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## **Taiwan Tax Update**

*February 2018*

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### **Regulation Governing Income Tax Exemption for Foreign Special Professionals**

On January 30, 2018, the Ministry of Finance (“MOF”) announced the Regulation Governing Income Tax Exemption for Foreign Special Professionals (“the Regulation”), which stipulates the prerequisite criteria and applicable period for preferential tax treatment based on Article 9 of the Recruitment and Employment of Foreign Professionals (“the Act”). The tax and non-tax benefits under the Act and the Regulation are summarized as follows:

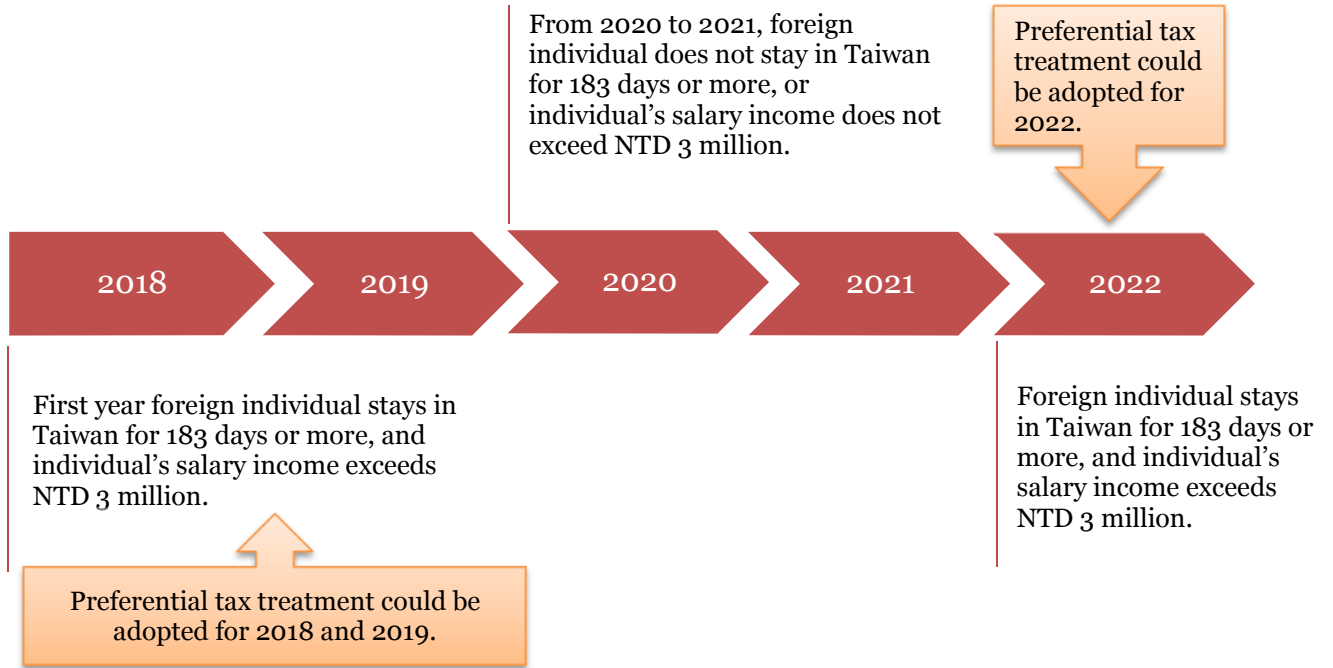
#### **Tax and non-tax benefits**

Foreigners who meet the prerequisite criteria of “Foreign Special Professionals” are entitled to tax and non-tax benefits as follows:

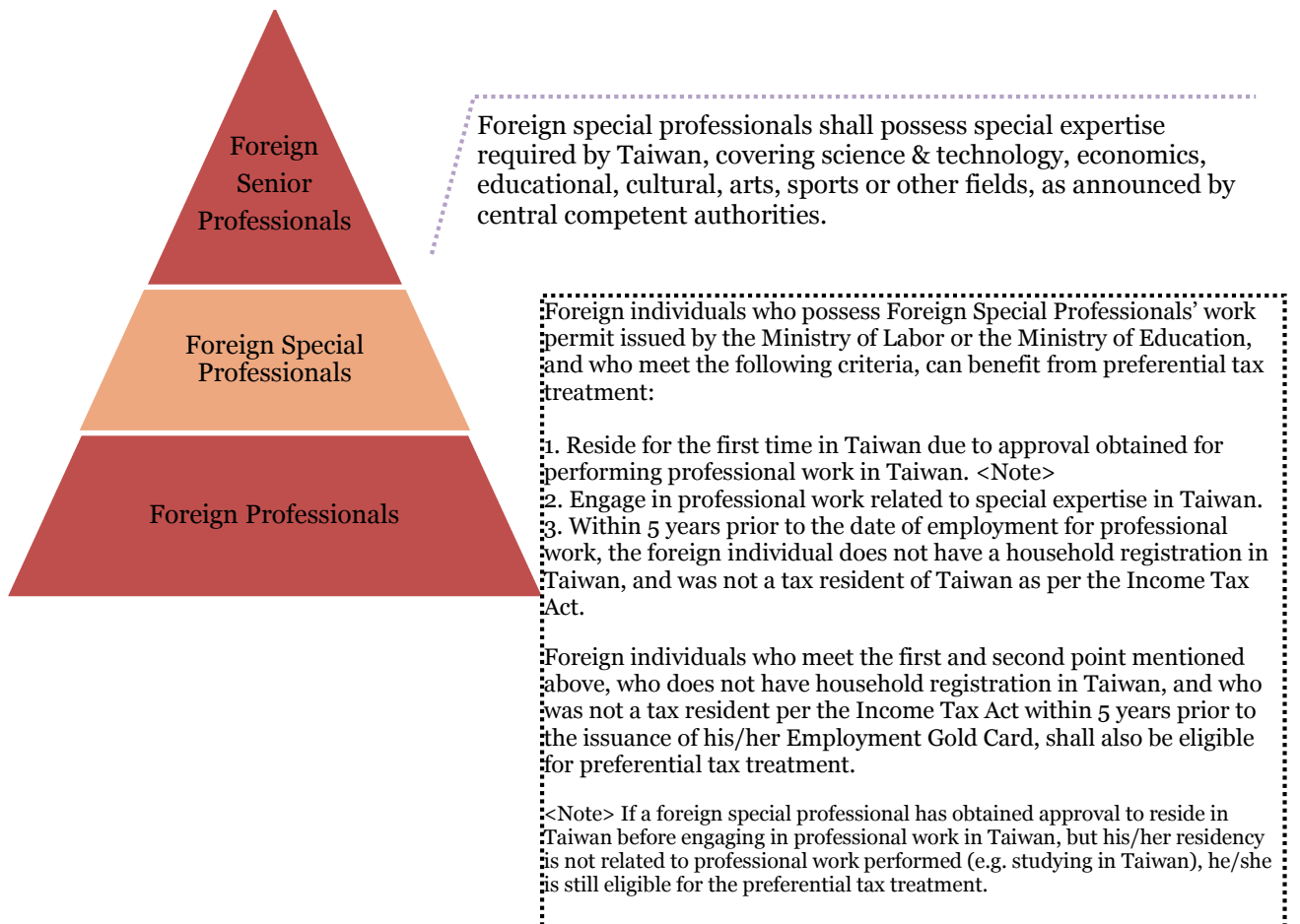
1. Work permit can be issued for a maximum of 5 years, and can be renewed for another maximum 5 years per renewal application.
2. Foreign special professionals are eligible to apply for 4-in-1 Employment Gold Card, consolidating work permit, resident visa, alien resident certificate and re-entry permit.
3. Preferential tax treatment: Qualified foreign special professionals whose annual income exceeds NTD 3 million may, for 3 years starting from the first year in which the individual stays in Taiwan for 183 days or more, apply income tax exemption on half of the individual’s salary income exceeding NTD 3 million, and such individual’s offshore income will not be included in the alternative minimum tax base in Taiwan.

#### **Preferential tax treatment implementation timeline**

Foreign individuals who meet the aforementioned criteria of Foreign Special Professionals can benefit from preferential tax treatment for 3 years within the applicable 5 year time limit. The period starts from the first year in which the foreign individual stays in Taiwan for 183 days or more, and the individual’s salary income exceeds NTD 3 million. The following graph illustrates the applicable timeline:



**Requirements**



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