



PRUDENTIA LAW FIRM

Introduction to legal issues that foreigners may encounter in Taiwan (immigration law and tax law)

**Legal Service with Prudence and Excellence
What We Strive For !**

Administrative Law

Civil Litigations

Commercial Law

Intellectual Property Law

Family Law

Law of Inheritance

Recognition and Enforcement of Foreign Judgements

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A nighttime photograph of the Taipei 101 skyscraper, illuminated with blue and white lights, standing prominently against a dark blue sky. The surrounding city of Taipei is visible in the foreground and midground, with various buildings and lights creating a vibrant urban scene. The image is partially framed by a white curved line on the right side.

Taiwan - A Friendly Destination for Expats

Taiwan: Ranked 9th Most Favorable Country for Expat Work (HSBC Expat Explorer, 2018)

- Affordable Living - Low cost of living offsets potentially lower salaries compared to regional hubs like Hong Kong.
- Safe and Secure Environment - Taiwan enjoys a reputation for high safety and stability compared to many other countries.
- Warm and Welcoming People - Taiwanese society is known for its friendliness and hospitality towards foreigners.
- Inclusive and Tolerant Society - Taiwan boasts a high degree of tolerance for diverse religions and sexual orientations.

Reside or Invest Your Way to Taiwanese Residency

Residency Track: 5 years of legal residence (183+ days/year) + good character + financial stability.

Investment Track: Invest NTD \$15 million in a company or create 5 jobs or invest NTD \$30 million in government bonds.



Eligibility for Residency Path Exceptions



Special Contributions: Proven significant benefits to Taiwan.

High-Level Professionals: Expertise in fields like nanotech, optoelectronics, IT, or biotech.

Award Winners: First place in internationally recognized competitions in culture, art, tech, sports, or industry.



Foreign Work Permits in Taiwan Categories and Basic Requirements

3 Categories:

A) Foreign Professionals

B) Professionals with Specified Expertise

C) Graduates of Taiwanese Universities/Colleges

Common Requirements:

Specialized/technical work or specific expertise

Minimum salary (except Category C)

Valid qualifications or degrees

Foreign Professionals (15 Sub-categories)

Specific requirements for each sub-category (e.g., licenses, degrees, experience).

Minimum monthly salary: NTD \$47,971 (around US\$1,620).

Employment Pass Card: Combines work permit, residence visa, alien residency card, and reentry permit.



Professionals with Specified Expertise (8 Categories)

Assigned agency for each category reviews qualifications (e.g., Ministry of Science & Technology for technology).

Employment Gold Card: Combines work permit, residence visa, alien residency card, and reentry permit.

Additional benefits: freely change employers, tax exemption, family visit/residency options.





Graduates of Taiwanese Universities/Colleges


Point evaluation system: 70+ points required for work permit.

Points awarded for degrees, work experience, Chinese language proficiency, etc.

No minimum salary or 2-year work experience requirement.

Declaring Your Income? What Expatriates in Taiwan Need to Know

All expatriates who work in Taiwan must declare their income.



Declaration happens both during your stay and at departure.
Omitting or under-reporting income has serious consequences:
Fines up to twice the evaded tax for annual returns.
Fines up to three times the determined tax for missed returns.
Potential exit denial from Taiwan.

Call to Action:

Consult with a tax professional to ensure accurate and timely declarations.
Avoid penalties and delays by complying with the regulations.

Filing Without the Fear: How Expatriates Can Stay Compliant

Voluntary disclosure can lead to reduced penalties or even full relief.

Apply for relief before any investigation or informant reports.

Seek professional guidance to navigate the tax system and procedures.



Employment Gold Card Holders: Permanent Residency Requirements

Hold an Employment Gold Card for at least 3 years, and have continuously resided in Taiwan for at least 3 years under the Employment Gold Card, with an average of at least 183 days per year.

Be an adult.

Have a clean record and no criminal record.

Have sufficient property or skills to support yourself.

Be in the best interests of the Republic of China.

For more information on how to apply, please refer to the Ministry of the Interior's Immigration Department website: "Instructions for Submission of Applications for Permanent Residency by Foreigners."



Residency Matters

Key Point: Your length of stay in Taiwan determines your tax status (resident vs. non-resident) and reporting requirements.

Non-resident: Stay ≤ 90 days in a year. Report taxes only if income not withheld.

Resident: Stay > 183 days in a year. Report all income from Taiwan and abroad (with exceptions).

Chart : Income Tax Reporting for Foreigners Working in Taiwan

Resident Days Reporting Source of Income	Stay is less than or equal to 90 days	Stay is over 90 days and less than 183 days	Stay is equal to or over 183 days
Income source withholds tax in Taiwan	Employer or other income source shall withhold and pay income taxes for foreigners. The foreigners do not have to report their income tax.	Same as column to the left.	
Income source does not withhold tax in Taiwan	<ol style="list-style-type: none"> 1.Foreigners shall report and pay their income tax before they leave Taiwan, if before the duration of reporting for that year. 2.Foreigner shall report and pay their income tax within the duration of reporting, if they are still in Taiwan during the duration of reporting for that year. 	The same as column to the left.	<ol style="list-style-type: none"> 1.Foreigners shall report their income tax within the reporting date. Normally, the date of reporting is between May 1-31 of the next year after gaining the income. 2. If they leave Taiwan before the duration of reporting, foreigners shall report their income tax one week before they leave.
Foreigners who provide their labor in Taiwan but gain their salaries from employers outside of Taiwan	No need to pay income tax	<ol style="list-style-type: none"> 1. If they leave Taiwan before the duration of reporting, they shall report and pay their tax before they leave. 2. If they do not leave Taiwan before the duration of reporting, they shall report their tax during the reporting period. 	
Status for the income tax laws of Taiwan	Non-Resident		Resident

(Original Chinese content provided by Yu-Yu, Joanna, SU, CPA, Taiwan.)

Non-Resident Tax Rules

General Rules:

- | Tax Rate: 18% withheld by employer/source. Report and pay additional if needed.
- | Reporting: Before leaving Taiwan or May 31st of the following year.

Exceptions:

- | Income already withheld, no need to report.
- | Income not withheld from employer outside Taiwan, report before leaving.



Resident Tax Rules

General Rules:

- Tax Rate: Progressive rate 5-40% on taxable income (after deductions).
- Reporting: May 31st of the following year.

Additional Rules:

- Minimum basic tax of 20% for high overseas income (> NTD \$6,700,000).
- Report all worldwide income (with exceptions).



Tax Exemptions for Expatriates in Taiwan

Overview of income tax calculation methods: Gross Consolidated Income Tax and Income Basic Tax.

Focus on exemptions and deductions available to foreign residents, especially those with Employment Gold Card.



Gross Consolidated Income Tax

Applying the same exemption and deduction benefits as Taiwanese residents.

Taxable income aggregation for individual, spouse, and dependents.

Examples of exemptions (age-based) and deductions (standard, itemized, and special).

Highlight relevant deductions like educational tuition for children and long-term care.



Income Basic Tax

Introduction of Income Basic Tax Act and its impact on overseas income.

Six categories of taxable income: net taxable, overseas, life & annuity payments, specific Trust Fund transactions, non-cash donations, and dividends/earnings.

Minimum threshold for overseas income exemption (NTD \$1,000,000).

Separate calculation and comparison with Gross Consolidated Income Tax.



Navigating Taxes in Taiwan: Tips for Expats

Choosing the more favorable tax method for your situation.

Importance of seeking professional tax advice.

Resources for further information:
Ministry of Finance website,
English-speaking accountants.

Call to action: Connect with other expats for peer support.

