

Title: Tutorial Period Expiring, Offshore E-commerce Suppliers Shall Finish the Setup of Cloud Invoice Issuance System as Soon as Possible

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The National Taxation Bureau of Taipei, Ministry of Finance (NTBT) expressed that the tutorial period of cloud invoice issuance for offshore e-commerce suppliers expiring, these suppliers shall commence issuing cloud invoices at the latest on January 1st, 2020. The suppliers failing to commence issuing cloud invoices before the deadline will be subject to penalties stipulated by related laws and regulations. To protect the consumers' rights and avoid being punished, offshore e-commerce suppliers shall finish the setup of the cloud invoice issuance system as soon as possible in compliance with the regulations.

NTBT states that after May 1st, 2017, any offshore electronic service suppliers, which have no fixed place of business within the territory of the R.O.C., sell electronic services to domestic individuals via the Internet, and have annual sales over NTD480,000, should go through the formalities for tax registration in R.O.C., file tax returns, and pay the business tax. Due to Taiwan's unique uniform invoice system, considering that those suppliers globalize management and that it is time-consuming to modify their system for the cooperation of cloud invoices issuance, the Ministry of Finance (MOF) granted that if those suppliers do not issue cloud invoices in compliance with the related regulations between January 1st, 2019 and December 31st, 2019, they are exempt from the penalties stipulated under the Article 52 of the "Value-added and Non-value-added Business Tax Act" and the Article 44 of the "Tax Collection Act." Namely, offshore e-commerce suppliers shall issue cloud invoices at the latest on January 1st, 2020. However, if these offshore e-commerce suppliers do not issue cloud invoices after January 1st, 2020 and are thus in violation of the relevant laws and regulations, they will be given penalties according to Article 52 of the "Value-added and None-value-added Business Tax Act" and Article 44 of

the “Tax Collection Act”.

NTBT further states that so far, many foreign business entities have already commenced issuing cloud invoices, such as UpToDate, Google, Digital River GmbH, Sony, Various, Amazon Digital Services LLC US, and Amazon Web Services Inc US. Other offshore e-commerce suppliers are also planning to set up the cloud invoice issuance system and follow one after the other to issue cloud invoices before the deadline regulated. Moreover, to facilitate the e-commerce suppliers to match a proper domestic value-added center, NTBT has collected a list of the value-added centers which have completed uploading cloud invoices on behalf of the offshore e-commerce suppliers and are willing to offer services to offshore e-commerce suppliers. The list could be located on the following website for priority references: eTax Portal, Ministry of Finance (<https://www.etax.nat.gov.tw>)/“Tax on Cross-border E-Commerce Suppliers”/“Cloud Invoice”/“The Information Zone of Cloud Invoice Implementation for Cross-border E-Commerce Suppliers”/“Reference Material and Examples”/“The list of the value-added centers”. NTBT listed data fields such as “Paid in Capital,” “Information Security Certification,” “Number of Entities Served,” and “Available Foreign Languages” to let readers understand the basic information of these value-added centers.

NTBT called on that if offshore e-commerce suppliers have any questions or difficulties on using cloud invoices or interfacing between their system and the E-invoice Platform, Ministry of Finance, please contact NTBT as soon as possible. Tax collection authorities are actively coaching offshore e-commerce suppliers in introduction of cloud invoices so as to let these suppliers as scheduled complete the interfacing the system and go smoothly to issue cloud invoices to preventing harms to the rights of the consumers winning the uniform invoice lottery owing to failure to issue cloud invoices after the deadline and to avoid these suppliers being reported by the consumers.