Content

Title：	Taxation Imposed Measures on Transshipment Engaged by Business Entity in the Export Processing Zone Ch
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Content：

Article 1
The measures are prescribed in accordance with provisions in Item 3, Article 14 of Statute for the Establishment and Administration of Export Processing Zone (hereinafter referred as “this Statute”).

Article 2
The business entity is engaged in trans-shipment business and is applicable to provisions in Article 14
of this Statute for taxation. It shall be handled in accordance with the measures except provisions in other laws and decrees.

Article 3
The measures are applicable to headquarters of company established in the Export Processing Zone or
branch of foreign company in the Export Processing Zone.

Article 4
The trans-shipment range of business entity is recognized by the provisions in Article 31 of the Enforcement Rules.

Article 5
The business entity engaged in trans-shipment business imports the commodities from abroad and re-sells
after processing. It does not reach the level to issue country of origin that indicates one of the following situations:
1.The commodities before and after processing are still the same in the first six numbers of commodity
standard classification of the Republic of China.
2.After commodities are processed in the Export Processing Zone, the value for annual average selling
price of commodities subtracts annual average purchasing price of commodities, then divided by annual
average selling price of commodities and does not reach 35% of the commodities price.

Article 6
Business entity engaged in trans-shipment business imports the commodities from abroad and re-sells
after conducting the assembly, warehousing, transportation, loading and unloading, packaging, repair,
inspection or test that is regarded as trans-shipment business that does not reach the level to issue certificate of origin.

Article 7
If business entity engaged in trans-shipment business imports the commodities from abroad, re-sells after
processing but does not reach the level to issue certificate of origin, then the business entity may prepare the following documents to apply to the Export Processing Zone Administration or Branches
(hereinafter referred as “Administration or Branches) for issuing of certificate within two months

after
the end of fiscal year:
1.Application.
2.Operational process of commodities from importation, processing, to sale.
3.Used material analysis and relevant documents of processed and re-sold commodities.
When the aforementioned business entity is dissolved or is merged, it should prepare the aforementioned
documents and apply to the Administration or Branches for issuing of certificate within one month from
the dissolving or merging date.

Article 8
If business entity is engaged in trans-shipment business, R&D, conductance provider, or technical service
business as well, then the business entity may prepare the following documents to apply to the Administration or Branches for issuing of certificate within two months after the end of fiscal year:
1.Application.
2.Certification of company registration.
3.Relevant documents of R&D, conductance provider, or technical service business.
When the aforementioned business entity is dissolved or is merged, it should prepare the aforementioned
documents and apply to the Administration or Branches for issuing of certificate within one month from
the dissolving or merging date.

Article 9
If business entity chooses to be applicable to provisions in Article 14 of this Statute and tax imposed at
10% of trans-shipment income as business income, then the business entity should prepare the documents
of Administration or Branches and apply to the Tax Administration for approval.

Article 10
The certificate is issued according to provisions of Article 7 and Article 8, and it proves that the commodities of that year did not reach the level to issue certificate of origin or supplementary business
in operating the trans-shipment. Afterwards the commodities or business will still require the certificate,
and it should apply in accordance with provisions of Article 7 and Article 8 separately.

Article 11
If business entity concurrently operates the trans-shipment business, and is applied by the provisions in
Article 14 of this Statute with tax imposed at 10% of trans-shipment income as business income, then its
ledgers and evidence of transshipment should be independently set up. Additionally its income, cost, and
gross profit of trans-shipment business should be independently calculated and reasonably shares the
administration fee.
The aforementioned ledgers and evidence may be checked by the Tax Administration and Administration
or Branches, if necessary.

Article 12
The measures shall become effective as of the date of its promulgation.

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