

**Title: Should Cross-border e-service business entities have evaded their tax, please file a supplementary tax declaration as soon as possible.**

2018. 01. 25

The National Taxation Bureau of Taipei, Ministry of Finance (NTBT) expresses that cross-border e-commerce business entities selling e-services to domestic individuals should apply for taxation registration since May 1<sup>st</sup>, 2017. As of Jan 25<sup>th</sup>, 2018, NTBT approved 75 cross-border e-commerce business entities' taxation application. Among these business entities, 25 of them applied by themselves, 50 of them appointed their tax-filing agent to do so.

NTBT explains that the total sales amount and business tax payable declared by cross-border e-service business entities in 2017 was about NT\$43,198,630,000 and NT\$1,845,930,000 respectively. In the period of November and December in 2017, it was the fourth time for these cross-border business entities filing their business tax return. Among of the cross-border business entities, 70 of them completed the declaration, 9 of them paid their business tax by remitting abroad and 61 of them appointed their tax-filing agent to print out the tax payment slip with bar code and pay the tax to the tax collection institutions.

NTBT explains more specifically that the legislators in Taiwan are really concerned with the tax declaration of these cross-border e-service business entities. They also require Ministry of finance to provide relevant report regarding this issue. Therefore, NTBT is going to conduct a tax investigation. Those cross-border e-service business entities should review whether they have evaded the tax to prevent any punishment.

NTBT has appealed that cross-border e-commerce business entities should file and pay the business tax in accordance with relevant regulations, otherwise belated filing or non-filing returns and tax debt will incur mandatory delinquency charges, surcharges, and interests. In addition, if cross-border business entities' sales amount or tax payable declared by them is under-reported and they voluntarily file a

supplementary tax declaration with the tax collection authorities and make supplementary payment covering the tax amount which they failed to declare before they are reported by informants or investigated by the tax collection authorities or the Ministry of Finance, they may be remitted from the punishment imposed under the provisions of Articles 41 through 45 of the Tax Collection Act or under various tax acts and regulations governing tax evasion. To maintain one's rights and interests, the business entities must examine whether their sales amount or tax payable is under-reported.