



財政部臺北國稅局新聞稿

以財政支援建設 以建設培養財政

發布日期：107.05.16

Foreign profit-seeking enterprises providing cross-border electronic services to domestic individuals are required to, or engage business agents to, file Profit-Seeking Enterprise Income Tax returns in the 「Tax on Cross-Border Electronic Services」 section on the eTax Portal, Ministry of Finance during tax declaration period.

National Taxation Bureau of Taipei, Ministry of Finance (NTBT) expressed that foreign profit-seeking enterprises having no permanent establishments and business agents, providing cross-border electronic services to domestic individuals in 2017 and obtaining non-withholding income in accordance with Article 88 of the Income Tax Act are mandatory to, or engage business agents to, file tax returns during income tax declaration period, which is May 1st to May 31st 2018, according to the first part of Paragraph 1, Article 73 of the Income Tax Act, as well as Article 60 of the Enforcement Rules of the Income Tax Act.

NTBT explained that for the convenience of foreign profit-seeking enterprises providing cross-border electronic services to domestic individuals to file income tax returns, bilingual versions (Chinese and English) of the “Tax on Cross-Border Electronic Services” has been established on the eTax Portal, Ministry of Finance (website : <https://www.etax.nat.gov.tw>). Foreign profit-seeking enterprises are compulsory to, or engage business agents to, file 2017 Enterprise Income Tax returns online via “eTax Portal, Ministry of Finance/Tax on Cross-Border Electronic Services/ Profit-Seeking Enterprise Income Tax” and make tax payments during May 1st and May 31st 2018.

NTBT pointed out that foreign profit-seeking enterprises providing cross-border

electronic services to domestic individuals should beware of the following when filing income tax returns of 2017 :

- 1.Foreign profit-seeking enterprises should go online to the “eTax Portal, Ministry of Finance/Tax on Cross-Border Electronic Services/ Profit-Seeking Enterprise Income Tax” and apply for Qualifications Registration. Certificate of Registration or Permission of its original jurisdiction or authorities of the foreign profit-seeking enterprise should be attached. Proof of Authority and Letter of Commitment should also be uploaded if apply by a business agent. After receiving and reviewing previous-mentioned cases, the tax authorities will issue Notice of Acceptance via E-mail. To file Profit-Seeking Enterprise Income Tax returns, foreign profit-seeking enterprises and their business agents should log on to the “Profit-Seeking Enterprise Income Tax” section and apply their own account number and password online after receiving such notice.
- 2.It is not necessary to apply for a separate set of account number and password if the foreign profit-seeking enterprise has had applied for Business Registration and a set of account number and password for filing Business Tax via “eTax Portal, Ministry of Finance/Tax on Cross-Border Electronic Services/ Business Tax”. The same set of account number and password can be used for filing both Business Tax and Profit-Seeking Enterprise Income Tax returns. Proof of Authority and Letter of Commitment should also be uploaded if filing Profit-Seeking Enterprise Income Tax returns by a business agent. Under such circumstance another set of account number and password should be applied after receiving Notice of Acceptance.
- 3.To calculate taxable income, foreign profit-seeking enterprises are able to apply for the net profit ratio of its major business items of the same trade or the domestic contribution ratio according to Explanatory Decree No.10604704390 issued by the MOF on 2nd January 2018. “Application Form for the Net Profit Ratio and Profit Contribution Ratio Applicable to Sale of Cross-border Electronic Services of

Foreign Enterprise” should be submitted and supplementary documents such as contracts, major business items, and relevant documents that can specifically divide the relative contribution ratio between onshore and offshore transaction flows to the total profit should be provided together with Profit-Seeking Enterprise Income Tax returns or apply separately

- 4.If the residence of the enterprise locates in a country that has signed a comprehensive Double Taxation Agreements with ROC, and the enterprise does not constitute any permanent establishment within the territory of ROC or does not carry on selling electronic services by the internet or other electronic devices to domestic individuals through permanent establishments, the enterprise may, or appoint an agent to, submit the Resident Certificate issued by the tax authority of the resident country, the copy of contract, engagement letter, and documents related to information of the source revenue with tax authorities, the tax relief can be applied together with filling Profit-Seeking Enterprise Income Tax returns or apply separately.
- 5.Foreign profit-seeking enterprises should complete information of remittance in accordance with “Introduction to Profit-Seeking Enterprise Income Tax Payments via Designated Bank Accounts for Foreign Profit-Seeking Enterprise selling Cross-Border E-Services” when remitting Enterprise Income Tax payments. Full-amount payments should be remitted to the NTBT 301 bank account of Bank of Taiwan, Cheng Chung Branch before due date of the tax payable. It is suggested that foreign profit-seeking enterprises to contact Bank of Taiwan, Cheng Chung Branch by telegram and inquire about the equivalent tax amount through the financial institutions of their own country or region. Cheng Chung Branch of Bank of Taiwan will advice the currency exchange rates and relevant service charges or other expenses before foreign profit-seeking enterprises remit payments.
6. A late payment surcharge of 1% of tax payable will be levied every two days for up to 30 days if the tax payment is not made before deadline. Interest of the tax payable

will be imposed from the first day after the 30-day late payment surcharge collection period if the overdue tax payment is not made after 30 days. It is calculated on a daily basis at the fixed interest rate of postal savings one-year term deposit set for January 1st of each year.

NTBT reminded that, relevant tax information or application form can be downloaded from the “Tax on Cross-Border Electronic Services/ Profit-Seeking Enterprise Income Tax/Laws & Regulations or Download Document and File” section on the eTax Portal, Ministry of Finance (website : <https://www.etax.nat.gov.tw>). NTBT will also provide real-time information.

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