

**Title: Successfully Accomplished The First Business Tax Return Filing by
Offshore Electronic Service Business Entities**

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National Taxation Bureau of Taipei(NTBT), Ministry of Finance expressed that, since May 1 of this year (2017), the offshore electronic service business entities which have finished the tax registration, whether there is any sales amount, shall on a bimonthly basis file the business tax return prior to the fifteenth day of the following period.

NTBT interpreted that, up to 31st July, 47 offshore electronic services business entities have applied for and finished the taxation registrations. Among these applied cases, 16 of them were applied by the offshore electronic business entities themselves; 25 cases were done by the accounting firms, which served as the tax-filing agents of these business entities; 5 cases were applied by local profit-seeking business entities, which acted as the tax-filing agents of the business entities, and the residual one case was done by an individual tax-filing agent. As for analyzing these business entities by the main business scopes, 24% of them run the online retail shops; 21% operate the e-book and database business; another 21% engage in online game and the online video/audio platform; 6% are social media; 9% are internet-related services, 4% are online Apps stores; 4% are online hotel-booking platforms, and 11% are others. The offshore business entities had filed their first business tax returns in July 2017, for the May-June 2017 interval, the total sales amount of these 45 offshore electronic services business entities is over NT\$9,394,610,000, and the total business tax payable has reached NT\$422,000,000. Since 2 offshore electronic services business entities just completed their taxation registration in July 2017, they were not required to file the business tax return for the May-June 2017 interval. NTBT has a thorough audit procedure and assessment mechanism for investigating both domestic business entities and the offshore electronic services business entities, and NTBT will perform the tax inspection on the offshore electronic services business entities in the future based on the taxation information they have collected.

NTBT reminded that, for those offshore electronic services business entities, which had completed the taxation registrations, and filed the business tax returns as well as made the tax payment on time, if any sales amount omitted or under-reported, or input tax over-declared found by the business entities before the tax collection authorities' investigation, they shall voluntarily file the amended business tax return and make the supplementary tax payment via the eTax portal, M.O.F. (Website: <https://www.etax.nat.gov.tw>) under the route: Cross-Border E-Commerce Business Entity Taxation Services/Business Tax Return and Make Payment. In addition, offshore electronic service business entities are able to download the electronic files of their official letters online by logging onto the eTax portal, typing in their member accounts and passwords, and follow the route: Cross-Border E-Commerce Business Entity Taxation Services/ Official Notice Download.

NTBT called on that offshore electronic service business entities should file and pay the VAT in accordance with the relevant regulations, or the surcharges, delinquency charges, or additional interest charges will be levied on the business entities respectively according to the provisions of Business Tax Act. Where a taxpayer voluntarily files a supplementary tax declaration with the tax collection authorities and makes supplementary payment covering the tax amount which he/she/it has failed to declare, as long as it is neither a case brought about by an informant, nor a case under investigation by an investigator appointed by the tax collection authorities or the Ministry of Finance, the taxpayer may be remitted from the punishment imposed under the provisions of Articles 41 through 45 and the punishment imposed under various tax acts and regulations governing tax evasion. The business entities should exam themselves to protect their own right and avoid the punishment.