

Complete Guide for Foreign Corporate Entities

Investing in Taiwan

Estimated Timeline: Approximately **8–12 weeks** (depending on document authentication and bank KYC procedures).

Stage 0: Pre-investment Planning & Authentication

0.1 Key Planning Points

- **Company Name:** Prepare 3–5 Chinese names and one English name (for banking and trade).
- **Business Address:** Ensure the building's designated use complies with zoning regulations, especially in Taipei City.
- **Equity Structure:** Decide between a 100% owned subsidiary or a joint venture with local partners.
- **Appointed Representative:** The foreign entity must appoint a natural person as the Director of the Taiwan subsidiary. This person **must be able to travel to Taiwan** to open the bank account.
- **Capital Threshold:** A minimum of **NT\$500,000** is recommended to meet the threshold for a foreign manager's work permit.

0.2 Authorization and Notarization Since a corporate entity cannot move physically, it must authorize a local representative (CPA or lawyer) through a rigorous verification process.

- **Required Documents:**
 1. **Board/Shareholder Resolution:** Must state the decision to invest in Taiwan, the capital amount, and the appointed representative.
 2. **Power of Attorney (POA):** Authorizes the agent to handle investment applications and registrations.
 3. **Investor Identity Documents:** Certificate of Incorporation (C.I.), Proof of Good Standing, Register of Directors/Shareholders, and Ultimate Beneficial Owner (UBO) data.
- **Verification Requirements:** Documents must be **notarized** in the investor's home country and then **legalized** by the nearest Taiwan Overseas Office (TECO).

Stage 1: Name Reservation & Venue Audit

- **Name Reservation:** Reserve the Chinese name via the Ministry of Economic Affairs (MOEA) for 6 months.
- **Business Venue Pre-audit (Taipei City Only):** Taipei has strict "Residential/Commercial" zoning. You must verify if the address allows for office or retail use before signing a lease.
- **Risk Warning:** If the address is used illegally (e.g., an office in a pure residential zone), you may face fines between **NT\$60,000 and NT\$300,000** and forced relocation, even if the business registration was initially approved.

Stage 2: Investment Approval & Capital Remittance

- **Foreign Investment Permit:** Apply to the Department of Investment Review (DIR) with a detailed investment plan and UBO information.
- **Opening the Preparatory Account:** The appointed Director must visit an authorized foreign exchange bank in person.
- **Remitting Funds:** The capital must be remitted from the **foreign entity's overseas bank account** to the preparatory account in Taiwan.
- **Remittance Code:** Use code "**310**" (Foreign Equity Investment). Remittances from non-shareholders or within Taiwan are strictly prohibited.

Stage 3: CPA Capital Audit & Pre-registration Preparation

- **3.1 CPA Capital Audit Report (Validation of Capital):** According to the Taiwan *Company Act*, even though the Department of Investment Review (DIR) has already audited the remittance, a separate report issued by an independent local CPA is mandatory for the company registration process.
- **3.2 Document Preparation:** The CPA firm will prepare the full set of registration documents, including the Articles of Incorporation, Shareholders' Consent, and Director's Consent to Serve.
- **3.3 Anti-Money Laundering (AML) Declaration:** Information regarding the Ultimate Beneficial Owner (UBO) must be declared and verified.
- **Required Documents:** Bank passbook copies and a Certificate of Deposit Balance.

Stage 4: Company Establishment Registration

- **Authority:** Department of Commerce, Ministry of Economic Affairs (MOEA) or Taipei City Office of Commerce.
- **Process:** Submit the CPA Audit Report and all legal documents to the authority. Once approved, the company officially attains "Legal Person" status.
- **Result:** You will receive the **Company Registration Approval Letter** and the **Company Registration Form**. At this stage, your 8-digit **Unified Business Number (Tax ID)** is officially issued.

Stage 5: Business Tax (Tax Nexus) Registration

- **Authority:** National Taxation Bureau (NTB).
- **Process:** Apply for tax registration at the local tax office of your business address.
- **Requirement:** In some districts, the appointed Director may be required to appear in person for an interview or to sign documents to prevent identity fraud.
- **Result:** You will receive the **Business Tax Registration Approval Letter**.

Stage 6: Invoice Activation

- **Electronic Invoices & Purchase Certificate:** We recommend applying for **Electronic Invoices** for digital management. To issue traditional invoices, the company must obtain a "Unified Invoice Purchase Certificate."
- **Process:** The Director or an authorized agent brings the company chops (seals) and registration documents to the tax bureau to finalize the setup.
- **Result:** The company is now legally authorized to issue invoices and conduct sales.

Stage 7: Converting the Preparatory Account to an Official Account

- **Authority:** The authorized foreign exchange bank where the account was opened.

- **Process:** Bring the Company Registration Approval Letter, Registration Form, Articles of Incorporation, and the new official company seals to the bank.
- **Action:** The bank will remove the suffix "Preparatory Office" (籌備處) from the account name, making it a formal corporate account.
- **Result:** Updated bank seals (chops) and signature cards. The company can now freely use its capital for operations.

Stage 8: Post-Setup Compliance

- **Work Permit:** Investing does not equal the right to work. If the foreign representative plans to work and receive a salary, they must apply for a **Work Permit** from the Ministry of Labor.
- **Alien Resident Certificate (ARC):** Apply for residency based on the Work Permit.
- **Accounting:** Taiwan's tax laws are complex (e.g., bi-monthly business tax filings). It is strongly advised to appoint a CPA firm for ongoing bookkeeping and compliance.