
Taiwan Tax Update

November 2017

Act for the Recruitment and Employment of Foreign Professionals

On October 31, 2017, the Legislative Yuan has passed the Act for the Recruitment and Employment of Foreign Professionals (referred to as “the Act”), with the hope to attract and recruit foreign talent to work in Taiwan. The Act has broadened the provisions relating to foreign workers’ visa, residence, insurance, tax, retirement and other benefits in Taiwan.

Based on the Act, foreign workers are classified into the following three categories based on the level of professional qualification:

- i) Foreign Professionals: foreign national engaging in professional work in Taiwan
- ii) Foreign Special Professionals: foreign professional who possesses special expertise needed by Taiwan in science & technology, economy, education, culture, arts, sports and other fields, as announced by the relevant competent authority
- iii) Foreign Senior Professionals: those that possess high-level expertise and skills needed by Taiwan. He/she should have distinctive talent in scientific and technological R&D or managerial work at a special technology or scientific and technological institute, or possesses special abilities that enable them to make exceptional contributions to Taiwan’s economy, industry, education or welfare, or have won top awards at prestigious international competitions.

The following paragraphs list out the benefits and legislations applicable to each category of the foreign nationals.

Foreign Professionals

- Individuals who require a longer time to seek for employment may apply for employment seeker visitor visa (multiple entries and with duration of 6 months).
- The foreign professional’s spouse and children under 20 years old or

children over 20 years old that is unable to take care of himself/herself due to physical or mental disability, can enroll into Taiwan National Health Insurance Program upon obtaining Alien Resident Certificate (“ARC”), without the need to fulfil the 6 months restriction as stated in Paragraph 1, Article 9 of the National Health Insurance Act.

- Foreign professional who obtains a valid Alien Permanent Resident Certificate (APRC) may:
 - i. Enroll in Taiwan New Pension scheme
 - ii. Loosen the restriction on the number of days the foreign national needs to stay in Taiwan to maintain his/her APRC status. However, if the foreign professional has left Taiwan and does not enter into Taiwan within 5 years, the APRC will be cancelled
 - iii. Apply APRC for spouse, children under 20 years old or children over 20 years old that is unable to take care of himself/herself due to physical or mental disability, upon fulfilling certain criteria
 - iv. Allow children that are over 20 years old to apply for Taiwan personal work permit, upon fulfilling certain criteria

Foreign Special Professionals

- Work permit is extended from 3 years to 5 years
- Foreign special professionals are eligible to apply for 4-in-1 Employment Gold Card. The Card combines work permit, resident visa, Alien Resident Certificate and re-entry permit. This Card provides a certain period of open personal work permit, which enhances the flexibility for job change, take on part time jobs, or act as a technical adviser, lecturer, etc. The Card will be valid for a maximum of 3 years, and re-application is required upon re-assessment.
- Lineal ascendant may apply for family visitor visa, which allows the lineal ascendant to stay for up to one year.
- Foreign special professionals whose annual income exceeds 3 million New Taiwan Dollars may benefit from the tax preferential treatment. Within 3 years starting from the tax year in which the individual for the first time stays in Taiwan for 183 days or more, half of the individual’s salary income exceeding 3 million New Taiwan Dollars will not be taxed in Taiwan. The benefit may be deferred for up to 5 years. Please note that this is not applicable to foreigners who is currently a resident of Taiwan. In addition, Taiwanese citizens with dual nationalities who does not have Taiwan

household registration and requires a work permit to work in Taiwan should not be excluded from the tax preferential treatment.

Foreign Senior Professionals

- Spouse, children under 20 years old or children over 20 years old that is unable to take care of himself/herself due to physical or mental disability may apply for permanent residency together with the foreign senior professional.

COMPARISON GRID IN ONE GLANCE

	Foreign Professional	Foreign Special Professional	Foreign Senior Professional
Employment Seeker Visitor Visa	v		
Spouse and Dependents Enrollment in National Health Insurance	v		
Spouse and Dependents Application for Alien Permanent Resident Certificate (APRC)	v (Note)		v
Enrollment in Taiwan New Pension Scheme	v (Note)		
Loosen the Required Number of Days APRC Holders Need to Stay in Taiwan	v		
Application for Taiwan Personal Work Permit of Dependents	v (Note)		
Extend the Duration of Work Permit		v	
4 in 1 Employment Gold Card		v	
Family Visitor Visa		v	
Tax Preferential Treatment		v	

Note : Terms and Conditions Apply

PwC OBSERVATION

The new Act has included new legislations which tends to benefit the immediate family of the foreign nationals. By taking better care of their family and liberalizing legislations relating to working conditions in Taiwan, the government wishes to create a friendlier work environment to further motivate foreign nationals to work in Taiwan.

Currently, most of the details of the Act is yet to be confirmed as it is still being discussed internally by the government body. Further updates will be circulated once released by the Legislative Yuan.

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