

Title: Offshore Electronic Services Business Entities Selling Electronic Service to Domestic Individual With Annual Sales Amount Exceeding NT\$480,000 Shall Apply For Taxation Registration, File Business Tax Returns And Pay VAT

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National Taxation Bureau of Taipei, Ministry of Finance (NTBT) expressed that, in compliance with the amendment of the “Value-added and Non-Value-Added Business Tax Act (hereinafter referred to as “Business Tax Act”)” taken effect on May 1st, 2017, the eTax portal, Ministry of Finance (official website: <http://www.etax.nat.gov.tw/>) has set up a webpage for “VAT on Cross-border Electronic Services (both Chinese and English interfaces are contained),” and the online application of simple taxation registration was also available from the same date. Any foreign enterprise, institution, group, or organization having no fixed place of business within the territory of R.O.C., while selling electronic services to domestic individuals and fitting with certain requirements, shall apply for the taxation registration via the “VAT on Cross-border Electronic Services” on eTax portal, Ministry of Finance.

NTBT pointed out that, up to June 14th , 2017, 14 offshore electronic services business entities have applied for the taxation registration, and the main business scopes of them include “online hotel-booking platforms”, “online Apps stores”, “online video platforms”, “online questionnaire design” , “online magazines”, and “online games.” All of the applications have been received and approved by NTBT within 3 days, and the approval letters of taxation registration can be downloaded online by the business entities themselves or by their tax-filing agents. Once the taxation registration has been done, the public may inquire the public information of those business entities via the “VAT on Cross-border Electronic Services” on eTax portal, Ministry of Finance. Any offshore electronic services business entity selling electronic services to domestic individuals with an annual sales amount exceeding NT\$480,000 shall apply to the competent tax collection authority for taxation registration. Aside from continuously advising offshore electronic services business

entities to complete the taxation registration, any report of offshore electronic services business entities failing to apply for taxation registration found by customers is also welcomed, NTBT said.

NTBT further indicated that, considering that some technical problems need be solved before the offshore electronic services business entities can start issuing the e-invoice, the Ministry of Finance has agreed that those offshore electronic services business entities, which have completed the taxation registration, do not need to issue the uniform invoice before December 31th, 2018. In addition, in accordance with Article 35 of business Tax Act, a business entity, whether or not it has sales, shall file a bimonthly tax return on a prescribed form for its sales amount and tax payable or overpaid of the preceding two months together with tax deduction and other appropriate documents with the competent tax collection authority prior to the fifteenth day of the following period. All offshore electronic services business entities, which have completed the taxation registration shall file the tax returns and pay their VAT by July 15th, 2017 via the “VAT on Cross-border Electronic Services” on eTax portal, Ministry of Finance.