Content

Title：	Explanatory Decree on Exemption from Authentication of Documentary Evidence for Foreign Profit-Seeking Enterprises Recognizing Offshore Costs or Expenses Ch
Date：	2026.09.16
Legislative：	Issuance of Explanatory Decree No. 11500617350 by the Ministry of Finance on September 16, 2026.
Content：	※Should discrepancy due to translation occur, the Chinese version shall prevail. 1. Paragraph 2 of the Explanation of the Explanatory Decree No. 861924459 issued by the Ministry of Finance on 4 December 1997 is hereby amended as follows: “(1) Where the aforesaid branch office or project site within the territory of the R.O.C. of a foreign profit-seeking enterprise, in filing its profit-seeking enterprise income tax return, reports costs or expenses incurred outside the territory of the R.O.C., such costs or expenses may be recognized based either on the financial statements of its foreign head office attested to by a qualified certified public accountant in the location of the head office, stating the amounts, details, and the methods of calculation, analysis, or allocation of such offshore costs or expenses, or on documentary evidence issued by the foreign tax authorities. (2) If the aforesaid taxpayer fails to provide the financial statements, or where doubts remain after review by the tax authority, the tax authority may, upon obtaining approval from the designated official, in accordance with Article 83 of the Income Tax Act, request the taxpayer to present the relevant account books and documentary evidence; where it fails to present such documents, the tax authority may determine the amount of its income based on the available data or the profit standard of the same trade concerned.” 2. Paragraph 3 of the Explanation of the Explanatory Decree No. 881896532 issued by the Ministry of Finance on 20 January 1999 is hereby amended as follows: “ Where any costs or expenses related to the services rendered by the aforesaid foreign head office are incurred outside the territory of the R.O.C., pursuant to Explanatory Decree Nos. 861924459 and 11500617350 issued by the Ministry of Finance on 4 December 1997 and 16 September 2026 respectively, such costs or expenses may be recognized based either on the financial statements of its foreign head office attested to by a qualified certified public accountant in the location of the head office, stating the amounts, details, and the methods of calculation, analysis, or allocation of such offshore costs or expenses, or on documentary evidence issued by the foreign tax authorities.”