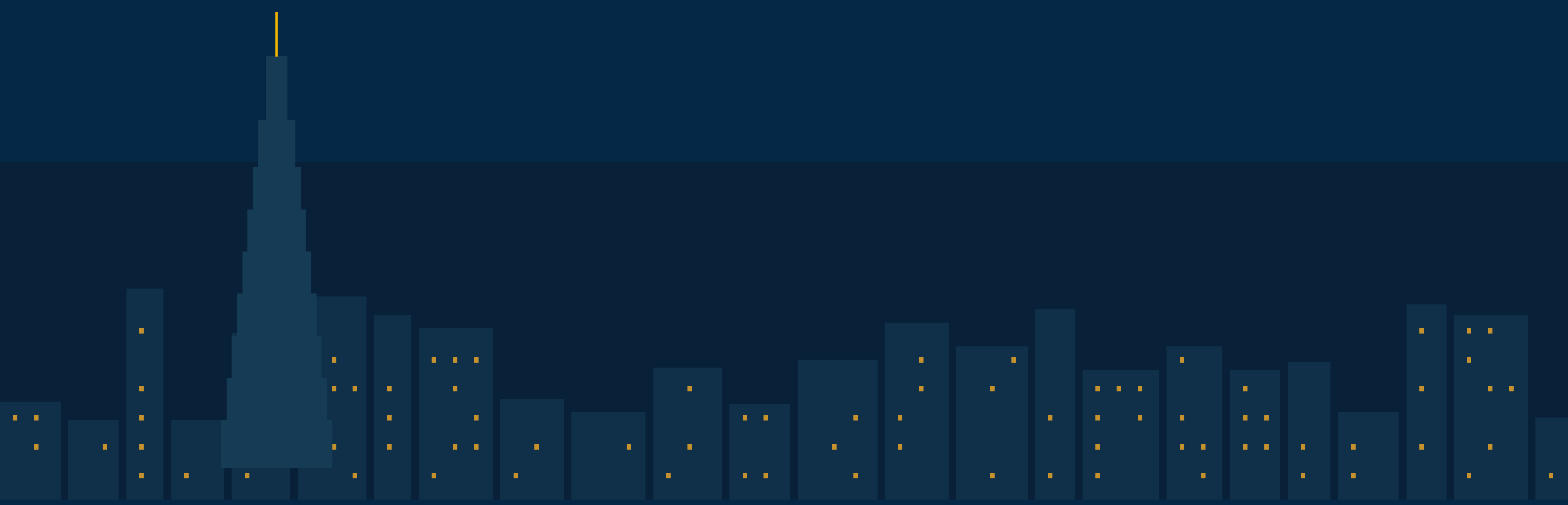
TAIWAN

COMPANY FORMATION
CLIENT GUIDE 2026

Company formation, foreign investment, taxation
and annual compliance

Professional company formation
and ongoing corporate administration



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Taiwan Limited Company at a Glance

A Taiwan limited company is a separate legal entity under the Company Act. It may be organised by one or more shareholders and is commonly used by foreign investors establishing an operating business in Taiwan.

Topic	Current legal / practical position
Shareholder	One or more shareholders. Official Invest Taiwan guidance confirms that all shareholders may be foreign nationals residing outside Taiwan, subject to foreign-investment rules and restricted sectors.
Director	A limited company has at least one and not more than three directors. Directors are elected from among the shareholders; official foreign-investment guidance states all directors may be foreign nationals residing outside Taiwan.
Registered office	The company must maintain its registered head office in Taiwan and complete company and tax registration.
Capital	No general statutory minimum capital. Invest Taiwan states capital must nevertheless be examined and certified by a local CPA and should cover at least incorporation costs.
Incorporation fee	NT$1 for every NT$4,000 of paid-in capital, subject to a minimum NT$1,000. Name/business reservation is NT$300; official reductions apply to electronic filings.
Corporate income tax	General profit-seeking enterprise income tax is 20% for taxable income above the statutory threshold/calculation band.
Business tax (VAT)	Standard VAT-type business tax is 5%. Qualifying exports of goods and specified export-related / offshore-used services may be zero-rated.
Non-resident dividend WHT	Domestic withholding on dividends paid to non-residents is generally 21%, subject to treaty relief where applicable.

Key Benefits for International Clients

- 100% foreign ownership can be possible for permitted activities, subject to investment approval and sector restrictions.
- No general statutory minimum capital for an ordinary limited company.
- Foreign directors may reside outside Taiwan under official foreign-investment guidance.
- Qualifying exports of goods and certain services can benefit from 0% business tax (VAT).
- Foreign income tax may be creditable against Taiwan corporate income tax, subject to statutory limitations and evidence.
- Taiwan offers targeted investment incentives and special regimes for qualifying industries/projects; eligibility is activity-specific.

Important 2026 Tax Position

Taiwan is not a blanket 0% or territorial-tax company jurisdiction

A Taiwan-headquartered profit-seeking enterprise is generally taxed on income derived within and outside Taiwan. Foreign customers, offshore contracts or foreign-source receipts do not by themselves create a 0% corporate income-tax result.

The general corporate income-tax rate is 20%. The important 0% opportunity is principally in business tax (VAT) for qualifying exported goods and specified services - not a general 0% corporate tax regime.

Shareholders, Directors & Corporate Structure

Topic	Current legal / practical position
Shareholders	One or more shareholders; foreign nationals may hold the entire ownership for permitted investments, subject to investment review/restrictions.
Director	One to three directors for a limited company, elected from among shareholders.
Foreign directors	Official Invest Taiwan guidance states all directors may be foreign nationals residing outside Taiwan.
Registered office	A Taiwan head office / registered address is required for registration and tax administration.
Beneficial ownership	Company Act Article 22-1 requires annual electronic reporting of specified details for directors, supervisors, managerial officers and shareholders holding more than 10% of total shares/capital; changes are also reportable under the statutory framework.

Share Capital

There is no general statutory minimum capital for an ordinary Taiwan limited company. The proposed capital should be commercially appropriate and sufficient for expected establishment costs and operations. Foreign-investment capital is remitted and verified in accordance with the approved investment process, and capital is examined/certified by a Taiwan CPA.

Use commercially appropriate capital

The absence of a statutory minimum does not mean that nominal capital is always practical. Banks, regulators, landlords, counterparties and immigration/work-permit processes may expect funding appropriate to the proposed business.

Corporate Income Tax - 20%

For a company, Taiwan's general profit-seeking enterprise income tax is 20% where taxable income exceeds the statutory threshold/calculation band. Qualifying tax incentives may apply to particular investment or innovation activities, but there is no general reduced rate merely because shareholders or customers are foreign.

Worldwide Income & Foreign Tax Credit

A profit-seeking enterprise with its head office in Taiwan is generally subject to Taiwan tax on income from Taiwan and abroad. Foreign-source income is therefore not generally exempt. Foreign income tax paid may be creditable against Taiwan tax within the statutory limitation and subject to supporting evidence.

Business Tax (VAT) - 5% / 0% for Qualifying Exports

The ordinary VAT-type business tax rate is 5%. A genuine 0% rate can apply to exports of goods, export-related services and services provided in Taiwan but used abroad, provided the statutory conditions and documentary evidence are met. This is a VAT zero rate, not a corporate-income-tax exemption.

Dividends Paid to Non-Residents

The domestic withholding rate on dividends paid to a non-resident individual is generally 21%. Treaty relief may reduce the rate where an applicable treaty/arrangement and beneficial-entitlement conditions are satisfied.

Undistributed Earnings

Taiwan's Income Tax Act also imposes an additional 5% tax on qualifying undistributed current-year earnings. The calculation and available reductions should be reviewed with a Taiwan tax adviser before year-end profit-distribution decisions.

Formation Process & Documents Required

1. Structure/tax review 2. KYC/UBO and name preparation 3. Name/business reservation 4. Foreign investment approval 5. Capital remittance / CPA verification 6. Company and tax registration

For foreign investment, the investor normally completes the MOEA investment application before remitting approved investment capital. After remittance, investment amount verification and CPA capital verification are completed before/with company registration as applicable. Regulated activities require their own licences or approvals.

Official Fees

Name/business reservation: NT$300 (NT$150 reduction for electronic filing). Company incorporation registration: NT$1 per NT$4,000 of paid-in capital, minimum NT$1,000. Electronic company-registration filings receive the reduction prescribed by the official fee regulations. These are government registration fees only and exclude BRIS, CPA, translation, legalisation, office, tax and other professional charges.

Documents Required from the Client

- Passport / acceptable identification for shareholders, directors and UBOs.
- Recent proof of residential address.
- For corporate shareholders: registry extract/certificate, constitutional documents, directors and full ownership chain.
- Proposed company name and detailed business activities.
- Proposed shareholding, directors and capital contribution.
- Expected countries of operation, customers/suppliers, turnover and transaction profile.
- Source-of-funds and, where appropriate, source-of-wealth evidence.
- Documents required for foreign-investment review, capital remittance and bank KYC.
- Certified, notarised or legalised documents where required by the competent authority/provider.

Beneficial Ownership & Corporate Records

Company Act Article 22-1 requires annual electronic reporting of specified information on directors, supervisors, managerial officers and shareholders holding more than 10% of shares/capital. Companies must also maintain their statutory corporate and accounting records and update reportable changes within the applicable deadlines.

Financial Statements & CPA Audit

Annual financial statements must be prepared. CPA audit and attestation are required where paid-in capital is NT$30 million or more, or where capital is below NT$30 million but annual net revenue reaches NT$100 million or Labor Insurance-covered employees reach 100. Sector-specific rules may impose additional audit requirements.

Accounting records must be retained

Accounting documents are generally retained for at least 5 years after year-end closing; accounting books and financial statements for at least 10 years, unless unsettled accounting matters require longer retention.

Annual Compliance Checklist

- Maintain Taiwan registered office and current company particulars.
- Maintain directors, shareholders, UBO and Article 22-1 reporting information.
- Prepare annual financial statements and obtain CPA audit/attestation where required.
- File annual profit-seeking enterprise income-tax return; calendar-year businesses generally file 1-31 May.
- File/pay business tax (VAT) as applicable and retain zero-rate export evidence where claimed.
- Review 20% corporate tax, 5% undistributed-earnings tax and withholding before distributions.
- Maintain accounting documents, books and financial statements for statutory retention periods.
- Keep foreign-investment approvals, capital-remittance and verification records current.

International Business & Tax Planning

Taiwan can be attractive for a genuine operating company serving Asian and global markets, but it should not be marketed as an offshore or blanket tax-free jurisdiction. A Taiwan-headquartered company is generally taxed on worldwide income at the 20% corporate rate, while qualifying exports can benefit from a genuine 0% business-tax treatment.

This is not a 0% foreign-source company regime

Foreign ownership, overseas customers, offshore invoicing or keeping receipts abroad do not by themselves exempt a Taiwan company from corporate income tax. Any tax incentive or special-zone benefit must be matched to the specific activity and statutory conditions.

Targeted Incentives & Special Regimes

Official Ministry of Finance guidance identifies targeted tax incentives including R&D investment credits, qualifying investment in smart machinery / 5G / cybersecurity / AI / energy-saving and carbon-reduction technologies, SME employment incentives and deductions connected with qualifying reinvestment of earnings. These are incentive mechanisms rather than a general 0% corporate-tax regime.

How BRIS Group Supports You

Structure & tax review - Review ownership, activities, foreign-investment approval, 20% corporate tax, export VAT zero-rating, withholding and applicable incentives.

Formation - Coordinate name reservation, investment application, capital remittance/verification, registered office and company registration.

KYC / UBO - Coordinate shareholder, director, beneficial-owner and source-of-funds/wealth due diligence.

Accounting & compliance - Coordinate bookkeeping, financial statements, CPA services, corporate income tax, VAT and statutory reporting.

Banking - Prepare corporate/KYC documentation and coordinate banking support where available.

Professional Fees & Quotations

Tailored quotation

This guide is informational and is not a fee quotation. BRIS Group professional fees, government charges, registered-office services, CPA/accounting/tax, translations, legalisation, banking support and other optional services are quoted separately according to the required work.

Important Legal Notes & Official Sources

Taiwan is not a blanket 0% foreign-source company jurisdiction. The general corporate income-tax rate is 20%. Genuine tax advantages can include 0% business tax for qualifying exports/services, foreign-tax-credit relief and targeted statutory investment incentives.

Official sources reviewed: Ministry of Economic Affairs - Company Act (amended 26 Dec 2025), Regulations Governing Collection of Company Registration Fees, foreign-investment guidance / Invest Taiwan, Business Entity Accounting Act and CPA-audit threshold announcement; Ministry of Finance / eTax Portal - profit-seeking enterprise income tax, 2026 tax guidance, business tax zero-rating, non-resident withholding and filing timetable.

Source hierarchy used for the 2026 tax position

This guide follows current enacted legislation and official MOEA / Ministry of Finance guidance. Activity-specific licences, investment restrictions, treaty entitlement and incentive eligibility should be reconfirmed for the client's actual facts.

PREPARED BY BRIS GROUP

Taiwan Limited Company - Client Guide 2026

Professional incorporation and corporate administration for international clients.