entity most commonly used by businesses.

Corporate taxation:

Rates	
Corporate income tax rate	20%
Branch tax rate	20%
Capital gains tax rate	20%
Surtax	5%

Residence – A profit-seeking enterprise is resident in Taiwan if its head office is in Taiwan.

Basis – Taiwan companies (including Taiwan subsidiaries of foreign companies) are subject to income tax on their worldwide income. A profit-seeking enterprise with its head office outside Taiwan (such as a branch of a foreign company) is considered nonresident for tax purposes. Such an enterprise is subject to profit-seeking enterprise income tax on its Taiwan-source income only, at the rate applicable to a domestic company.

An alternative minimum tax applies in certain circumstances and a 5% surtax is levied on undistributed profits.

If a profit-seeking enterprise renders e-services from outside Taiwan to a Taiwanese customer, the services are deemed to be provided in Taiwan and income from the services will be Taiwan-source income subject to tax in Taiwan.

Branches are taxed at the same corporate tax rate as subsidiaries but are not subject to surtax on undistributed earnings.

Taxable income – Taxable income of a profit-seeking enterprise is its net income, which is defined as gross annual income after the deduction of costs and expenses, losses, and taxes. Special provisions apply to determine the Taiwan-source income and income tax payable by foreign e-services providers.

Rate – The corporate income tax rate for resident companies and Taiwan branches of foreign companies is 20%.

Foreign companies that do not have a branch or permanent establishment in Taiwan generally are subject to withholding tax at the rate of 20% on Taiwan source-income. The tax may be reduced or eliminated if approval is obtained under the relevant tax treaty.

Surtax – To neutralize a company’s dividend distribution decision, a surtax is imposed on undistributed profits. For fiscal years commencing on or after 1 January 2018, the rate is 5% on earnings not distributed in the following year. From 1 January 2019, the surtax is no longer available as a credit against withholding tax on dividends paid to nonresident shareholders. However, when calculating the surtax, certain investments made by an enterprise with its undistributed earnings within three years of the year in which the earnings were derived may be deducted from undistributed earnings, provided certain conditions are fulfilled and proper documentation is filed with the tax authorities.

Alternative minimum tax – A profit-seeking enterprise with a fixed place of business or business agent in Taiwan is subject to a separate alternative minimum tax (AMT) calculation if it earns certain income that is tax exempt or enjoys certain tax incentives under the Income Tax Act or other laws, and the enterprise's basic income exceeds NTD 500,000. The AMT rate is 12%.

Taxation of dividends – Dividends received from Taiwan companies, as well as business profits of limited partnerships, are not considered taxable income in the hand of resident corporate taxpayers.

Capital gains – Capital gains are treated as ordinary income and taxed at the standard profit-seeking enterprise rate. Gains derived by a profit-seeking enterprise from the sale of land acquired on or before 1 January 2016 and the sale of shares of a domestic company are exempt from income tax but are subject to land value incremental tax (LVIT) and alternative minimum tax (AMT), respectively (see below under "Real property tax" and "Alternative minimum tax").

Under the tax regime that applies to the sale of real estate (including land and buildings) acquired after 1 January 2016, resident companies are subject to corporate income tax at 20% on capital gains from the sale of real estate. Nonresidents (including companies and individuals) will be subject to a 45% income tax on capital gains from the sale of real estate that has been held for up to one year, or 35% if the property has been held for more than one year. The incremental net value of the land sold still is subject to LVIT, but the incremental net value of the land can be deducted from the taxable capital gains when calculating the income tax.

Losses – Assessed tax losses of business entities (including corporations and branches of a foreign company) may be carried forward for 10 years, provided the entity keeps accounting books and files an annual corporate tax return that has been examined and certified by a local CPA within the prescribed period, both in the year the losses are incurred and the year the losses are utilized. The carryback of losses is not permitted.

Foreign tax relief – A foreign tax credit is available for income tax paid in other countries on income derived outside Taiwan. The credit may be used to offset the enterprise's Taiwan income tax liability, but it may not exceed the incremental tax liability that would result if the foreign-source income was added to Taiwan taxable income and taxed at the applicable domestic rate. The credit limit is computed for all foreign countries in aggregate other than for Mainland China, which is computed separately. Unused foreign tax credit cannot be carried forward or back.

Participation exemption – Taiwan companies are not taxed on dividends received from investments in other Taiwan companies, but foreign dividends are subject to income tax at a rate of 20%.

Holding company regime – No

Incentives – The Statute for Investment by Foreign Nationals provides for a number of tax and nontax incentives for qualifying direct investors, such as the right of foreign investors to hold up to 100% of Taiwanese companies; the ability to remit all net profits and interest without being subject to the foreign exchange control rules; the right to repatriate up to 100% of investment capital and profits at any time after incorporation or upon dissolution of the company; and the same access to incentives and privileges enjoyed by domestic investors.

The Statute for Industrial Innovation provides an income tax credit for innovation-related research and development (R&D) expenses incurred by Taiwan-based enterprises and limited partnerships at their Taiwan facilities. The enterprise must obtain approval from the tax authorities for its R&D projects every year to benefit from the tax credit. If approved, the company can take a credit against its tax payable for up to either: (1) 15% of total R&D expenditure in the year in which it is incurred, with no carry forward; or (2) 10% of R&D expenditure that can be utilized in the year incurred and carried forward for the next two years. In either case, the tax credit is capped at 30% of the taxpayer's corporate income tax payable for the year.

The statute provides that certain enterprises may be eligible for the following credits against their current year income tax payable for investments in smart machines or 5G communication networks (for their own use between 1 January 2019 and 31 December 2022) by spending at least NTD 1 million and up to NTD 1 billion in the same taxable year: (1) up to 5% of the amount spent for the year may be credited against the enterprise's income tax payable in the current year; or (2) up to 3% of the amount spent for the year may be credited against the enterprise's income tax payable in each of the following three years. The creditable amount may not exceed 30% of the taxpayer's corporate income tax payable for the year.

Profit-seeking enterprises that qualify as small and medium-sized enterprises also may deduct salary expenses of up to 130% of the salaries paid to employees hired during the year, provided certain requirements are met.

Tax incentives are available for the biotech and new pharmaceuticals industry. Companies working in the sector may claim a tax credit of up to 35% of qualifying R&D and personnel training expenses. The credit can be offset against up to 50% of the company's tax payable each year (except for the final year in which there is no restriction) for a period of five years starting from the time the company becomes liable to corporate income tax. Shareholder investment credits and a tax deferral program for top executives and technology investors also are available.

Compliance for corporations:

Tax year – The tax year for profit-seeking enterprises is the calendar year; approval must be obtained to use a different fiscal year.

Consolidated returns – Consolidated returns may be filed by qualifying financial holding companies that hold at least 90% of the outstanding issued shares of domestic subsidiaries for 12 consecutive months during a tax year, as defined by the Financial Holding Law. Under the Mergers and Acquisitions Law, after a qualified merger, acquisition or spinoff transaction, if a company owns 90% or more of the total issued shares of another company for 12 consecutive months during a tax year, the company can file a consolidated return.

Filing and payment – A calendar-year company must pay provisional income tax, in an amount equal to 50% of the preceding year's tax liability, in September of the current fiscal year. However, if the company's income tax return is examined and certified by a CPA, the company can opt to pay the provisional tax at an amount calculated on the basis of its operating income for the first six months of the current tax year.

The final return must be filed before 31 May following the end of the fiscal year and must include the payment of any tax liability. Enterprises with a fiscal year other than the calendar year must make the provisional tax payment in the ninth month of their fiscal year and file the return on or before the last day of the fifth month after the close of the fiscal year.

The enterprise must attach to the annual return a report detailing changes in its retained earnings.

Penalties – Penalties are imposed for late filing and failure to file a return. A late filing penalty is calculated at 10% of the tax payable and capped at NTD 30,000, but may be increased to 20% of the tax payable, capped at NTD 90,000, if the taxpayer fails to file an income tax return after receiving a reminder from the tax office. A late payment penalty of 1% of the unpaid amount calculated every two days, up to a maximum of 15% of the unpaid amount, will apply, and late payment interest will begin to accrue 30 days after the payment due date. Also, the tax authorities can order a suspension of business until the date of payment. For underreported income, a maximum penalty of twice the underpaid tax amount applies and may be increased to three times the tax underpaid if an income tax return is not filed.

Rulings – A taxpayer can apply to the tax authorities for a ruling to confirm its tax position or clarify a tax issue. The Ministry of Finance publishes a list of all public tax rulings. The rulings are interpretations of existing laws and if favorable to the taxpayer, apply both to the taxpayer seeking the ruling and other cases awaiting the final decision. If a tax ruling changes the interpretation of an earlier ruling and is unfavorable to the taxpayer, the new ruling cannot be retroactively applied.

Individual taxation:

Rates

Individual income tax rate	Taxable income	Rate
	Up to NTD 540,000	5%
	540,001 – 1,210,000	12%
	1,210,001 – 2,420,000	20%
	2,420,001-4,530,000	30%
	Over NTD 4,530,000	40%
Capital gains tax rate	Same as individual income tax rates	

Residence – An individual is considered resident in Taiwan for tax purposes if he/she has a household registration in Taiwan and is present in Taiwan for more than 31 days in a calendar year, or has a household registration in Taiwan and his/her center of vital interests is in Taiwan. A foreign national who resides in Taiwan for at least 183 days in a calendar year also is considered resident in Taiwan.

Basis – Individual income tax is levied on the Taiwan-source income of both resident and nonresident individuals.

Taxable income – Individual resident taxpayers are taxed only on Taiwan-source income. Taxable income includes business income, salaries or wages (and any allowances, bonuses, or similar compensation); severance pay; professional fees; income from personal activities in farming, fishing, animal husbandry, forestry and mining; rental income from property in Taiwan; and dividends, interest and royalties derived from sources in Taiwan. Any income of the taxpayer’s spouse or dependents living under the same household is included in assessing total tax liability.

Foreign-source income is assessed under the AMT regime.

Rates – The tax rates for resident individuals are progressive up to 40%, with the 40% rate applying to income in excess of NTD 4,530,000.

Nonresidents are subject to withholding tax at a rate of 18% on wages and salaries and 20% on commissions, bank interest, royalties, fees for professional services, rental income and prizes. A 15% withholding tax is levied on interest on short-term bills; interest on securitized certificates; interest on corporate bonds, government bonds or financial debentures; interest derived from repurchase transactions involving these bonds or certificates; and gains derived from structured products. The rate is 20% in all other cases.

Residents with AMT taxable income exceeding NTD 6.7 million may be subject to a 20% AMT. The AMT payable will be the balance of AMT after the deduction of income tax payable and any foreign income tax credits. Individual taxpayers who are subject to AMT may claim credit against their Taiwan tax liability for foreign tax paid on foreign-source income, limited to the Taiwan tax that would otherwise be payable on the income. Unused FTC cannot be carried forward or back.

Under the tax regime that applies to the sale of real estate (including land and buildings) acquired after 1 January 2016, a resident individual is subject to income tax at progressive rates from 15% to 45% on capital gains from the sale of real estate. If the resident individual meets certain requirements, he/she will be granted an exemption on taxable income under NTD 4 million; income exceeding NTD 4 million will be taxed at 10%.

Resident individuals can choose to have dividends received from Taiwan companies included in their individual income tax return as taxable income with a tax credit of 8.5% of dividend income (capped at NTD 80,000) or have the dividends received taxed separately at a flat rate of 28% with no tax exemption.

Capital gains – Capital gains generally are combined with individual taxable income and taxed at individual income tax rates, unless specifically exempt. Gains from the sale of land and buildings are subject to a separate tax regime (see "Rates" above).

Gains derived from the sale of shares of domestic companies are not subject to income tax.

Deductions and allowances – The taxpayer may elect to take a standard personal deduction (NTD 120,000 for 2019) or claim specific itemized expenditure if the total of such deductions exceeds the standard deduction. Specific deductions are available for insurance premiums, mortgage interest, rental expenses up to a specified amount, charitable donations, etc. A nonresident taxpayer is not entitled to personal exemptions and deductions.

Foreign tax relief – A foreign tax credit is available for income tax paid in other countries on income derived outside Taiwan. The credit may be used to offset the individual's Taiwan income tax liability, but it may not exceed the incremental tax liability that would result if the foreign-source income was added to Taiwan taxable income and taxed at the applicable domestic rate. The credit limit is computed for all foreign countries in aggregate other than for Mainland China, which is computed separately. Unused foreign tax credit cannot be carried forward or back.

Compliance for individuals:

Tax year – Calendar year

Filing status – The income of the taxpayer, the taxpayer's spouse and dependents must be consolidated and reported on a single tax return.

Filing and payment – A resident individual (or a nonresident individual present in Taiwan for more than 90 days) must file an income tax return and pay any tax due in May of the year following the tax year. Tax on employment income is withheld at source by the employer. Resident employees may elect for tax to be withheld either in accordance with the tables provided in the Regulations Governing the Withholding of Tax on Wages or at a flat monthly rate of 5%.

Penalties – A late payment penalty of 1% of the unpaid amount calculated every two days, up to a maximum of 15% of the unpaid amount, will apply, and late payment interest will begin to accrue 30 days after the payment due date. For underreported income, a maximum penalty of twice the underpaid tax amount applies, which may be increased to three times the tax underpaid if an income tax return is not filed or is filed late.

Rulings – A taxpayer can apply to the tax authorities for a ruling to confirm its tax position or clarify a tax issue. The Ministry of Finance publishes a list of all public tax rulings. The rulings are interpretations of existing laws and if favorable to the taxpayer, apply both to the taxpayer seeking the ruling and other cases awaiting the final decision. If a tax ruling changes the interpretation of an earlier ruling and is unfavorable to the taxpayer, the new ruling cannot be retroactively applied.

Withholding tax:

Rates

Type of payment	Residents		Nonresidents	
	Company	Individual	Company	Individual
Dividends	0%	0%	21%	21%
Interest	10%	10%	15%/20%	15%/20%
Royalties	10%	10%	20%	20%
Fees for technical services	0%	0%	20%	20%

Dividends – No withholding tax is imposed on dividends paid to a resident shareholder. A 21% withholding tax is imposed on dividends paid to a nonresident (regardless of whether the investment has been approved by the Investment Commission), unless the rate is reduced under a tax treaty.

Interest – A 10% withholding tax applies on interest paid to a resident. A 15% withholding tax applies to interest paid to a nonresident on short-term bills; interest on securitized certificates; interest on corporate bonds, government bonds or financial debentures; and interest derived from repurchase transactions for these bonds or certificates. The rate in all other cases is 20%, unless the rate is reduced under a tax treaty.

Royalties – A 10% withholding tax applies on royalty payments made to a resident. The rate is 20% on royalties paid to a nonresident, unless the rate is reduced under a tax treaty. However, royalties paid in respect of qualified intellectual property licensing approved by the relevant authorities may be exempt from income tax.

Fees for technical services – Payments made to an offshore company for technical services provided to a Taiwan entity are subject to a 20% withholding tax if the payments are considered Taiwan-source income. It may be possible to obtain "apportionment treatment," with only the part of the income deemed to be from a Taiwan source subject to the 20% withholding tax. Alternatively, if the costs associated with the provision of the services are difficult to calculate, the service provider can request a deemed profit rate of 15% of total business turnover for services provided (10% for certain transport industries), which will be taxed at the 20% rate, resulting in an effective tax rate of 3% or 2%, respectively. Approval of the National Taxation Bureau is required in both cases.

Branch remittance tax – No

Anti-avoidance rules:

Transfer pricing – Taiwan has transfer pricing rules requiring transactions between related parties to be conducted on arm's length terms. The rules provide a specific definition of related parties, which includes direct and indirect control, as well as control over a board of directors. The following transfer pricing methods are accepted: comparable uncontrolled price, comparable uncontrolled transaction, resale price, cost plus, comparable profits, profit split or other methods provided by the Ministry of Finance. Taxpayers are required to prepare contemporaneous documentation for related party transactions. The tax authorities can adjust the income of taxpayers in appropriate cases. Penalties may be imposed for failure to comply with the arm's length principle and the documentation requirements.

The transfer pricing rules have been extended to apply to business reorganizations, so that the profit allocation under a business restructuring must be in compliance with the arm's length principle. A Taiwan entity of a multinational enterprise that carries out a business restructuring is required to document in its transfer pricing report information demonstrating the arm's length nature of the restructuring by analyzing certain factors.

Advance pricing agreements (APAs) may be negotiated with the local tax authorities.

Interest deduction limitations – A profit-seeking enterprise, such as a subsidiary or a Taiwan branch of a foreign company, is subject to thin capitalization rules. Interest expense from related party debt exceeding a 3:1 debt-to-equity ratio is not deductible for tax purposes. Companies in the financial industry, such as banks, financial holding companies, insurance companies, securities firms, etc., are not subject to the thin capitalization rules.

Controlled foreign companies – The Income Tax Act was amended in 2016 to introduce CFC provisions, and the implementation rules were announced in September 2017. The legislation has not yet been implemented but likely will be by 2022.

Hybrids – No

Economic substance requirements – Generally, Taiwan follows the substance over form rule (see below under "General anti-avoidance"). Furthermore, any profit-seeking enterprise incorporated under foreign (i.e. non-Taiwan) law but with a place of effective management in Taiwan will be deemed to be a profit-seeking enterprise having its head office within the territory of Taiwan. It will be subject to profit-seeking enterprise income tax and will have to withhold income tax and submit withholding (exemption) certificates, among other requirements.

Disclosure requirements – See "Transfer pricing" above. Although Taiwan is not a member of the OECD, country-by-country (CbC) reporting, consistent with the OECD's BEPS action item 13, is required where the MNE group's consolidated revenue is at least NTD 27 billion in the preceding fiscal year.

Taiwan also has committed to the adoption of the OECD common reporting standard between tax authorities.

Exit tax – No

General anti-avoidance rule – The Tax Collection Act provides for a substance over form rule that enables the tax authorities to adjust the tax calculations based on normal transactions or other information obtained.

Other – Amendments to the Income Tax Act in 2016 would introduce place of effective management (POEM) rules that would look at the substance of the foreign profit-seeking enterprise and deem such enterprises with effective management in Taiwan tax resident in Taiwan. The legislation has not yet been implemented.

Value added tax:

Rates	
Standard rate	5%
Reduced rate	0% to 2%

Taxable transactions – Business tax (BT) is imposed under two systems: the VAT system and the non-VAT (special BT) system.

BT applies to the sale of goods, the provision of services and imports. The VAT applies much like a European-style VAT, with an input tax credit or a refund available where BT paid on purchases exceeds the BT received. Financial institutions, small-scale businesses and certain restaurants fall within the scope of the special BT system. Their sales, based on gross business receipts, are subject to special BT. BT paid under the special BT system is not recoverable and, therefore, is an additional cost to the buyer.

Nonresident business entities providing e-services to individuals in Taiwan must register with Taiwan's tax authorities for VAT purposes and pay a 5% VAT.

Rates – The basic rate of the BT is 5%. The following items are zero-rated: exports, export-related services, items sold by duty-free shops, goods sold to export- oriented entities within a tax-free export zone or science- based industrial parks and goods sold to a bonded factory or warehouse. Healthcare services, land sales and approved textbooks and academic writings, etc. are exempt.

Financial institutions, certain restaurants and small companies are subject to BT based on their gross business receipts, at rates ranging from 0% to 25%. However, certain services of financial institutions are taxed at a 5% rate where the services are not the "core business" of the financial institution (core business services are taxed at 2%). Banking and insurance enterprises are taxed at a special BT rate of 5%, regardless of whether they are core or noncore businesses. For reinsurance premiums of insurance enterprises, the tax rate is 1%.

Registration – The tax laws require a business entity to register with the National Taxation Bureau for BT/VAT purposes for each of its operations having a fixed business location in Taiwan. There is no turnover threshold.

Nonresident business entities providing e-services to individuals in Taiwan with revenue of more than NTD 480,000 must register with Taiwan's tax authorities for VAT purposes.

Filing and payment – A BT return must be filed every two months and payment must be made at the time the return is filed. Penalties apply for failure to pay on time.

VAT tax grouping is not applicable in Taiwan and in general, an enterprise in Taiwan subject to VAT should report its VAT separately to its local tax office. In some cases, approval may be granted for the head office to file a single VAT return on behalf of all the branches.

Other taxes on corporations and individuals:

Unless otherwise stated, the taxes in this section apply both to companies and individuals and are imposed at the federal level.

Social security contributions – There is no social security tax in Taiwan, but factories, mines and all companies with 50 or more employees must establish funds for employee welfare. When an enterprise is founded, 1% to 5% of its registered capital, or amounts equal to 0.05% to 0.15% of monthly revenue, or 20% to 40% of the proceeds from the sale of scrap or waste materials at the time of each sale, must be set aside and added to the employee welfare fund.

There are two social security programs in Taiwan: Labor Insurance and National Health Insurance. Premiums for both programs are determined by the government based on an employee's monthly salary. The premiums are borne by the employer, the employee and the government. For Labor Insurance, the overall rate is 11% of the insured person's monthly insurance salary. The employer contributes 70% of that amount, the employee contributes 20% and the government contributes 10%. For National Health

Insurance, the rate is 4.69% and the employer contributes 60%, the employee 30% and the government 10% of the total.

A 2% supplemental premium is imposed on all other income (at different thresholds) received by the insured, including substantial bonuses, income from a professional practice, dividends, interest income, rental income and income from part-time employment.

In addition, employers are required to contribute 6% of an employee’s monthly salary to employees’ pension accounts at the Bureau of Labor Insurance. Contributions are voluntary for employees.

Payroll tax – No

Capital duty – There is no capital duty, but a one-time fee is charged on registered capital at a rate of 1/4000 or NTD 1,000, whichever is higher.

Real property tax – Land value tax (LVT) is imposed on a taxpayer’s total urban and rural land that has been assigned a land value in each municipality directly administered by the central government or county. LVT is levied at regular progressive rates (from 1% to 5.5%), or special rates on the government assessed land price depending on the usage of the land (e.g. parks, museums, city planning land, etc.).

Land that has been assigned a value is subject to LVIT, based on the total amount of the land value increment at the time title to the land is transferred. LVIT is levied at progressive rates ranging from 20% to 40%.

Transfer tax – Deed tax is levied on the transfer of title to real estate through a sale, an exchange, an acceptance of a lien right, a donation, a subdivision or an occupancy, except where LVIT applies. The tax is based on the deed price of the property as prescribed by the local real property assessment committee, at rates ranging from 2% to 6%.

Stamp duty – Stamp tax applies to various types of document at the following rates: 0.4% of all cash receipts paid by the recipient (0.1% for money deposited by bidders for the deposit of bid bonds); NTD 12 per deed of sale of movable property; and 0.1% of the contract amount for job contracting agreements and contracts for the sale, exchange, donation or division of real estate, paid separately by the contracting parties.

Net wealth/worth tax – No

Inheritance/estate tax – Estate and gift tax (ranging from 10% to 20% progressive tax rates) is levied on the worldwide assets of Taiwanese-domiciled individuals. If a Taiwanese national does not have a Taiwan domicile, but has a residence in Taiwan, worldwide assets are subject to Taiwan estate and gift tax, provided the total length of stay in Taiwan within two years before the gift transfer date or date of death exceeds 365 days.

Other – Companies are subject to a securities transaction tax and a futures transaction tax. Securities transaction tax is levied on the transfer of securities (except for government bonds). The tax rate is 0.3% of the transaction price and 0.0000125%-0.6% for futures transactions.

A special commodity and service tax (“luxury tax”) is imposed on the sale, manufacture and import of the following: passenger vehicles, yachts, aircraft, helicopters and light vehicles that cost more than NTD 3 million; furniture; and nonrefundable memberships that cost more than NTD 500,000. The tax rate generally is 10% or 15% of the total price (including necessary charges, commodity tax, VAT and customs duty) of the special commodity or service.

Tax treaties: Taiwan has concluded 32 income tax agreements. For information on Taiwan's tax treaty network, visit Deloitte International Tax Source.

Tax authorities: Ministry of Finance, National Taxation Bureau

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