

Content

Title :	Regulations for Verification of Investment by Overseas Compatriots and Foreign Nationals 
Date :	2019.07.29
Legislative :	Promulgated on May 13, 1998 Amended on December 2, 2002 Amended on July 29, 2019
Content :	<p>Article 1. The following regulations are set forth in accordance with Paragraph 3, Article 9 of the Act for Investment by Overseas Compatriots and Paragraph 3, Article 9 of the Act for Investment by Foreign Nationals.</p> <p>Article 2. 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. Investors funding its invested business in installments shall be allowed to file the application in installments or file the application in one installment within two months after they are fully implemented.</p> <p>Article 3. 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">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.2. If an investor remits funds in a foreign currency for the investment, 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.3. If an investor brings in bank notes in a foreign currency for investment, 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.4. 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.5. 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.6. If an investor uses NTD to purchase equipment and raw materials in Taiwan, the amount of investment shall be verified as the actual dollar amount for the purchase by invoices.7. If the investment is capitalized through stock divisions due to mergers, demergers, or acquisitions, the amount of investment shall be verified as the dollar amount set forth at time of investment approval.8. If the investment is capitalized through creditor rights, 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 by wire transferring foreign currency shall provide the competent authority with the following documents for verification:

1. Application for investment verification.
2. Photographic copies of the bank advice of inward remittance or bank draft issued in relation to any incoming wire transfers.
3. If the investor purchases NTD to fund the investment, the investor shall submit the foreign exchange receipt issued for the purchase of NTD from the settlement bank; If the investor does not purchase NTD, the investor shall submit photographic copies of other transaction certifications from the beneficiary bank.
4. Photographic copies 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 equity in the preceding paragraph is acquired from a Taiwanese shareholder, investors are not required to provide the documents mentioned in Subparagraph 4 above. Nonetheless, investors shall provide the statement of the completion of stock equity transfer by the domestic company, transferrer, or transferee, and the receipt of payment.

If an investment according to Paragraph 1 is completed by an investor group consisting of two or more investors, investors shall submit 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 bringing in foreign currencies in cash for investment shall provide the competent authority with the following documents for verification:

1. Application for investment verification.
2. Certification documents issued by the customs.
3. If the investor purchases NTD to fund the investment, the investor shall submit the foreign exchange receipt issued for the purchase of NTD from the settlement bank; If the investor does not purchase NTD, the investor shall submit photographic copies of other transaction certifications from the beneficiary bank.
4. Photographic copies 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 equity in the preceding paragraph is acquired from a Taiwanese shareholder, investors are not required to provide the documents mentioned in Subparagraph 4 above. Nonetheless, investors shall provide the statement of the completion of stock equity transfer by the domestic company, transferrer, or transferee, and the receipt of payment.

If an investment according to Paragraph 1 is completed by an investor group consisting of two or more investors, investors shall submit the investment amount statement of the investors. If the investment amount is brought into the country by one of the investors, the investors shall submit a statement of the carrying of the currency on behalf of the investor group.

Article 6.

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. Application for investment verification.
2. Photographic copies 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 equity in the preceding paragraph is acquired from a Taiwanese shareholder, investors are not required to provide the documents mentioned in Subparagraph 2 above. Nonetheless, investors shall provide the statement of the completion of stock equity transfer by the domestic company, transferrer, or transferee, and the receipt of payment.

Article 7.

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. Application for investment verification.
2. Documents showing evidence of investors transferring or licensing their intellectual property rights to invested business or the preparatory office thereof.

Article 8.

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. Application for investment verification.
2. Certification of the entry of goods issued by the customs.

Article 9.

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

1. Application for investment verification.
2. Photographic copies 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 proof showing investors have undertaken steps to capitalize the investment.

Article 10.

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

1. Application for investment verification.
2. The invested business or its preparatory office shall provide proof showing investors have undertaken steps to capitalize the investment.

Article 11.

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

1. Application for investment verification.
2. The invested business shall provide proof showing investors have undertaken steps to capitalize the investment.

Article 12.

An application for verification may be exempted under any of the following conditions:

1. Investors transferring ownership in shares of the invested business to other overseas compatriots or foreign nationals with the transaction being completed outside of Taiwan, and with no capital flowing into Taiwan.
2. Investments by investors through gifts, inheritance, capital increase through conversion of earnings or capital surplus.

Article 13.

Where an investor applies for investment verification in accordance with the Regulations, the competent authority may, where necessary, request the investor to submit a photographic copy of a CPA-audited capital verification audit report, proof stating the percentage of the investor's ownership of outstanding shares in a domestic enterprise, or other designated documents.

Article 14.

This Regulations becomes effective on the date of promulgation.