



# A short version for VAT on Cross-Border Electronic Services





Take effect on May 1<sup>st</sup>, 2017



Annual sales amount exceeds  
NT\$480,000

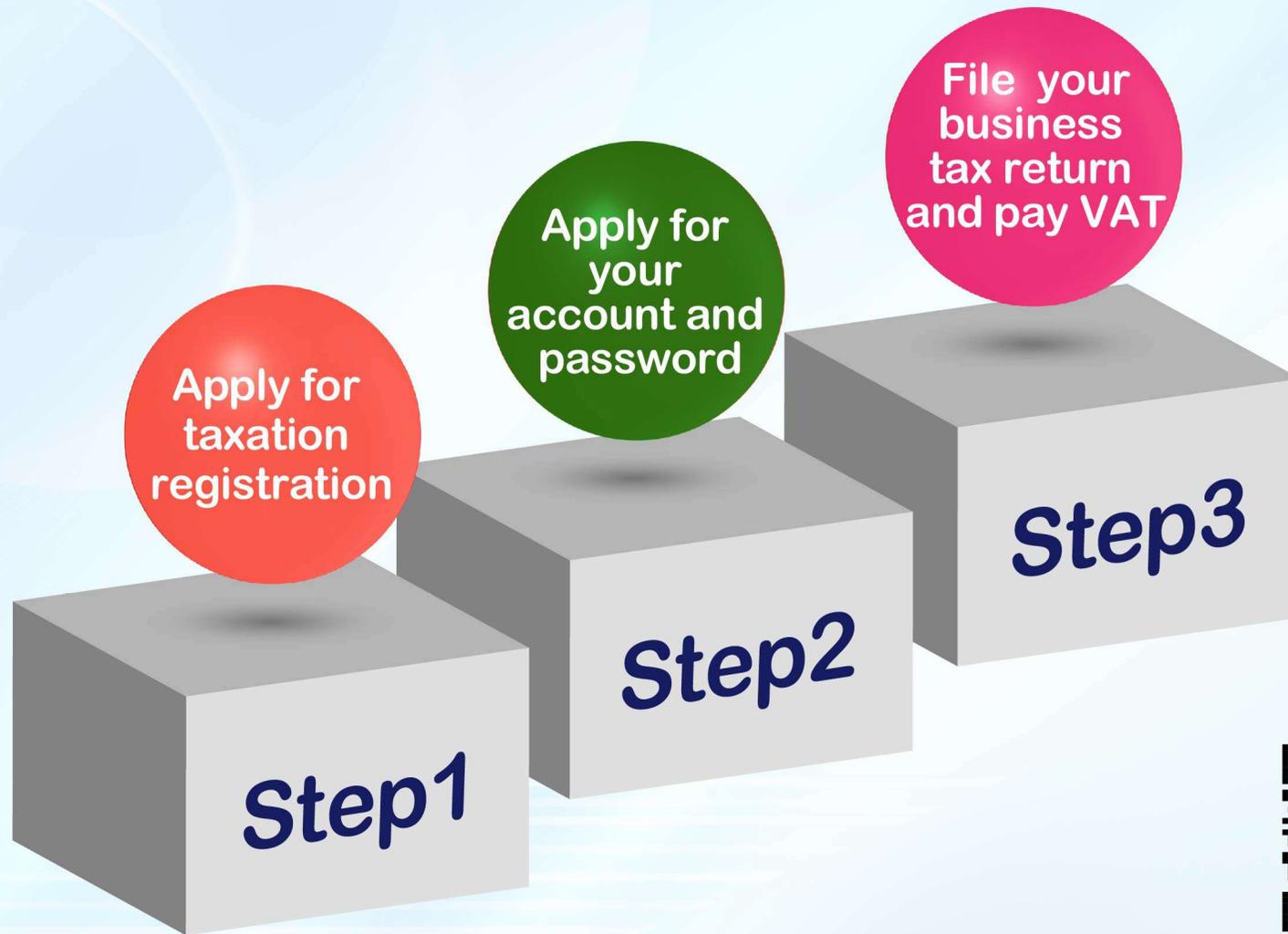


Foreign suppliers having no fixed place  
of business within the territory of the R.O.C.

Domestic individuals  
(including foreigners consuming  
electronic services in the R.O.C.)



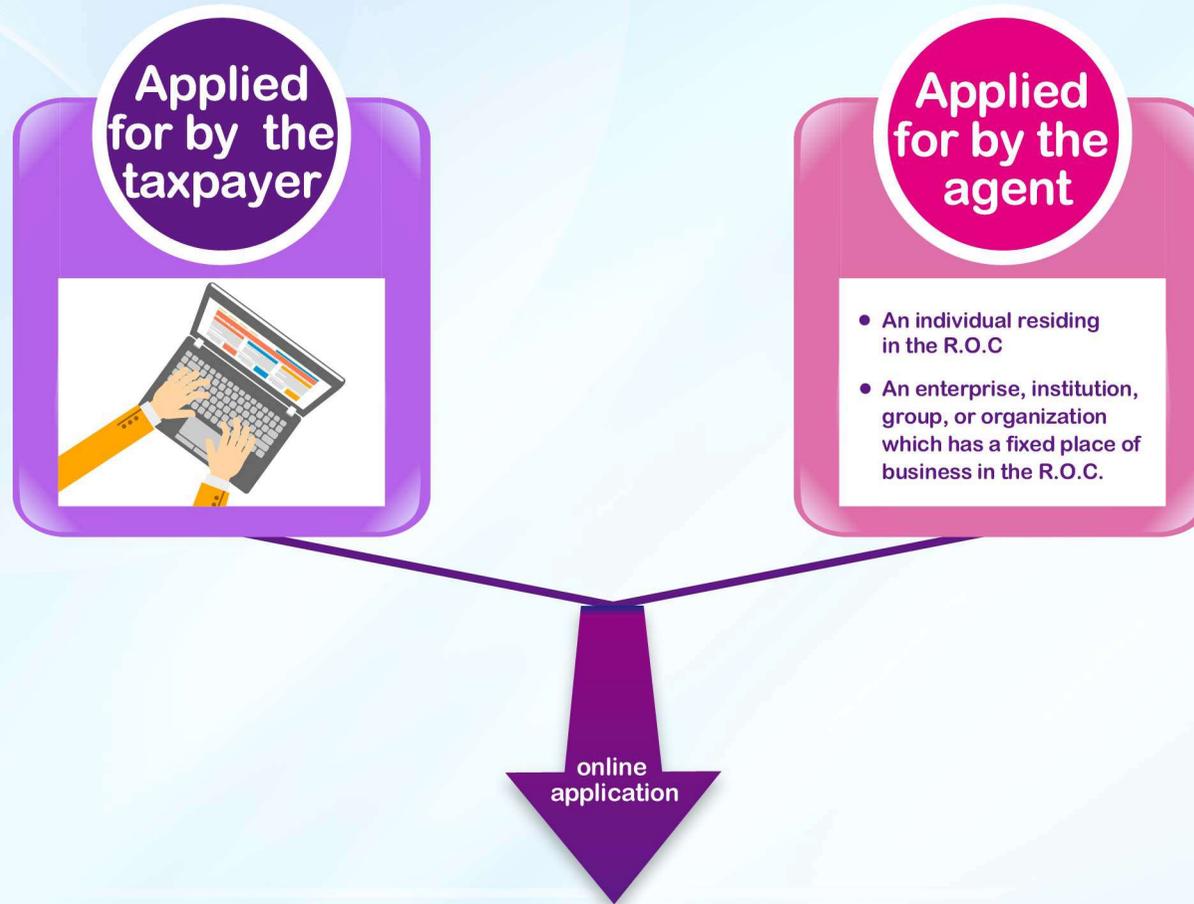
## Three steps of VAT on cross-border electronic services



Q&A(FAQ)



## How to apply for taxation registration



**eTax Portal, Ministry of Finance**

<https://www.etax.nat.gov.tw/Cross-Border E-Commerce Business Entity Taxation Services/Applying for Taxation Registration>





# How to apply for your account and password



eTax Portal,  
Ministry of Finance



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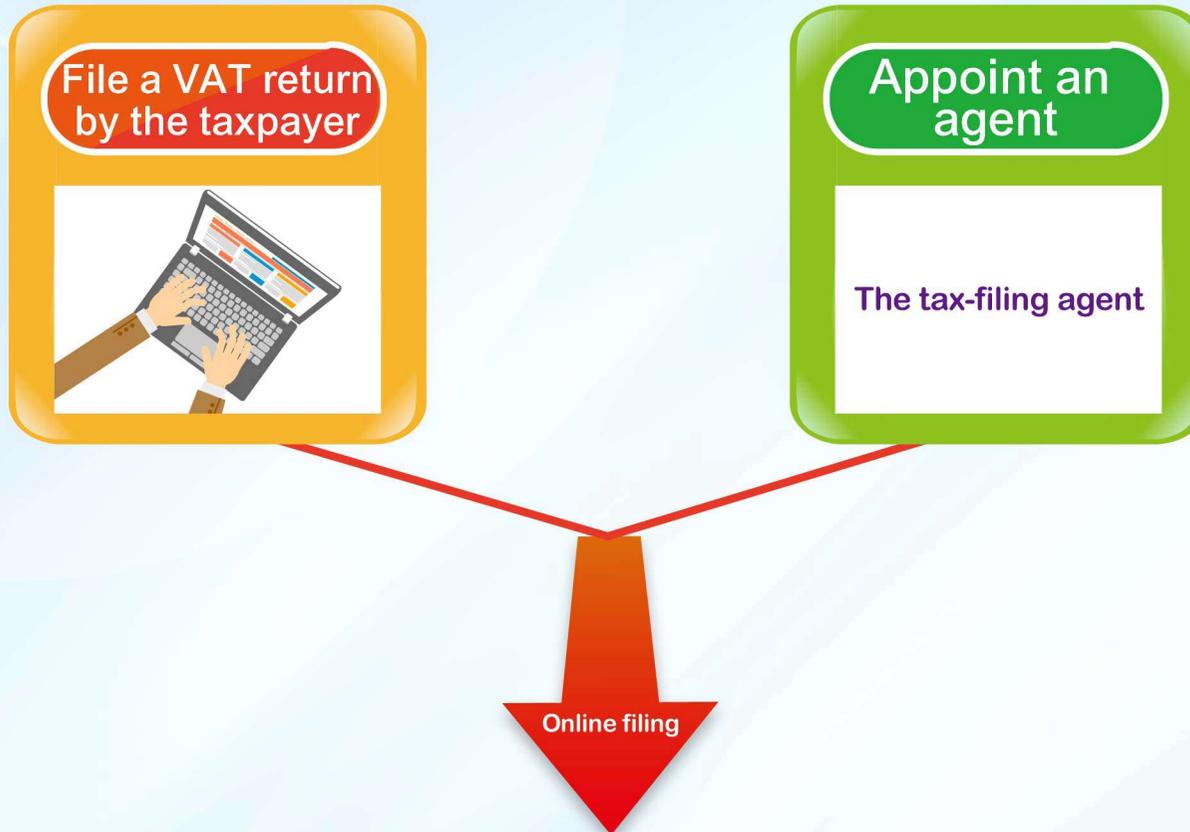


Homepage>cross-border e-commerce taxation area> setting up account and password>Member registration

★ Qualification	<input type="radio"/> Self-assessed application <input type="radio"/> Entrusted agent application
★ Business ID number	<input type="text"/>
★ Tax serial number	<input type="text"/>
★ Registration number	<input type="text"/>
★ Contact email for registration	<input type="text"/>
★ Verification number	<input type="text" value="65 mEFZ"/> <input type="button" value="Regenerate Verification Code"/>
<input type="button" value="Register"/>	



## How to file your VAT return



**eTax Portal, Ministry of Finance**

<https://www.etax.nat.gov.tw/> Cross-Border E-Commerce Business Entity Taxation Services/Business Tax Return and Make Payment





## When to file the VAT return and pay VAT

- ⊙ Whether or not a foreign supplier has sales
- ⊙ File a bimonthly tax return and pay VAT prior to the fifteenth day of the following period.
- ⊙ Sales amount and tax payable shall be converted to New Taiwan Dollar

Take the year 2017 as an example:

Period of sales (months)	Period of filing	Date for exchange rate (the last day of period of sales)
5~6	7/1~15	6/30
7~8	9/1~15	8/31
9~10	11/1~15	10/31
11~12	1/1-15 (the following year)	1/2/2018 <sup>★</sup>

★ As 12/31/2017 is Sunday and 1/1/2018 is a national holiday, the date for exchange rate shall end on the next day.

**Tax rate**  
5%.

**Currency**  
New Taiwan Dollar

**Exchange rate**  
The Bank of Taiwan spot-buying exchange rate (closing rate)



## Type of payment

### 1 Pay by remittance to the special account

- ★ Tax payable converted to New Taiwan Dollar
- ★ Application for outward remittance remark or details of payment Business Entity title, Business Administration Number and Period of Sales ( including year and month )



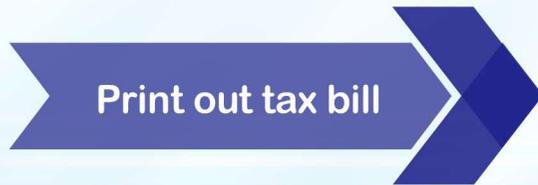
Beneficiary bank : Chengchung Branch, The Bank of Taiwan  
Beneficiary: National Taxation Bureau of Taipei, Ministry of Finance  
A/c NO : 045036070263

### 2 Payment by cash



eTax Portal,  
Ministry of Finance

Print out tax bill



- ★ Tax Collections Institute of Government Treasury ( cash or check )



- ★ Convenience store ( cash  $\leq$  NT\$30,000 )





# Penalties

## Foreign supplier

Fails to apply for taxation registration

Be ordered to apply for taxation registration within a specified time limit  
May be punished with a fine from NT\$3,000 ~ NT\$30,000

Fails to file a VAT return in accordance with the regulations

Computation & Limit		Types of fine	
		Surcharge for belated filing	Non-filing surcharge
With tax payable	Calculation	≦ 30 days past due 1% of the tax payable for every two days overdue	>30 days past due 30% of the determined tax payable
	Limit	NT\$1,200 ~ NT\$12,000	NT\$3,000 ~ NT\$30,000
Without tax payable		NT\$1,200	NT\$3,000

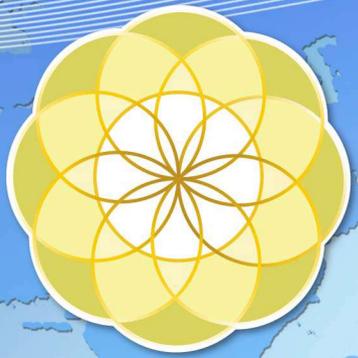
The sales amount is under-reported or not reported at all

Be pursued for payment of taxes owed  
Be fined no more than five times the amount of tax evaded  
The operation of business may be suspended

## Agent

Fails to file a VAT return and pay VAT in accordance with the regulations

The tax-filing agent shall be fined from NT\$ 3,000 ~ NT\$30,000



VAT on Cross-Border  
Electronic Services

**A fair taxation**  
**A wonderful Taiwan**

