

Content

Title : Taxation Imposed Measures on Transshipment Engaged by Business Entity in the Export Processing Zone [Ch](#)

Date : 2009.12.07

Legislative : 1.Promulgated on December 19, 2001
2.Amended on December 7, 2009

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 transhipment 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.