



Taiwan Tax Update

February 2026

Income Tax

The Ministry of Finance (“MOF”) Released the List of Low-Tax Jurisdictions on February 4, 2026

The MOF released the list of low-tax jurisdictions for CFC purposes. The list is consistent with the prior version released on 27 December 2024 and comprises three main parts:

1. There are 31 jurisdictions whose statutory corporate income tax rate does not exceed 14%, e.g., BVI, Cayman Islands, Bermuda and Macau.
2. There are 48 jurisdictions with territorial taxation that do not impose income tax on incomes derived from foreign sources.
3. Whether a jurisdiction that offers special tax treatment to a particular zone or type of corporation is considered a low-tax jurisdiction for CFC purposes should be determined on a case-by-case basis.

PwC Perspective:

Since 2025, many jurisdictions have implemented the QDMTT under Pillar Two. Where an entity of a multinational group located in a low-tax jurisdiction pays top-up tax up to the 15% effective tax rate, there is currently no guidance on whether such jurisdiction could be removed from the list of low-tax jurisdictions for CFC purposes.

Therefore, it is advisable for taxpayers to retain tax filing and payment documents for entities located in those low-tax jurisdiction (e.g., local QDMTT tax returns and payment evidence) and seek a ruling from the tax authority to ascertain whether the aforesaid entities could be exempt from the CFC regime.



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