Content

Title：	Guidelines for Authorized Stores Processing Value-Added Tax Refunds on Eligible Goods Purchased by Foreign Passengers Ch
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Legislative：	Promulgated by the Ministry of Finance May 4, 2011 under Decree No. 10000079290 and effective as of July 1, 2011. Amendment to Article 8 by the Ministry of Finance December 6,2012 under Decree No. 10104628800, effective as of the date of promulgation. Amendment by the Ministry of Finance June 20, 2013 under Decree No.10200039700, effective as of July 1, 2013.
Content：	I. These Guidelines are specifically adopted to complement the implementation of "The Regulations Regarding the Claiming of VAT Refunds by Foreign Passengers Purchasing Goods Eligible for VAT Refund" (the "Regulations") in line with Article 50-1 of the Statute for the Development of Tourism. II. A foreign passenger who purchases VAT taxable goods ("eligible goods") that may accompany the passenger when departing from the Republic of China (R.O.C.) with a total sales value of NT$3,000 or more (VAT inclusive) on any single day at any single store that has been approved to display the Tax Refund Shopping (TRS) label for selling eligible goods and processing (in-store) value-added tax (VAT) refunds ("authorized store"), and who later takes the goods out of the R.O.C. within 30 days from the date of purchase, may at the time of departure from the R.O.C. file a claim with Customs for a refund on the VAT paid. If the VAT refund is NT$1,000 or less, the foreign passenger can also claim the VAT refund on the eligible goods directly from the authorized store if it has been approved by the tax collection authority to provide in-store small-amount VAT refunds. III. Definitions (I) Foreign passengers: Passengers who enter the R.O.C. with any of the following documents: 1. Passport of a country other than the R.O.C. 2. R.O.C. passport without personal ID No. recorded 3. Travel documents 4. Entry/exit permits 5. Temporary entry permit (Note: Not eligible for in-store small-amount VAT refunds; such permits are only eligible for use for claims made at an international airport or seaport). (II) Authorized TRS-label store: A store that has been approved for registration by the local competent tax collection authority of the place where the store is located ("local tax collection authority") and which has been issued the TRS-label which shows that the store has been approved for the sale of eligible goods and processing of VAT refunds. (III) Goods eligible for VAT refund: Taxable goods to be carried out of the R.O.C. by departing passengers, excluding: 1. Items prohibited from being carried on board aircraft or ships for safety reasons (such as flammables, aerosols, corrosives, magnetic

materials, poisonous/toxic substances, explosives, briefcases and attaché cases with installed alarm devices, oxidizers, radioactive materials, and any other articles or substances that according to the relevant regulations of the International Air Transport Association, may pose a flight safety risk when transported by air).
2. Items in contravention of cabin restriction rules.
3. Items not carried with eligible applicants on the same outward bound journey from the R.O.C.
4. Consumable goods being used either totally or partially in the territory of the R.O.C.
(IV) Small-amount VAT refund: A refund made by an authorized store approved by the tax collection authority to provide in-store VAT refund services to a foreign passenger who has purchased eligible goods from that same store on the same day in an aggregate amount of NT$1,000 or less.
IV. Conditions of eligibility to make application for approval to be recognized as an authorized store:
(I) A store selling goods eligible for VAT refunds may submit a completed application form and apply to the local tax collection authority for approval as an authorized TRS-labeled store and obtain the TRS labels, provided that such store meets the following requirements:
1. Has a paid-in capital exceeding NT$5 million.
2. Has no record of sales tax or profit-seeking enterprise income tax arrears or fines.
3. Has filed profit-seeking enterprise income tax returns certified by a CPA or profit-seeking enterprise income tax returns on the blue form as permitted by the tax collection authority in the most recent two years.
(II) When a store has another fixed place of business that applies for approval as an authorized store, then, in addition to meeting the requirements of the preceding paragraph, the application shall be submitted to the local tax collection authority of the place where the branch office is located, accompanied by the following documents:
1. A letter of consent from the head office.
2. A proven document showing that its profit-seeking enterprise income tax returns for the most recent two years have been audited, certified, and filed by a CPA or that it has been approved to use the blue form tax return.
V. When an authorized store has one or more persons who have been designated to engage in VAT refund operations and who meet the following conditions, it may submit a completed application form to the local tax collection authority, accompanied by documents showing the educational qualifications of the person(s) designated to handle VAT refunds and that they have successfully passed professional training administered by the local tax collection authority, to apply for approval to provide in-store small-amount VAT refund services and obtain the TRS label for approved sale of eligible goods and processing of in-store small-amount VAT refunds:
(I) The person(s) designated to handle VAT refunds have an educational level equivalent to or higher than senior high school, senior vocational school, or junior college, and possess basic computer literacy.
(II) At least one person designated to handle VAT refunds shall be qualified as having attended a total of 11 hours or more of professional

training administered by the local tax collection authority and having successfully passed the examination.
The person designated to handle VAT refunds under Subparagraph 2 of the preceding paragraph shall attend recurrent VAT refund training as notified by the tax collection authority.
All fees and expenses arising from the conduct of approved in-store small-amount VAT refund operations shall be borne by the authorized store.
VI. Before the beginning of VAT refund operations on eligible goods purchased by foreign passengers, an authorized store shall carry out the following procedures:
(I) The authorized store shall duly complete the Business Certificate procedures:
1. The authorized store shall obtain a Business Certificate IC Card and complete the procedures necessary to activate the card. Information on how to apply for and obtain a Business Certificate is available from the website of the Ministry of Economic Affairs Certificate Authority (http://moeaca.nat.gov.tw).
2. In the case of an outlet or place of business or business premises within the company structure of an authorized store, since no Business Certificate IC Card can be obtained for such status, the head office's or branch office's supplementary IC Card can be used as the validation certificate for logging into the Management System for VAT Refunds on Eligible Goods Purchased by Foreign Passengers (the "VAT Refund Website").
3. Only after having logged into the VAT Refund Website using the Business Certificate IC Card and obtaining authorization can the authorized store begin online creation and transmission of VAT refund form files, and make related online enquiries, for VAT refunds on eligible goods purchased by foreign passengers.
(II) The authorized store shall establish a special VAT refund counter
The authorized store shall establish a special VAT refund counter and designate one or more of the persons which are familiar with relevant operations to provide VAT refund services to foreign passengers.
(III) The authorized store shall have the following computer hardware and software:
1. Personal computer with access to the Internet.
2. Browser (IE 6.0 or above), Acrobat Reader.
3. Laser printer (capable of high-resolution printing for barcodes).
4. Business Certificate IC Card card reader. (For information on card reader specifications, please visit http://moeaca.nat.gov.tw.)
5. ADSL or broadband network connection (with sufficient upload bandwidth for the present purposes).
6. Optional accessories: barcode scanner, PC antivirus software.
(IV) The authorized store shall complete computer network-related settings periodically
1.Upon the approval of authorized store status or approval for provision of in-store small-amount VAT refund services by an authorized store, the VAT Refund Website will send an e-mail to the contact person on the e-mail address specified in the application form, and the authorized store shall conduct testing of connections as instructed in the e-mail. It shall first verify the accuracy of the basic information and then carry out a simulated

login at the VAT Refund Website's test network and print a copy of a VAT refund form bearing the words "Successful Test." The authorized store shall then affix its corporate seal and the corporate statutory representative's seal on the lower part of the printed copy of the form and present it to the local tax collection authority to apply for the issuance of the TRS label to indicate that the approval has been given for it to process in-store small amount VAT refunds and related documents and forms.
2.With respect to the VAT refund form described above, a store applying for authorized store status shall simulate a login and print out an Application Form for Claiming VAT Refund by Foreign Passengers Purchasing Goods Eligible for VAT Refund (the "application form"), or in the case of an authorized store applying to provide in-store small-amount VAT refunds, an Assessment Form for Claiming VAT Refund on the Spot by Foreign Passengers Purchasing Goods Eligible for Small-Amount VAT Refunds (the "assessment form").

(V) The authorized store shall ensure that the aforesaid labels are posted or hung in places

Before it may begin the operations specified in the Regulations, the authorized store shall first carefully review the Regulations and these Directions, familiarize itself with the operating and processing rules, ensure that it has access to the formal VAT Refund Website (and in the case of an application to provide in-store small-amount VAT refund services, that it has obtained authorization to begin in-store small-amount VAT refund operations, and display the TRS labels for (in-store) VAT refunds in a prominent place at the business premises where it sells eligible goods.

VII. The operating procedures and workflow for an authorized store selling eligible goods and processing VAT refunds or in-store small-amount VAT refunds are as follows:

(I) Range and method of VAT refunds:

1. A foreign passenger eligible for a VAT refund of more than NT$1,000 on a purchase of eligible goods shall file a VAT refund claim with the airport or seaport Customs office when departing from the R.O.C., and may not apply for an in-store refund of the VAT with an authorized store that has been approved to provide in-store small-amount VAT refund services.
2. A foreign passenger eligible for a VAT refund of NT$1,000 or less on a purchase of eligible goods may either file a VAT refund claim with the airport or seaport Customs office when departing from the R.O.C. or opt to make a VAT refund claim at the time of purchase with an authorized store that has been approved to provide in-store small-amount VAT refund services.
3. A foreign passenger entering the R.O.C on a temporary entry permit may only file a VAT refund claim on a purchase of eligible goods with the international airport or international seaport Customs office when departing from the R.O.C., and may not make an in-store VAT refund claim with an authorized store that has been approved to provide in-store small-amount VAT refund services.

(II) Transaction procedures:

1. The authorized store shall first check whether there is an entry record on the foreign passenger's identity document; if there is, it means that the foreign passenger has entered the R.O.C. on that identity document and

is eligible for VAT refunds.

(1) If the foreign passenger is a national of mainland China, Hong Kong, or Macau, the authorized store shall check the entry/exit permit.

(2) If the foreign passenger is not one of the persons indicated above, the authorized store shall check whether there is an entry stamp on the passenger's foreign passport, R.O.C. passport without personal ID No. recorded, or temporary entry permit, as the case may be, and confirm the date of entry with the passenger .

2. Authorized TRS-labeled stores are required to issue uniform invoices separately if a foreign passenger purchases goods eligible for VAT refund and goods ineligible for VAT refund at the same time. Services and tax-free goods are not eligible under the Regulations.

3. When issuing a uniform invoice for eligible goods, the authorized store shall accurately record the following information on the invoice and shall also ask the foreign passenger to obtain a VAT refund form from its designated (VAT refund) counter on the date of purchase:

(1) The foreign passenger’s full name and the last 4 alphanumeric digits of his or her passport number, transaction date, item, quantity, unit price, amount, tax classification, and total amount of purchase. However, the foreign passenger’s name should not be shown on the computer uniform invoice or the duplicate cash register uniform invoice.

(2) The wording “VAT refundable” shall be shown in the “Remarks” area or blank area of the uniform invoice.

4. Issuance of a VAT Refund Claim Form or In-Store Small-Amount VAT Refund Assessment Certificate:

(1) The authorized store shall issue a VAT Refund Claim Form in any of the following circumstances:

A. In the case of a refund of more than NT$1,000 for the VAT paid on a purchase of eligible goods.

B. In the case of a refund of NT$1,000 or less for the VAT paid on a purchase of eligible goods, where the authorized store is not qualified to provide in-store small VAT refund services, or where the authorized store is qualified to provide in-store small-amount VAT refund services but the foreign passenger opts to file a VAT refund claim with Customs when departing the R.O.C.

C. If the foreign passenger claiming a VAT refund on purchased eligible goods has entered the R.O.C. on a temporary entry permit.

(2) The authorized store shall issue an In-Store Small-Amount VAT Refund Assessment Certificate in the following circumstance:

A foreign passenger who purchases eligible goods from an authorized store approved to provide in-store small VAT refund services, for which the foreign passenger is eligible for a VAT refund of NT$1,000 or less, and opts to make an in-store small-amount VAT refund claim at the time and place of purchase.

5. The authorized store may not issue the VAT refund form indicated above when the goods sold are non-eligible goods, or when there is a record of violation by the foreign passenger of the Small-Amount VAT Refund Regulations (including failure by the foreign passenger to apply to Customs for inspection).

6. Upon acceptance of the foreign passenger’s request for issuance of a

VAT Refund Claim Form or an In-Store Small-Amount VAT Refund Assessment Certificate, the authorized store shall log into the VAT Refund Website, bring up the file creation screen using its Business Certificate, enter the relevant information, and then perform the subsequent procedures in accordance with Articles 7 to 9 of the Regulations.

7. When entering information in the passport number field, in addition to entering the permit number of the entry/exit permit required for a national of mainland China, Hong Kong, or Macau, the authorized store shall enter the document number of the identity document on which the foreign passenger has entered the R.O.C.

8. The VAT refund form described above shall be made in two copies; the authorized store shall print the VAT refund form, have it signed by the foreign passenger in the section for the signature of the foreign passenger, and then retain one copy for audit purposes and hand the other copy, to which it has affixed its uniform invoice seal, to the foreign passenger. The VAT refund form and other relevant documents and forms shall be retained in accordance with "The Regulations Governing the Management of Profit-Seeking Enterprise Account Books and Vouchers by Tax Collection Agencies."

9. The authorized store shall remind the foreign passenger to take the purchased eligible goods out of the R.O.C. within 30 days from the date of purchase. On the day of first departure after his or her purchases, the foreign passenger who has not obtained small-amount VAT refunds from the authorized TRS-labeled stores shall hand-carry the purchased eligible goods to a Customs desk for inspection by Customs. Upon completion of the relevant VAT refund procedures, the foreign passenger can check in the purchased eligible goods for the trip if necessary.

10. Other instructions for the authorized store when processing in-store small-amount VAT refunds:

(1) The store shall package the purchased eligible goods separately, refund the amount specified as refundable VAT on the In-Store Small-Amount VAT Refund Assessment Certificate, and affix a seal bearing the words "VAT already claimed by the foreign passenger" on the uniform invoice issued under Article 6, Paragraph 2 of the Regulations.

(2) The store shall remind the foreign passenger that if the designated goods are transferred, consumed before departure or not carried out of the country within 30 days of purchase, the foreign passenger will be included in a list of violators of "The Small-Amount VAT Refund Regulations", and on his or her next visit to Taiwan will not be eligible to claim VAT refunds under the Regulations except after having paid back the refunded VAT.

VIII. Procedures to be followed in special circumstances

(I) When a foreign passenger seeks to return or exchange any purchased eligible goods before leaving Taiwan:

1. The foreign passenger shall return both the original uniform invoice and the original VAT Refund Claim Form (or the original In-Store Small-Amount VAT Refund Assessment Certificate) to the authorized store with a request to issue new ones.

2. If, after the return or exchange, the foreign passenger's total purchase amount of eligible goods (VAT inclusive) for the given day is less than

NT$3,000, the foreign passenger may not claim a refund of the VAT. The authorized store shall take back the original VAT refund form and need not issue a new one, and shall go to the VAT Refund Website to make a note of the return or exchange of goods.
3. If, under the circumstances of a return or exchange of goods as above, a foreign passenger has already received a VAT refund, the authorized store that paid the in-store small-amount VAT refund shall demand the VAT refund back from the foreign passenger, then pay the VAT on behalf of the foreign passenger, using the VAT Payment Form for Foreign Passenger's Return of VAT Refund on Purchased Eligible Goods (Form 40F) (the "40F Payment Form"), before it may accept the return or exchange. The authorized store shall also go to the VAT Refund Website to make a note that the VAT has already been paid for the foreign passenger.
4. If, after the return or exchange, the foreign passenger's total purchase amount of eligible goods (VAT inclusive) for the given day still exceeds NT$3,000, the authorized store shall retrieve the original VAT refund form and amend its details, except that the original purchase date may not be changed and shall remain listed as the transaction date. The invoice date and number of the uniform invoice canceled due to the return of goods shall be indicated on the re-issued uniform invoice.

(II) When a foreign passenger leaves and then re-enters Taiwan and seeks to return or exchange any eligible goods purchased during the previous visit:
1. The foreign passenger shall submit both the original uniform invoice and the certificate of return goods to the authorized store for processing.
2. The authorized store shall go to the VAT Refund Website to make a note of the return or exchange of goods, and shall demand the return of the received VAT refund from the foreign passenger due to the return or exchange. Upon collection of the previous VAT refund, the authorized store shall go to the VAT Refund Website to print the certificate stub of the 40F Payment Form and deliver it to the foreign passenger.
3. If the authorized store has been approved to provide in-store small-amount VAT refund services, it shall list the VAT refund as a deduction in its application for repayment of the VAT refund advances incurred by it for that current period or month; otherwise, it shall present the receipt stub of the 40F Payment Form and the relevant payment collection agency's record stub and surrender the VAT refund back to the public treasury.

(III) When, after an authorized store has issued a VAT Refund Claim Form or an In-Store Small-Amount VAT Refund Assessment Certificate, the foreign passenger purchases more eligible goods on the same day from that same authorized store:
1. In the case of a VAT Refund Claim Form, the authorized store shall request the foreign passenger to submit the purchaser's stub of the original uniform invoice and surrender the original VAT Refund Claim Form. The authorized store shall then consolidate the amount of the extra eligible goods purchased into the amount of the original VAT Refund Claim Form, print a new copy of the form reflecting the change of the amount, and deliver it to the foreign passenger.
2. In the case of an In-Store Small-Amount VAT Refund Assessment Certificate:

(1) If the VAT refund after addition of the extra eligible goods purchased does not exceed NT$1,000, the authorized store may consolidate the amount of the extra eligible goods purchased into the original In-Store Small-Amount VAT Refund Assessment Certificate, print a new copy of the certificate reflecting the change of the amount, and deliver it to the foreign passenger together with the VAT refund.

(2) If the VAT refund after addition of the extra eligible goods purchased exceeds NT$1,000, the authorized store shall re-issue a VAT Refund Claim Form reflecting the amount of the extra eligible goods purchased and deliver it to the foreign passenger for use in filing a VAT refund claim with Customs when departing from the R.O.C.

(IV) Where a foreign passenger seeks to return or exchange any purchased eligible goods or purchase more eligible goods, the authorized store shall take back the original VAT refund form, issue a new one, and remark the reason for the re-issuance thereon according to the abovementioned item(I), (III)1.and (III)2.(1) . Where the retrieval of the original form is not possible, the authorized store shall make a note on the re-issued form. The same procedure shall be applied if the authorized store reissues the VAT refund form because of repeat printing or replacement.

(V) Procedures to be followed when the VAT refund system fails to operate due to network disconnection or when access to the network otherwise fails for a reason not attributable to the authorized store:

1. If, at the time an authorized store receives a foreign passenger's request for issuance of a VAT refund form, the VAT refund system fails to operate due to network disconnection, or access to the network, fails for a reason not attributable to the authorized store, making it impossible to enter information into the VAT Refund Website in real time, the foreign passenger's claim for an in-store small-amount VAT refund cannot be processed, and before the network connection is restored, the authorized store will only be allowed to process the foreign passenger's request as a VAT refund claim to be filed with Customs. The authorized store shall manually issue a VAT Refund Claim Form pursuant to the relevant rules, indicating on the claim form the reason for the manual issuance and affix with its uniform invoice seal on it, and deliver the purchaser's stubs from the VAT refund form and the uniform invoice to the foreign passenger. When the network connection is restored, the authorized store shall immediately enter the details of the foreign passenger's purchase of eligible goods and the relevant VAT refund into the VAT Refund Website.

2. When an authorized store, pursuant to the above provisions, issues a manual VAT refund form, namely the VAT Refund Claim Form – for use only in cases when computer network transmission is not possible, it shall take note of the following matters:

(1) The amount of the VAT refund claim for each item shall be calculated as follows:

Amount of VAT refund claim = figure in the purchase amount column (VAT inclusive) ÷ 1.05 x 0.05 (fractions to be rounded to the nearest whole number, with halves being rounded up)

(2) The numbering of the manually-issued VAT Refund Claim Form shall be coded according to the following principle, while avoiding repetition of numbers:

Numbering: uniform invoice number (8 digits) + year, month, and day of the transaction date (7 digits) + 9 + 4-digit serial number. For example: 12345678102110390001.

(3) When the electric power or network connection is restored, the authorized store shall immediately enter details of the foreign passenger's purchase of eligible goods and the relevant VAT refund into the VAT Refund Website and enter the time and cause of the irregular event, and also change the system transaction date to the actual transaction date.

(VI) When an authorized store enters information on a VAT Refund Claim Form for a foreign passenger purchasing high-priced eligible goods, the information provided in the item description, model number, serial number, and other relevant fields shall be clearly identifiable from the outer appearance, label, and warranty tag of the merchandise (e.g., the model number specified in the claim form shall match that identified in the warranty tag).

(VII)Procedures to be followed when the VAT Refund Website displays an alert message that a given foreign passenger has a record of not carrying eligible goods out of Taiwan in violation of any small-amount VAT refund regulation or any other instance of such a violation:

1. The foreign passenger shall first use the 40F Payment Form to pay back the VAT refund received in connection with the previous violation on record before he or she is allowed to claim a VAT refund for the current purchase of eligible goods, either from Customs at the airport or seaport of departure, or from the authorized store if it provides in-store small-amount VAT refund services.
2. The authorized store shall not process the VAT refund claim of the foreign passenger for the current purchase of eligible goods unless it has collected the aforementioned VAT refund from the foreign passenger or the foreign passenger has otherwise presented documentary proof that the aforementioned VAT refund has been paid back.
3. Upon collection of the aforementioned VAT refund from the foreign passenger, the authorized store shall go to the VAT Refund Website to make a note that it has paid the VAT refund for the foreign passenger, print the certificate stub of the 40F Payment Form and deliver it to the foreign passenger as certification that the VAT refund has been collected.
4. If the authorized store has been approved to provide in-store small-amount VAT refund services, it shall list the VAT refund as a deduction in its application for repayment of the VAT refund advances incurred by it for that current period or month; otherwise, it shall present the receipt stub of the 40F Payment Form and the relevant payment collection agency's record stub and surrender the VAT refund back to the public treasury.
5. If the foreign passenger has presented documentary proof that the VAT refund has been paid back, then when processing the foreign passenger's VAT refund claim for the current purchase, the authorized store shall go to the VAT Refund Website and make a note that the VAT refund has been paid back and shall also make a photocopy of the documentary proof showing that the VAT refund was paid back and put it on file for future audit by the local tax collection authority.

IX. Procedures to be followed when an authorized store applies for repayment of VAT refund advances it has made as in-store small-amount VAT

refunds:

(I) An authorized store(including those made by a branch office included in the authorized store's consolidated filing, if it so elects) that has made advance payment of VAT refunds to foreign passengers or paid VAT refunds for foreign passengers during a given period or month within the scope of its in-store small-amount VAT refund services shall submit, within 15 days from the start of the next period or month, an ”Authorized Store Aggregate Statement of Advance Payments of In-Store Small-Amount VAT Refunds to and Payments of VAT Refunds for Foreign Passengers”, an “Authorized Store List of Deductions Declared on Advance Payments of In-Store Small-Amount VAT Refunds to Foreign Passengers”, and an “Authorized Store List of Payments of VAT Refunds for Foreign Passengers”（namely list of completed payments of relevant in-store small-amount VAT refunds with respect to foreign passengers purchasing eligible goods）, and report the amount of the declared deductions for the small-amount VAT refunds it has processed during the preceding period or month in the column for Amount of Declared Deductions for Processed In-Store Small-Amount VAT Refunds (Column 109) of the Declaration of Sales and Business Tax by a Business Entity (Form 403), as an amount to be deducted from its tax payable for that period or month.

(II)The “Authorized Store List of Deductions Declared on Advance Payments of In-Store Small-Amount VAT Refunds to Foreign Passengers”, and the “Authorized Store List of Payments of VAT Refunds for Foreign Passengers” shall specify the transaction-by-transaction serial number of each In-Store Small-Amount VAT Refund Assessment Certificate, date of VAT refund assessment, passport (or travel document or entry/exit permit) number, foreign passenger's name, the alphabetic and numeric code of each uniform invoice, item description, model number, quantity, unit price, amount (VAT inclusive), the amount of advance payment of VAT refund to or payment of VAT refund for a foreign passenger, and the reason for payment of the VAT refund for the foreign passenger. The list forms can be downloaded from the VAT Refund Website. All such lists shall be prepared in two copies, one copy to be retained by the authorized store for its own record and the other to be submitted to the local tax collection authority by the store after affix with the store's uniform invoice seal.

(III) When submitting the report filings, the authorized store providing in-store small-amount VAT refund services is not required to attach the In-Store Small-Amount VAT Refund Assessment Certificates and the uniform invoices for the sale of eligible goods, provided that it shall retain the assessment certificates and uniform invoices in compliance with relevant requirements and shall present them for audit upon request by the local tax collection authority. Any failure to present these documents, or the presentation of false information, shall be dealt with pursuant to the Business Tax Act or other applicable laws or regulations.

(IV) When any of the following circumstances applies with respect to the authorized store, no deduction is allowed from its tax payable; if a deduction has been made, then after audit or verification the tax collection authority shall re-collect the amount that has been deducted for the relevant VAT refund:

1. The authorized store has failed to provide any list of completed

payments of relevant in-store small-amount VAT refunds with respect to foreign passengers purchasing eligible goods.
2. There are no records of a given foreign passenger's entry into Taiwan.
3. In case of an erroneous or overpayment of VAT refund caused by a refund certificate issued by an authorized TRS-labeled store that does not conform to the regulations or that contains errors.

X. An authorized store has the obligation to co-operate in the following matters:

(I) The authorized store shall provide enhanced training for its employees; if the authorized store is also approved to provide in-store small-amount VAT refund services, it shall take the initiative in reporting to the tax collection authority on any change in its employees designated to handle VAT refunds.

(II) The authorized store shall duly perform its obligation of informing foreign passengers about VAT refunds.

(III) The authorized store shall retain relevant VAT refund documents for audit by the local tax collection authority.

(IV) The authorized store shall take the initiative in reporting to the tax collection authority when it finds a fraudulent claim for a VAT refund by a foreign passenger.

(V) The authorized store shall always request foreign passengers to present their passports or other documents as certifying documents.

(VI) The authorized store shall provide clear and correct information in the item description fields when submitting a VAT refund form.

(VII) The tax collection authority may from time to time dispatch personnel to monitor the authorized store's operations on its business premises in relation to the selling of eligible goods and processing of VAT refunds or in-store small-amount VAT refunds, and the authorized store shall co-operate and provide assistance accordingly.

XI. When there is a change in an employee who has passed the examination administered by the tax collection authority and who has been designated to handle VAT refunds at an authorized store approved to provide in-store small-amount VAT refund services, the store shall report the change to the tax collection authority on its own initiative within 30 days from the date of its occurrence; it shall also regularly submit a list of employees who have been designated to handle VAT refunds through the online system in January and July each year.

XII. If there is an overpayment or erroneous payment of VAT refund due to an authorized store's issuance of a false VAT refund voucher or failure to surrender a VAT refund it is liable to pay for a foreign passenger, such deficiency in payment of the VAT shall be assessed and collected by the tax collection authority.

XIII. When an authorized store relocates to a new business address, the store shall re-submit an application to the tax collection authority of the place to which it relocates for issuance of a new TRS label, and may begin operations under the Regulations only after obtaining the new TRS label.

XIV. An authorized store may apply to the local tax collection authority to abandon the sale of eligible goods and the processing of VAT refunds or in-store small-amount VAT refunds; in such a case, the tax collection authority shall take back the authorized store's TRS labels.

XV. If an authorized TRS-label store is found to be in any of the following situations, the local tax authorities will rescind the status of the authorized TRS-label store and recall the TRS labels:
(I) It has submitted an application to cancel its business registration or to temporarily suspend its business.
(II) It ceases business without authorization or is ordered to suspend business.
(III) It is in arrears on payment of any confirmed payable VAT, business income tax, or administrative fine.
(IV) It has caused an aggregate total of NT$50,000 or more of overpayment or erroneous payment of VAT refunds within one year as a result of false information in its VAT Refund Claim Forms.
(V) It manually issues VAT Refund Claim Forms in circumstances other than as permitted in Article 9 of the Regulations, or falsely issues VAT Refund Claim Forms, causing processing difficulties for Customs or other irregularities, and it fails to correct the situation within the time limit specified by the tax collection authority when so notified.
(VI) It fails to comply with Point IV, Paragraph 1, Subparagraph 1.
An authorized store whose qualification is revoked for a reason specified in Subparagraph 2, 4, or 5 of the preceding paragraph may not re-submit an application within one year.
XVI. When any of the following circumstances applies with respect to an authorized store approved to provide in-store small-amount VAT refund services the local tax collection authority shall revoke its approval to provide in-store small-amount VAT refund services and take back its TRS label for the approved sale of eligible goods and processing of in-store VAT refunds:
(I) A circumstance under Paragraph 1 of the preceding point.
(II) The employee designated to handle VAT refunds specified in Point V, Paragraph 1, Subparagraph 2 has terminated employment and the authorized store has no other employee designated to handle VAT refunds meeting the requirements of that subparagraph, or the employee designated to handle VAT refunds specified in that subparagraph fails to attend the required recurrent training and refuses to attend even after being notified to do so, and the authorized store has no other employee designated to handle VAT refunds who has attended the required recurrent training.
(III) The store issues Application Forms not in accordance with the regulations or that are completed incorrectly that amount to 0.3% of total cases, and is found to have committed such violation three times within a one-year period, resulting in overpayment of VAT over-refunds or erroneous refunds of more than NT$ 30,000.
An authorized store whose approval to provide in-store small-amount VAT refund services is revoked for a reason specified in Subparagraphs 2 and 3 of the preceding paragraph may not re-submit an application within one year.
XVII. An authorized store shall use NT Dollars when making authorized VAT refunds on eligible goods.