



中華民國

財政部

Ministry of Finance, R.O.C.



Offshore E-commerce Suppliers Selling Electronic Services to Domestic Individuals Shall Apply for Taxation Registration, Issue Cloud Invoices, File Tax Returns, and Pay Tax According to Law

The National Taxation Bureau of Taipei, Ministry of Finance (hereinafter referred to as NTBT) advises offshore e-commerce suppliers to pay special attention to going through tax registration, issuing cloud invoices, filing business tax returns, and making business tax payments in the current period. Offshore e-commerce suppliers are defined as those foreign enterprises, institutions, groups, or organizations with sales to our domestic individuals, with a sales amount over NT\$480,000, and with no fixed place of business within the territory of the R.O.C. Furthermore, in the filing period of income tax next year, offshore e-commerce suppliers shall file income tax returns and pay the Profit-Seeking Enterprise Income Tax on their own.

The NTBT states that the offshore e-commerce suppliers selling electronic services to domestic individuals shall issue cloud invoices stored in the email carriers and give consumers notice about the invoice information. If a cloud invoice wins a prize, E-invoice Platform, Ministry of Finance will send the cloud invoice holder a winning notice to the email address the consumer registered as offshore electronic service account information. Since the winning notice might land in the spam folder, to protect their rights to redeeming prizes won, consumers should also check their spam folders for winning notifications.

The NTBT further states that consumers purchasing electronic services from an offshore e-commerce supplier might be domestic individuals or non-individuals. Hence, offshore e-commerce suppliers shall have a mechanism to judge whether an electronic service purchaser is a natural person. If sales targets of the offshore e-commerce suppliers are domestic business entities (allocated with Business Administration Numbers for Profit-Seeking Entities) or institutions (allocated with tax code numbers for withholder agencies), the domestic buyers shall file and pay the business tax according to Article 36 of the Value-added and Non-value-added Business Tax Act. Rewards obtained by offshore e-commerce suppliers belong to income from domestic sources according to Article 8 of the Income Tax Act. If the obtainer has no fixed place of business or business agent within the territory of R.O.C., the domestic business entities or institutions shall withhold income tax payable at the time of payment and file withholding tax statements to the local tax collection authority according to Articles 88 and 92 of the Income Tax Act. Suppose tax collection authorities cannot pursue legal responsibilities for the failure of the tax withholding because the whereabouts of the tax withholders are unknown, in that case, the tax authorities will collect the income tax directly from offshore e-commerce suppliers.

The NTBT provides a table of tax collection methods on electronic services sales by offshore e-commerce suppliers as an attachment and urges all offshore e-commerce suppliers to file tax returns and make the business tax and profit-seeking enterprise income tax payments according to relevant provisions. One of the primary work items of all National Taxation Bureaus has been examining whether the business entities file and pay taxes according to law. If it is a case brought about by an informant or a case selected under investigation, the National Taxation Bureaus will audit the case according to provisions. Once tax collection authorities ferret out offshore e-commerce suppliers violating the tax act, the suppliers will be subject to back taxes and penalties according to regulations. Therefore, offshore e-commerce suppliers should conduct self-inspection to prevent back tax and penalties to protect their rights and interests.

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Annex Download

[Tax Collection Methods](#)

Tax Collection Methods of Offshore E-commerce Suppliers Selling Electronic Services

Tax Items Buyers	Business Tax		Income Tax
Domestic Natural Person (B2C)	1. Offshore e-commerce suppliers go through taxation registration according to Article 28-1 of the Value-added and Non-value-added Business Tax Act. 2. Offshore e-commerce suppliers issue cloud invoices to buyers.		Offshore e-commerce suppliers on their own or appoint an agent to file tax returns according to Article 73 of the Income Tax Act.
Domestic Business Entity (B2B)	Buyers follow a reverse charge system to collect tax according to Article 36 of the Value-added and Non-value-added Business Tax Act.	Buyers file and pay the business tax according to Article 36 of the Value-added and Non-value-added Business Tax.	Buyers withhold the tax payable according to Articles 88 and 92 of the Income Tax Act.
Domestic Institutions or Groups (B2B)		Buyers fill out a Tax Bill of Business Tax for Purchasing Offshore Electronic Services (Tax Bill 408) to pay the business tax.	