Content

Title：	Directions Governing Securities Transaction Tax Act Ch
Date：	1965.06.21
Legislative：	Issuance of Decree NO. 04755 by the MOF on 21 June 1965
Content：	1.Securities that were transacted and settled prior to the implementation of the Securities Transaction Tax Act (referred to as the "Act" hereunder) or transacted before its implementation and settled after its implementation are exempted from the levy of securities transaction tax (hereinafter called the "transaction tax"). 2.Issue of new shares by a company at the time of establishment or for capital increase, or issue of corporate bonds approved by the competent authority is not considered an act of trading, and shares or bonds thus issued are exempted from the levy of transaction tax. However, such shares or bonds subscribed by company shareholders or creditors are subject to transaction tax at the time of transfer. 3.Transfer of securities by inheritance or gift is not considered an act of trading and securities thus transferred are exempted from the levy of transaction tax. 4.Securities seized by the courts are subject to transaction tax at the time of sale pursuant to the Act. 5.Securities holders are exempted from paying transaction tax when they transfer the securities to the bank as security for a loan. However, if a borrower subsequently uses the same securities to offset his/her debt, the lender shall collect transaction tax from the borrower by the value of securities considered at the time of offset. 6.If the shares or corporate bonds held by the securities holders were acquired when they were first issued or before the Act is in force, and have not been transferred after the Act is in force, proof of tax payment is not required when the securities holder applies for registration for transfer or distribution of dividends. If the securities in the preceding paragraph are bearer shares or corporate bonds, the issuer shall submit a statement to the local tax authority as stipulated in the Act at the time of distribution of dividends. 7.Before investigating a transaction tax collecting agent, or other related public or private organization, or individual, the tax officer should report to the head of the local tax authority for approval, and show the paper of the agency that instructs the scope of investigation to the party being investigated. Otherwise the party under investigation should refuse the investigation, and notify the police if false identity of the investigator is suspected.