

Title: All offshore e-commerce business entities should declare their business tax and profit-seeking enterprise income tax honestly in 2018 as well as issue e-invoices since Jan 1st, 2019

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The National Taxation Bureau of Taipei, Ministry of Finance (NTBT) expresses that in order to maintain fair taxation, NTBT have collected offshore companies' payment flows and will conduct tax investigations since Oct 1st, 2018. If offshore e-commerce business entities fail to declare their tax returns or under-reported their sales amount and tax payable, the punishment might be imposed upon them.

NTBT explains that those offshore e-commerce business entities having no fixed place of business in the R.O.C. selling electronic services to domestic individuals with annual sales amount over NT\$480,000 should apply for taxation registration and pay business tax since May 1st, 2017. NTBT has collected relevant tax information and examined these pieces of information with the tax payable amount declared by these offshore companies. Currently, NTBT provides chances for offshore business entities to declared a supplementary business tax declaration. As of now, there are 11 offshore e-commerce business entities who have declared supplementary business tax declarations with total sales amount over NT\$1,625,750 thousand and made supplementary payment over NT\$ 81,280 thousand.

Moreover, NTBT explains that offshore companies selling e-services to domestic individuals should declare profit-seeking income tax returns by themselves or their tax-filing agents. Since some of these offshore companies have yet to file their income tax returns or have under-reported their tax payable, NTBT reminds them to declare supplementary tax returns and make supplementary payment before Sep 31st, 2018 as soon as possible; otherwise they would not only make supplementary payment but also receive punishment.

In addition, NTBT points out that the tax authorities have assisted offshore companies to issue e-invoices since Jan 1st, 2018 although they are still under a

counseling period from Jan 1st to Dec 31st, 2018 that if they fail to issue e-invoices according to Regulations Governing the Use of Uniform Invoices, they are exempted from the punishment imposed under the provisions of Articles 48 and 52 of Value-added and Non-value-added Business Tax Act and Articles 44 of Tax Collection Act. Nevertheless, since Jan 1st, 2019, those who fail to issue e-invoices will receive relevant punishment. NTBT appeals to offshore e-commerce business entities for connecting with E-invoice platform, Ministry of Finance and issuing e-invoice to avoid any dispute with consumers about failing to receive e-invoices from them.