


## Content

Title :	Regulations for Verification of Investment by Overseas Chinese and Foreign Nationals 
Date :	2002.12.02
Legislative :	Promulgated on May 13, 1998. Amended on December 2, 2002.
Content :	<p><b>Article 1</b></p> <p>The following regulations are set forth in accordance with Paragraph 3, Article 9 of the Statute for Investment by Overseas Chinese and Paragraph 3, Article 9 of the Statute for Investment by Foreign Nationals.</p> <p><b>Article 2</b></p> <p>Investors applying for investment verification shall have the investor, the investor's agent, the invested business or the agent of the invested business file the application within two months of the initial formation of capital.</p> <p>Investors funding its invested business in installments shall be allowed to file the application in installments.</p> <p><b>Article 3</b></p> <p>The competent authority in charge of examining the forms of investment shall verify the investment amount in accordance with the following:</p> <ol style="list-style-type: none"><li>1.If an investor purchases New Taiwan Dollars ("NTD") to fund an investment, the amount of the investment shall be verified after deducting any commissions and other related charges.</li><li>2.If an investor purchases NTD to fund its operation capital, the amount of the investment shall be calculated after deducting any commissions and other related charges.</li><li>3.Upon approval, an investor can fund the investment with investor's original currency remit via wire transfer. Funding the investment this way means that the investment amount would be verified as the amount of the incoming transfer in NTD calculated according to the foreign exchange rate of the beneficiary bank at the time of remitting inwards.</li><li>4.If an investor uses its original currency to buy shares of companies in Taiwan or to acquire shares from shareholders that had acquired their stock ownership in NTD, the amount of the investment shall be verified in NTD after deducting any commissions and other related charges.</li><li>5.If an investor uses patent rights, trademark rights, copyright, professional technical skills or other intellectual property rights as investment capital, the amount of the investment shall be verified as the worth or value of such legal rights at the grant of investment approval.</li><li>6.If an investor uses equipment or raw material as investment capital, the investment amount shall be determined as the F.O.B. price of such equipment and material at the customs in NTD calculated in accordance with the exchange rate on the date of import.</li><li>7.If an investor uses NTD to purchase equipment and raw materials in Taiwan, the amount</li></ol>

of investment shall be verified as the actual dollar amount for the purchase by invoices.

8.If the investment is capitalized through mergers, acquisitions or stock divisions, the amount of investment shall be verified as the dollar amount set forth at time of investment approval.

9.If the investment is funded the credit through reorganization, the amount of investment shall be verified as the dollar amount set forth at time of investment approval.

For investors using other than the above-mentioned forms of investment, which are authorized by other competent authority, the amount of investment shall be verified in accordance with the standards set forth by the competent authority.

#### Article 4

Investors capitalizing investment or acquiring of stock ownership from existing shareholders in Taiwan by wire transferring foreign currency , shall provide the competent authority with the following documents for verification:

- 1.One (1) original and two (2) photographic copies of the application for investment verification.
- 2.One (1) original and two (2) photographic copies of bank advice of inward remittance or two (2) photographic copies of bank draft issued in relation to any incoming wire transfers.
- 3.One (1) original and two (2) photographic copies of foreign exchange receipt issued for the purchase of NTD.
- 4.One photographic copy of 1) bank deposit slip issued by the bank in which the invested business holds an account or 2) the bank passbook of the invested business.

If stock is acquired from a Taiwanese shareholder, investors are not required to provide the documents mentioned in Article IV, Subparagraph 4 above. Nonetheless, investors shall provide one (1) photographic copy of documents showing evidence of the payment of security exchange tax or receipt of payment for the acquired stock and stock transfer agreement.

If an investment according to Article III Paragraph 1 is completed by an investor group consisting of two or more investors, investors shall submit an original copy of the transfer statement showing the amount of the incoming wire transfer. If the wire transfer is completed by one member of the investment group on behalf of the group, that investor shall submit an original copy of the declaration of the wire transfer verifying the transfer made by the investor on behalf of the investor group.

#### Article 5

Investors that have been approved authorized to use their own currency as capital for investment shall provide the competent authority with the following documents for verification:

- 1.One (1) original and two (2) photographic copies of the application for investment verification.
- 2.One (1) original and two (2) photographic copies of bank advice of inward remittance.
- 3.One (1) original and two (2) photographic copies of other bank-issued proof showing evidence of the other transactions or two (2) photographic copies of bank draft issued in relation to any incoming wire transfers.
- 4.One (1) original copy of bank statement showing evidence of the amount of savings in the currency.

#### Article 6

Investors bringing in foreign currencies in cash for investment shall provide the competent authority with the following documents for verification:

1. One (1) original and two (2) photographic copies of the application for investment verification.
2. One (1) original and two (2) photographic copies of documents issued by the customs showing evidence of the carrying of the currency.
3. One (1) original and two (2) photographic copies of bank receipt showing the purchase of NTD using the carried-in cash.
4. One (1) photographic copy of 1) the bank deposit slip issued by the bank in which the invested business holds an account or 2) the bank passbook of the invested business.

#### Article 7

Investors capitalizing investment using NTD or via acquiring of stock ownership from existing shareholders in Taiwan by using NTD shall provide the following documents for verification:

1. One (1) original and two (2) photographic copies of the application for investment verification.
2. One (1) photographic copy of 1) the bank deposit slip in which the invested business holds an account or 2) the bank passbook of the invested business.
3. If stock is acquired from a Taiwanese shareholder, investors are not required to provide the documents mentioned in Article VII Subparagraph 2 above.

Nonetheless, investors shall provide one (1) photographic copy of document evidencing payment of security exchange tax or receipt of payment for the acquired stock and stock transfer agreement.

#### Article 8

Investors using patent rights, trademark rights, copyrights, professional technical skills or other intellectual property rights as investment capital shall provide the competent authority with the following documents for verification:

1. One (1) original and two (2) photographic copies of the application for investment verification.
2. One (1) copy of documents showing evidence of investors transferring or licensing their intellectual property rights to invested business or the preparatory office thereof.

#### Article 9

Investors for their own using to import equipment and raw material as their investment capital shall provide the competent authority with the following documents for verification:

1. One (1) original and two (2) photographic copies of the application for investment verification.
2. One (1) original and two (2) photographic copies of entry of goods inward issued by the customs.

#### Article 10

Investors using NTD to purchase equipment and raw material in Taiwan shall provide the competent authority with the following documents for verification:

1. One (1) original and two (2) photographic copies of the application for investment

verification.

2. One (1) photographic copy of invoices or other related documents showing evidence of the purchase of equipment and raw material.
3. The invested business or its preparatory office shall provide one (1) original copy of proof showing investors have undertaken steps to capitalize the investment.

#### Article 11

Investors capitalizing investments through mergers, acquisitions, and stock divisions shall provide the competent authority with the following documents for verification:

1. One (1) original and two (2) photographic copies of the application for investment verification.
2. The invested business or its preparatory office shall provide one (1) original copy of proof showing investors have undertaken steps to capitalize the investment.

#### Article 12

Investors capitalizing with the credit through reorganization shall provide the competent authority with the following documents for verification:

1. One (1) original and two (2) photographic copies of the application for investment verification.
2. Invested business or its preparatory office shall provide one (1) original copy of proof showing investors have undertaken steps to capitalize investment.

#### Article 13

Investors transferring ownership in shares of the invested business to other overseas Chinese or foreign nationals with the transaction being completed outside of Taiwan, and with no capital flowing into Taiwan, shall not be required to file such an application for verification.

#### Article 14

This Regulations becomes effective on the date of promulgation.

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Data Source : Ministry of Economic Affairs R.O.C.(Taiwan) Laws and Regulations Retrieving System