



財政部臺北國稅局新聞稿

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發布日期：111.05.12

Title: Notice for Filing 2021 Income Tax Returns of Foreign Profit-Seeking

Enterprises Selling Cross-Border Electronic Services

National Taxation Bureau of Taipei, Ministry of Finance (hereinafter referred to as NTBT) expressed that foreign profit-seeking enterprises having neither permanent establishments nor business agents in the ROC, selling cross-border electronic services (hereinafter referred to as the foreign profit-seeking enterprises) to domestic buyers and obtaining income not within the withholding tax scope under Article 88 of the Income Tax Act in the taxable year 2021 shall file income tax returns and make payments in accordance with the relevant regulations by themselves or through their tax agents within the period from May 1 to June 30, 2022.

NTBT explained that for the convenience of the above-mentioned foreign profit-seeking enterprises to file income tax returns, bilingual (Chinese and English) interfaces of the “Tax on Cross-Border Electronic Services” have been established on the eTax Portal, Ministry of Finance (website: <https://www.etax.nat.gov.tw>). The foreign profit-seeking enterprises shall file income tax returns for the taxable year 2021 at “eTax Portal, Ministry of Finance/Tax on Cross-Border Electronic Services/Profit-Seeking Enterprise Income Tax” and make tax payments during income tax declaration period.

NTBT pointed out that the foreign profit-seeking enterprises shall beware of the following when filing income tax returns for the taxable year 2021:

1. Those who file their Profit-Seeking Enterprise Income Tax returns for the first time should go online to the “eTax Portal, Ministry of Finance/Tax on Cross-Border Electronic Services/Profit-Seeking Enterprise Income Tax” and apply for “Qualifications Registration (including the agent)” and upload the notarized (verified/validated) official approval or permission of qualification registration from the competent authorities of foreign government according to the Notary Act of the ROC. The aforementioned document could also be notarized(verified/validated) in the location of the foreign profit seeking enterprise or signing location of its

representative. After receiving and reviewing the above-mentioned applications, the tax authorities will issue Notice of Acceptance via E-mail. To file Profit-Seeking Enterprise Income Tax returns, the foreign profit-seeking enterprises and their tax agents should log on to the “eTax Portal, Ministry of Finance/Tax on Cross-Border Electronic Services/Profit-Seeking Enterprise Income Tax/apply for Account Number and Password” section and apply for their own account numbers and passwords online after receiving such notice. For those who have filed tax registrations, the account numbers and passwords for Business Tax declarations could be adopted and reapplication is not required. For those who have applied the account numbers and passwords for Profit-Seeking Enterprise Income Tax declarations, such account numbers and passwords could be used for upcoming years and reapplication is not required.

2. To calculate taxable income, the foreign profit-seeking enterprises are able to apply for the net profit ratio and the domestic contribution ratio to the revenue from the source of ROC in accordance with Explanatory Decree No.10604704390 issued by the Ministry of Finance on January 2, 2018 and Explanatory Decree No.11000061700 issued by the Ministry of Finance on December 16, 2021. “Application Form for the Net Profit Ratio and Profit Contribution Ratio Applicable to Sale of Cross-border Electronic Services of Foreign Enterprise” should be submitted and supplementary documents such as copy of the contract, major business item, and relevant documents that can specifically divide the relative contribution ratio between onshore and offshore transaction flows to the total profit should be provided together with Profit-Seeking Enterprise Income Tax returns or applied separately. The foreign profit-seeking enterprises may apply the said net profit ratio and the domestic contribution ratio before filing their income tax returns.

3. The foreign profit-seeking enterprises should complete information of remittance in accordance with “Introduction to Profit-Seeking Enterprise Income Tax Payments via Designated Bank Accounts for Foreign Profit-Seeking Enterprise Selling Cross-Border E-Services” when remitting Enterprise Income Tax payments. Full-amount payments should be remitted to the NTBT 301 bank account of Bank of Taiwan, Cheng Chung Branch before due date of the tax payable. It is suggested that foreign profit-seeking enterprises contact Bank of Taiwan, Cheng Chung Branch (BKTWTWTP045) by telegram (SWIFT Message type: MT103) and inquire about the equivalent tax amount through the financial institutions of their own countries or

regions. Cheng Chung Branch of Bank of Taiwan will advise foreign profit-seeking enterprises of the currency exchange rates and relevant service charges or other expenses before the foreign profit-seeking enterprises remit payments as directed.

4. A late payment surcharge of 1% of tax payable will be levied every three days for up to 30 days if the tax payment is not made before deadline of payment. Interest of the tax payable will be imposed from the first day after the 30-day late payment surcharge collection period if the overdue tax payment is not made after 30 days. It is calculated on a daily basis at the fixed interest rate of postal savings one-year term deposit set for January 1 of each year.

NTBT would like to remind foreign profit-seeking enterprises to make good use of relevant tax information or application forms which can be downloaded from the “Tax on Cross-Border Electronic Services/Profit-Seeking Enterprise Income Tax/Laws & Regulations or Download Document and File” section on the eTax Portal, Ministry of Finance.

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