


Content

Title :	The Regulations Governing the Claiming of VAT Refunds for Goods and Services Eligible for VAT Purchased by Foreign Enterprises, Institutions, Organizations, or Associations Engaging in Exhibitions or Temporary Business Activities within the Territory of the ROC 
Date :	2012.11.15
Legislative :	History 1.Promulgated by the Ministry of Finance on 30 June 2010 under Decree No. 09904524520. 2.Amendments to Articles 5 and 9 by the Ministry of Finance on 15 November 2012 under Decree No. 10104640640.
Content :	<p>Article 1</p> <p>The Regulations herein are set forth pursuant to Paragraph 3, Article 7-1 of "The Value-Added and Non-Value-Added Business Tax Act (hereunder referred to as the "Act").</p> <p>Article 2</p> <p>The terms contained in the Regulations herein shall refer to the following:</p> <p>1.A foreign enterprise, institution, organization or association: an enterprise, institution, organization or association with a qualification of business registration or similar business registration approved by the competent tax authority in the country where the head office of the enterprise, institution, organization or association is located. However, conformance to any one of the following circumstances is excluded:</p> <p>(1)Where the foreign enterprise, institution, organization or association is exempted from business registration or similar business registration in accordance with the tax law of the country where the head office of the enterprise, institution, organization or association is located.</p> <p>(2)Where there is no business tax or similar taxes levied in the country where the head office of the enterprise, institution, organization or association is located. Such foreign enterprise, institution, organization or association shall have a certificate of registration or permit for establishment approved by the competent authority of the country.</p> <p>2.Exhibitions: engagement in activities for the displaying or exhibiting of the goods or services of the principal and ancillary business of the foreign enterprise, institution, organization or association within the territory of the Republic of China (R.O.C.) in order to promote business.</p> <p>3.Temporary business activities: engagement in business activities including business trips, manpower education, investigation of market conditions, performance of market research, purchasing of business-related goods, holding of or attendance at international conferences, generation of business, business interaction, holding of marketing seminars, and other such temporary business activities in relation to the business of the principal and ancillary businesses which are approved by the Ministry of Finance.</p>

4.Value-added business tax (hereunder referred to as “VAT”): the business tax paid by a business entity which computes its tax in accordance with the provisions of Section I of Chapter IV of the Act when it purchases goods or services.

Article 3

The meaning of “within the period of one year” stipulated in Paragraph 3, Article 7-1 is the calendar year from 1st January to 31st December.

The meaning of “a certain amount of money” stipulated in Paragraph 3, Article 7-1 means that the total of the VAT amount of the purchase receipts acquired reaches a minimum of NT\$ 5,000 during the aforesaid period. The amount of the VAT shall be computed by the following formula:

The amount of the VAT = Total amount of purchase receipts ÷ (1 + applicable tax rate) × applicable tax rate

In the case that the last figure of the amount of the VAT on purchases is less than one dollar of circulating currency, the rounding-off system shall be used in the calculation.

Article 4

A foreign enterprise, institution, organization or association purchasing goods or services stipulated in Paragraph 1, Article 7-1 and claiming of a VAT refund in accordance with the Regulations herein shall obtain and keep the following documentary evidence:

- 1.Receipt copies of duplicate uniform invoices, cash register uniform invoices, or computer uniform invoices.
- 2.Receipts issued by public utility businesses which supply water, electricity, gas, telecommunications, and etc.
- 3.Receipts or stubs of tickets for taking trains, buses, vessels, aircraft issued by transportation businesses.
- 4.A table showing details of shared expenses with the amount of business tax contained therein and the related copies of original documentary evidence.
- 5.Other documentary evidence specifying the amount of the VAT and approved by the Ministry of Finance.

The documentary evidence used in application for a claim for a VAT refund in accordance with “The Regulations Regarding the Claiming of VAT Refunds by Foreign Passengers Purchasing Goods Eligible for VAT Refund” may not be used to claim a VAT refund in accordance with the Regulations herein.

Article 5

A foreign enterprise, institution, organization or association which claims a VAT refund in accordance with Article 7-1 of the Act shall submit the following Chinese or English documents to the competent tax authority, by itself or through its agent, in the period from 1st January to 30th June in the next year following the date of the transaction date recorded in the

documentary evidence listed in Paragraph 1 of the preceding article :

1.An application.

2.A certificate of qualification for business registration or similar business registration approved by the competent tax authority in the country where the head office of the enterprise, institution, organization or association is located. However, in the case that such enterprise, institution, organization or association is exempted from business registration or similar business registration in accordance with the tax law of the country in which its head office is located and there is no business tax or similar taxes levied in that country, it shall submit the certificate of registration or permission for establishment approved by the competent authority of the country.

3.Documentation describing the sending of personnel to the ROC and their participation in the exhibition or temporary business activities.

4.The original documentary evidence specified in Paragraph 1 of the preceding article.

5.A letter of attorney appointing the agent of the foreign enterprise, institution, organization or association to act on its behalf in claiming the VAT refund.

If a foreign enterprise, institution, organization or association or its agent does not claim a VAT refund before the deadline, it is not allowed to claim the VAT refund after that day.

The form of the application as provided in Subparagraph 1, Paragraph 1 shall be prescribed by the Ministry of Finance.

Article 6

The competent tax authority for the acceptance of applications for VAT refunds is as following:

1.In the case that a foreign enterprise, institution, organization or association applies by itself or appoints a foreign agent to apply on its behalf, the Taipei National Tax Administration, Ministry of Finance.

2.In the case that a foreign enterprise, institution, organization or association appoints a local agent to apply on its behalf, the local competent tax authority where the agent is located.

Article 7

After the competent tax authority inspects and approves claim for a VAT refund in accordance with Paragraph 1, Article 5 herein, the tax may be refunded by one of the following ways:

1.VAT refunds via remittance:

(1)Transfer of NT\$ to a domestic account assigned by the foreign enterprise, institution, organization or association.

(2)Transfer of foreign currency to a domestic or foreign account assigned by the foreign enterprise, institution, organization or association.

2.VAT refunds via check: Mailing of the NT\$ check to the receiver at an address assigned by the foreign enterprise, institution, organization or

association.

In the case of VAT refunds in foreign currency in accordance with Item 2, Subparagraph 2 of the preceding paragraph, the amount remitted shall be the VAT refundable less the amount of fees for exchange and remittance and other relevant expenses.

Article 8

In the case that the Regulations herein come into force in the middle of a year, the standard for the amount of money stipulated in Paragraph 2, Article 3 shall be in proportion to the enforcement months of a year.

Article 9

The Regulations herein shall come into force from 1st July, 2010.

Article 5 of these Regulations amended and promulgated on 15 November 2012 shall come into force from 1 December 2012.

Data Source : Ministry of Finance, R.O.C. Laws and Regulations Retrieving System