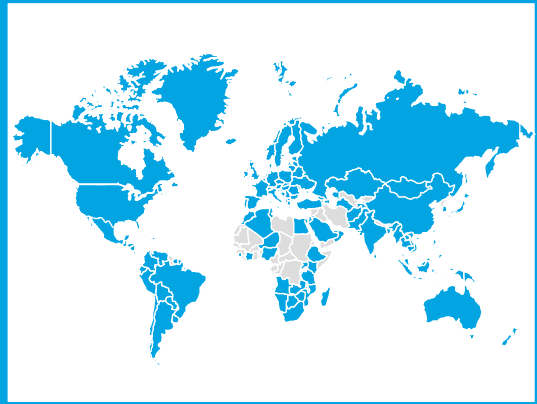


INPATRIATES

Taiwan

Tax facts for international assignees



INCOME TAX: WHO IS LIABLE

For any alien having income from sources in Taiwan/Republic of China (ROC), individual income tax shall be levied on the income derived from such sources in accordance with the Income Tax Act of the ROC. Alien taxpayers are divided into "Non-Residents of the ROC" and "Residents of the ROC" based on their length of stay. The following are the different ways for aliens to file income tax returns.

Non-residents of the Republic of China

For an individual who stays in the Republic of China 90 days or less within a taxable year (January 1st to December 31st), the income derived from sources in the Republic of China shall be withheld according to the withholding rate and paid at the respective sources. The taxpayer need not file an income tax return.

For an individual who stays in the Republic of China over 90 days but less than 183 days within the same taxable year, individual income tax shall be declared and computed according to the withholding rate on his or her remunerations derived within or outside the Republic of China for his or her services rendered in the ROC.

Residents of the Republic of China

An individual who stays in the Republic of China for 183 days or more within a taxable year is regarded as a resident and the individual income tax shall be declared and assessed by a progressive rate on the amount of his or her net consolidated income (taxable income) which shall be the annual gross consolidated income (including the various incomes derived within the ROC and the remunerations derived outside the ROC for service rendered in the ROC) minus the exemptions and deductions.

When tax payment is due

The tax payment periods for aliens differ depending on the length of period of residence in the ROC.

Although individuals staying in ROC less than 90 days are subject to withholding at source, if the individual has additional income deriving from sources which withholding can not be applied, such as income occurring from property transactions, occasional trade, interest from mortgages, etc., income should be declared, and the tax assessed and paid, before departure.

With respect to withholding on individuals staying in the ROC more than 90 days but less than 183, the employer is responsible for the preparation of a "Withholding & Non-Withholding Tax Statement", which will be required by the taxpayer for purposes of filing a tax return.

Furthermore, income derived from abroad for services rendered within the ROC, or any income, to which such procedure for withholding as described above is not ordinarily applied, should be declared and such the tax assessed and paid before departure.

Any individual staying in the Republic of China for 183 days or more shall file the annual income tax return of the previous year during the period from 1st May to 31st May of the current year.

BREAKING RESIDENCY - EXIT PROCEDURES

Any individual who intends to leave the territory of the ROC in the interim of the year, and will not return within the same year, shall file his or her income tax return 10 days before his or her departure.

INCOME TAX RATES

Resident

Net taxable income (NT\$)	Tax rate	Progressive difference
Under 540,000)	5%	0
540,001 - 1,210,000	12%	37,800
1,210,001 - 2,420,000	20%	134,600
2,420,001 - 4,530,000	30%	376,600
4,530,001 and above	40%	829,600

Non-Resident

The non-resident income tax rate is 18% for an individual who stays in the Republic of China less than 183 days within the same taxable year.

For further information and to register for future updates contact expat@bdo.global

This publication has been carefully prepared, but it has been written in general terms and should be seen as broad guidance only. The publication cannot be relied upon to cover specific situations. The information contained within this publication is based upon information available up to the version date indicated in the document footer, and is accurate only as of such version date. While every reasonable effort has been taken by BDO to ensure the completeness and accuracy of the matter contained in this publication, the information contained herein does not constitute an examination of any recipient's compliance with laws, regulations, or other matters. You should not act, or refrain from acting, upon the information contained herein without obtaining specific professional advice. Please contact the appropriate BDO Member Firm to discuss these matters in the context of your particular circumstances. Neither the BDO network, nor the BDO Member Firms or their partners, employees or agents accept or assume any liability or duty of care for any loss arising from any action taken or not taken by anyone in reliance on the information in this publication or for any decision based on it.

BDO is an international network of public accounting, tax and advisory firms, the BDO Member Firms, which perform professional services under the name of BDO. Each BDO Member Firm is a member of BDO International Limited, a UK company limited by guarantee that is the governing entity of the international BDO network. Service provision within the BDO network is coordinated by Brussels Worldwide Services BVBA, a limited liability company incorporated in Belgium. Each of BDO International Limited, Brussels Worldwide Services BVBA and the member firms of the BDO network is a separate legal entity and has no liability for another such entity's acts or omissions. Nothing in the arrangements or rules of the BDO network shall constitute or imply an agency relationship or a partnership between BDO International Limited, Brussels Worldwide Services BVBA and/or the member firms of the BDO network.

BDO is the brand name for the BDO network and for each of the BDO Member Firms.

© Brussels Worldwide Services BV, December 2020

www.bdo.global