

正本

檔 號：

保存年限：

交通部航港局 函

地址：10669臺北市和平東路3段1巷1號

承辦人：侯佳芸

電話：02-89786254

傳真：02-27058701

電子信箱：cyhou@motcmpb.gov.tw

10569

臺北市松山區南京東路5段343號8F
之3

受文者：台北市航空承攬運送商業同業公
會

發文日期：中華民國108年1月31日

發文字號：航港字第1081810170A號

速別：普通件

密等及解密條件或保密期限：

附件：如文(下載網址：https://www.motcmpb.gov.tw/downloadlargefileslist_536.html；檔
案檢查碼：eGFXtWE)

主旨：檢送中英文版「自由港區租稅措施」各1份，如附件，請
查照。

說明：依據本局107年5月21日「自由貿易港區設置管理條例」
第29條暨「國際機場園區發展條例」第35條修正草案公
聽會(第二場)紀錄辦理。

正本：交通部航政司、交通部民用航空局、財政部關務署、財政部賦稅署、財政部臺
北國稅局、財政部高雄國稅局、財政部北區國稅局、財政部中區國稅局、財政
部南區國稅局、桃園國際機場股份有限公司、遠雄航空自由貿易港區股份有限
公司、臺灣港務股份有限公司、中華民國物流協會、台灣國際物流暨供應鏈協
會、社團法人台灣全球商貿運籌發展協會、台北市海運承攬運送商業同業公
會、台北市航空承攬運送商業同業公會、高雄市航空貨運承攬商業同業公會、
台灣區電機電子工業同業公會、台灣區工具機暨零組件工業同業公會、臺灣機
械工業同業公會、臺灣自行車輸出業同業公會、台灣區車輛工業同業公會、中
華民國全國工業總會、中華民國全國商業總會、工業技術研究院、經濟部招商
投資服務中心、經濟部工業局、經濟部商業司、經濟部國際貿易局、經濟部加
工出口區管理處、科技部、新竹科學工業園區管理局、中部科學工業園區管理
局、南部科學工業園區管理局、行政院農業委員會、屏東農業生物技術園區籌
備處、國家發展委員會、中華民國會計師公會全國聯合會、中華民國記帳士公
會全國聯合會、中華民國記帳及報稅代理人公會全國聯合會、安侯建業聯合會
會計師事務所、勤業眾信聯合會計師事務所、資誠聯合會計師事務所、安永聯
合會計師事務所、陽明海運股份有限公司、永塑國際物流股份有限公司、聯興國
際物流股份有限公司、彩躍有限公司、台基國際物流股份有限公司、東哲行股
份有限公司、中國貨櫃運輸股份有限公司、台塑石化股份有限公司、台北港貨
櫃碼頭股份有限公司、台北港國際物流股份有限公司、益州海岸股份有限公
司、京揚國際股份有限公司、台灣燃油股份有限公司、中華全球石油股份有限

公司、建新國際股份有限公司、長榮國際儲運股份有限公司、德隆倉儲裝卸股份有限公司、匯僑股份有限公司、臺鹽實業股份有限公司、福貿運通有限公司、億昇倉儲企業股份有限公司、台灣中華蠟業有限公司、進安國際股份有限公司、臺灣港務國際物流股份有限公司、居正行股份有限公司、高群裝卸股份有限公司、連海船舶裝卸承攬股份有限公司、世捷集運股份有限公司、台灣東方海外股份有限公司、現代海鋒船務代理股份有限公司、好好國際物流股份有限公司、高宏通運裝卸股份有限公司、韓商現代太平洋股份有限公司台灣分公司、福懋國際物流股份有限公司、種德國際物流股份有限公司、東立物流股份有限公司(高雄)、國免供應有限公司(高雄)、百楷企業有限公司、長榮海運股份有限公司、杰鑫國際物流股份有限公司、勻泓企業有限公司、凱士達國際股份有限公司、盛洋德亞太物流股份有限公司、台灣世天威物流有限公司、康輝國際物流有限公司、中華機械股份有限公司、路達股份有限公司、高雄理資堂有限公司、太平洋船舶貨物裝卸股份有限公司、傑期企業股份有限公司、兆欣化學工業股份有限公司、海盜船科技股份有限公司、台灣艾司摩爾股份有限公司、裕隆行國際運通股份有限公司、美商科磊股份有限公司台灣分公司、瞻航國際物流股份有限公司、遠雄物流事業股份有限公司、聯帝國際有限公司、郵船通運股份有限公司、迅揚國際企業有限公司、台灣日通日電物流股份有限公司、台灣敦豪供應鏈股份有限公司、台灣準時達國際物流股份有限公司、台灣晶技股份有限公司、亞旭電腦股份有限公司、中菲行國際物流股份有限公司、近鐵運通股份有限公司、香港商標鎰汽車有限公司臺灣分公司、國免供應有限公司(基隆)、台灣力一股份有限公司、東立物流股份有限公司(臺北)、超雄企業股份有限公司(臺北)、好好立和國際物流股份有限公司、統英國際物流股份有限公司、必翔電動汽車股份有限公司、福斯倉儲股份有限公司、關貿網路股份有限公司(臺中)、東立物流股份有限公司(臺中)、萬海航運股份有限公司(臺中)、台灣仕康有限公司、永業物流股份有限公司、中國貨櫃運輸股份有限公司-31號碼頭、惠爾吉寶倉儲有限公司、宏昌自貿企業有限公司、航耀物流事業有限公司、國免供應有限公司(臺中)、祿隆田企業股份有限公司、坤廣國際貿易有限公司、超雄企業有限公司(臺中)、禮福物流有限公司、日立華城變壓器股份有限公司、美商美國總統輪船股份有限公司、萬海航運股份有限公司(高雄)、關貿網路股份有限公司(高雄)、超雄企業股份有限公司(高雄)、鼎福倉儲物流股份有限公司、華運國際物流股份有限公司、台灣國際住商電子股份有限公司、悅琪影音股份有限公司、飛達科視覺設備股份有限公司、台灣阿爾卑斯物流股份有限公司、興田股份有限公司、香港商晉星亞洲有限公司台灣分公司、台灣太陽誘電股份有限公司、鴻佰科技股份有限公司、聲博科技股份有限公司、綠寧科技有限公司、晶英國際股份有限公司、旭宇騰精密科技股份有限公司、香港商威綸物聯網有限公司台灣分公司、振禹企業有限公司

副本：

局長謝謂君



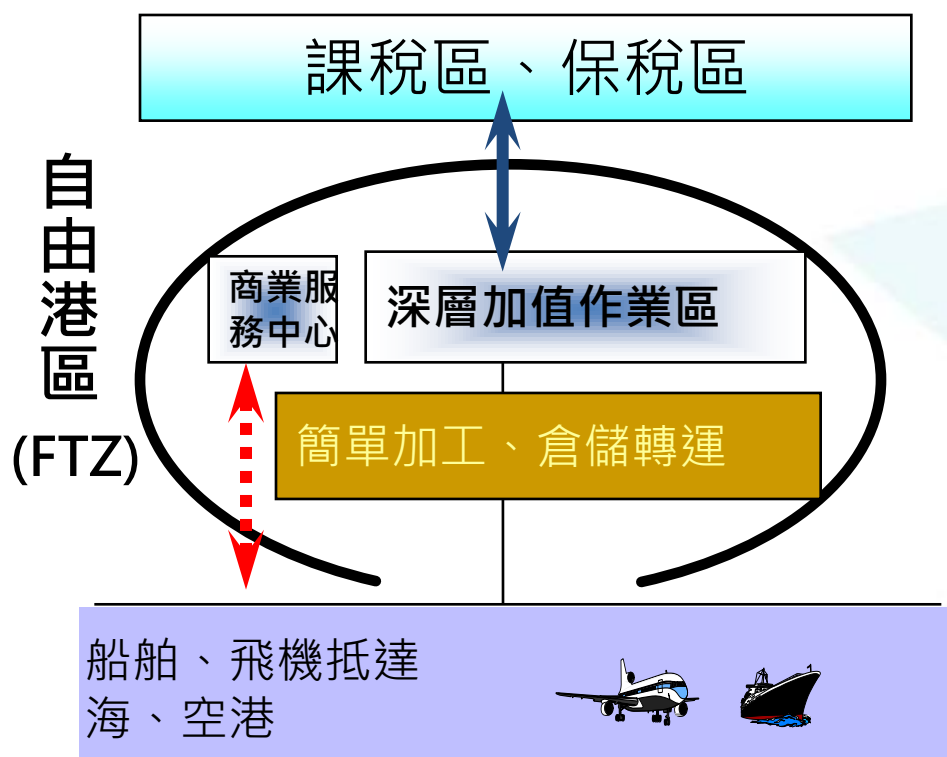
自由港區租稅措施

交通部航港局



2019.1

自由港區定位



- 「**境內關外**」之特區：降低企業跨國營運中物流、商流與人流之障礙，提供良好環境
- 創造「**物流轉運及增值**」之特區：結合海空港功能與供應鏈管理需求，強化企業競爭優勢
- 「**全面貿易自由化**」試點之特區：強調廠商自主管理，透過點及線的試行擴展到面的自由化

FTZ制度設計(1/2)

□ 課/保稅區

VS.

□ FTZ

國際貿易
貨物進出口

國外
境外關外

國內
境內關內

邊境線

關稅線

通關、課稅

國際貿易
貨物輸出入

國外
境外關外

境內
關外

境內
關內

關稅線

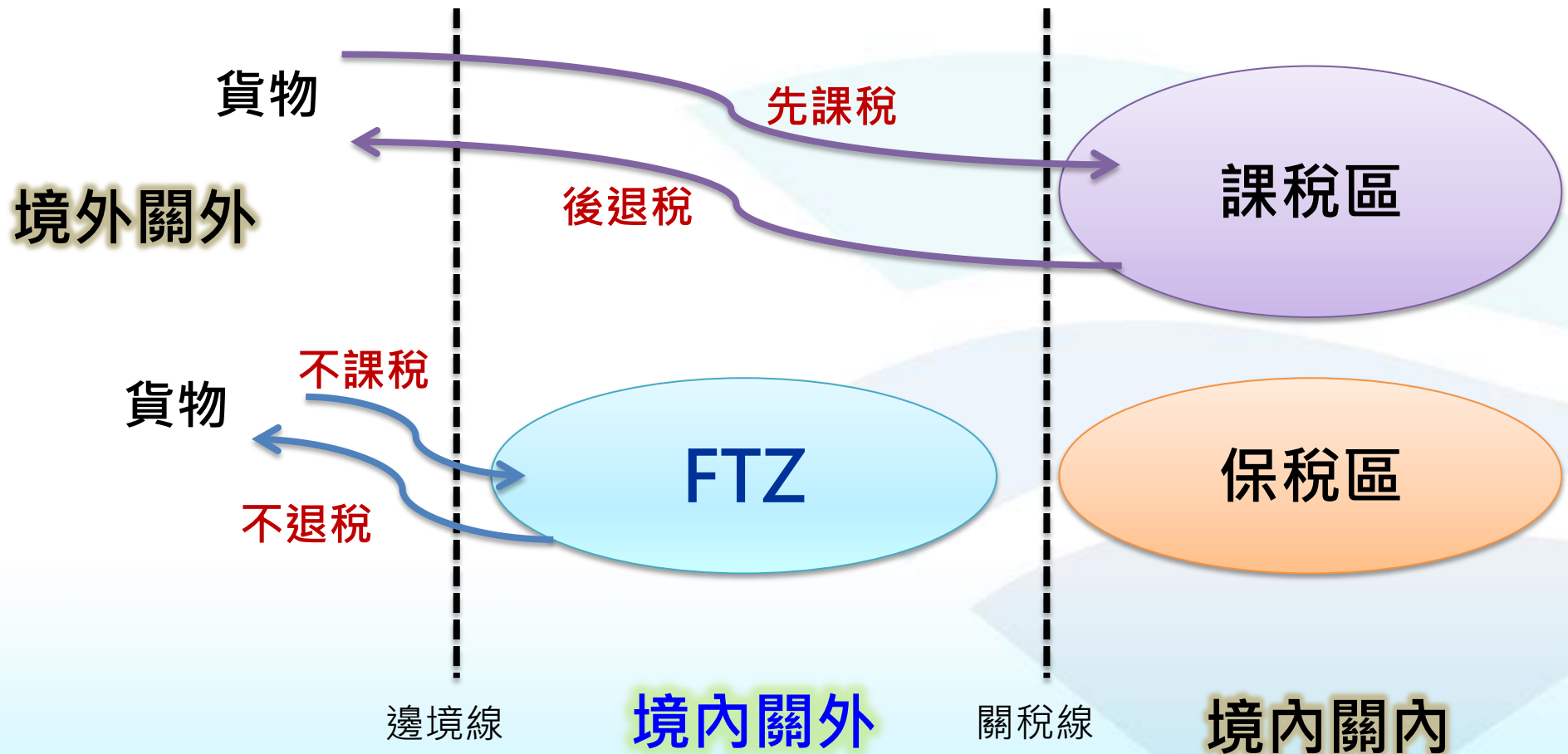
邊境線

通報、免稅



FTZ制度設計(2/2)

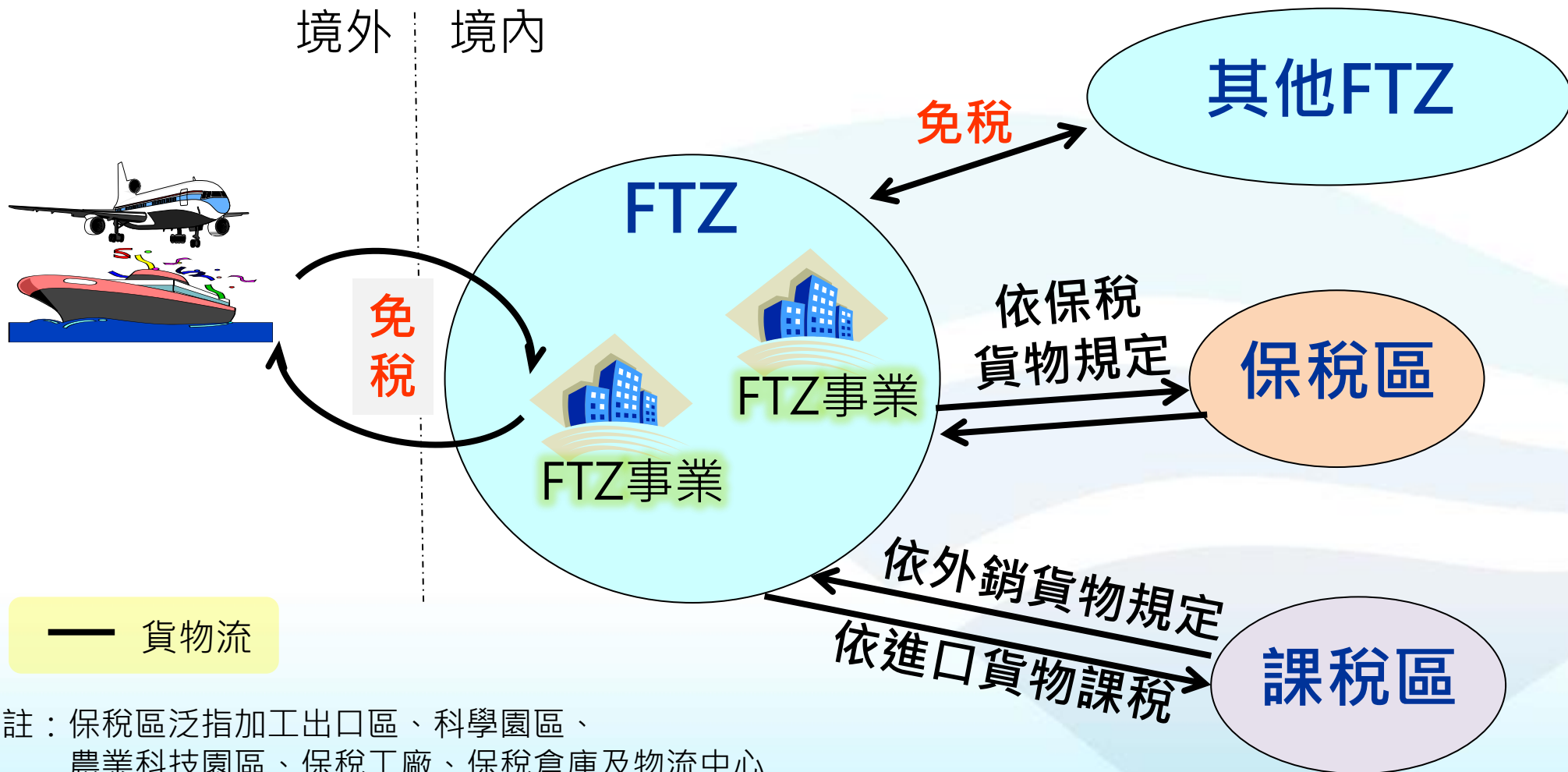
□ 簡化進出口稅制行政程序





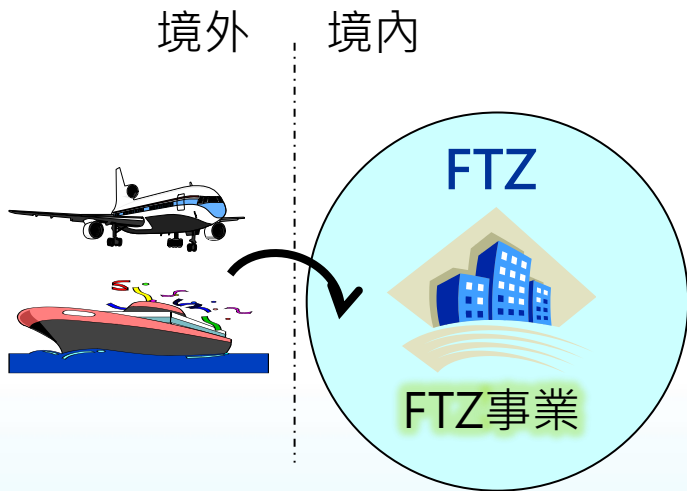
進出口稅制

1.1 進出口稅制



1.2 國外貨物進儲FTZ

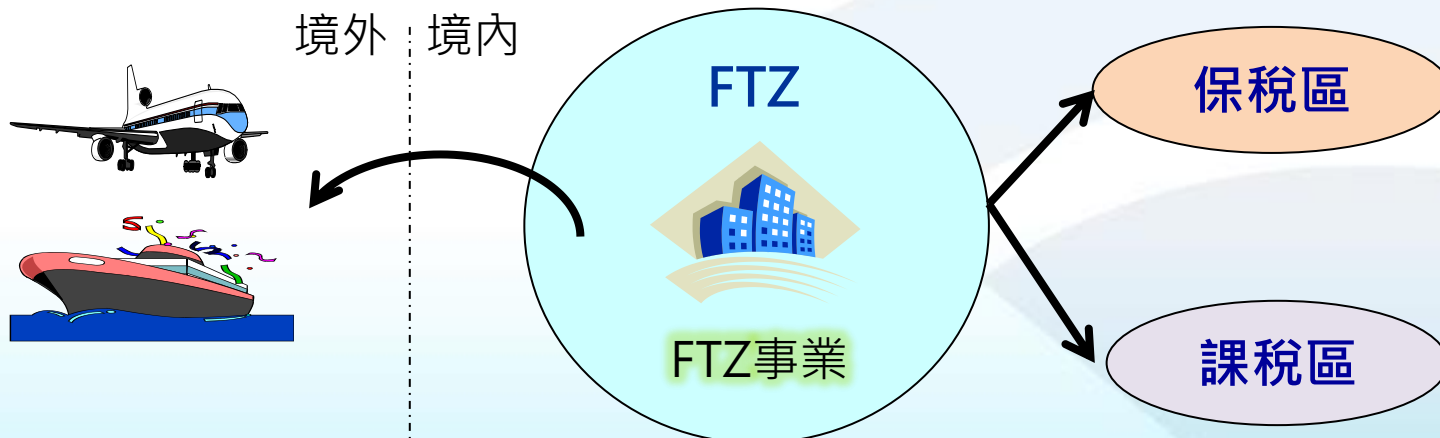
□ FTZ事業自國外運入FTZ內供營運之貨物及自用機器、設備，免徵相關稅費(§21 I、II)



	稅費種類	運入FTZ
國外 貨物及 自用機 器、設 備	關稅	免徵
	貨物稅	
	菸酒稅	
	菸品健康福利捐	
	推廣貿易服務費	
	商港服務費	
	營業稅	

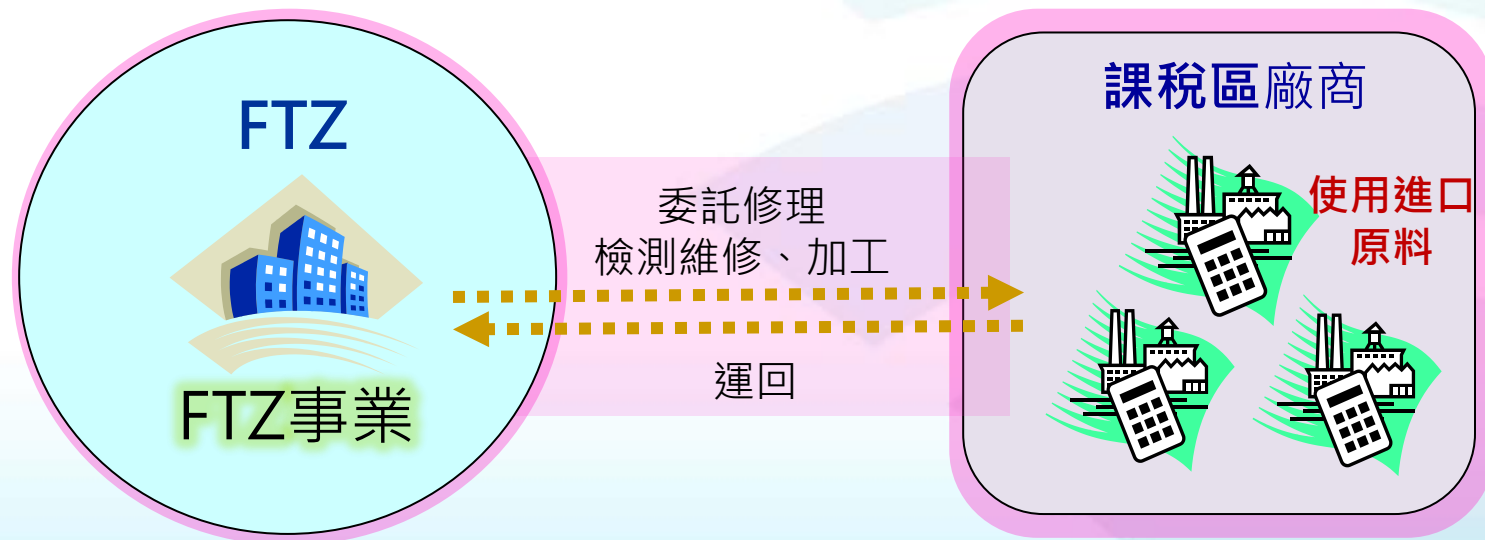
1.3 FTZ貨物輸往課/保稅區

- FTZ事業之貨物運往國外或保稅區，免收推廣貿易服務費(§22)
- FTZ事業之貨物輸往課稅區時，依進口貨物或相關規定，課徵關稅、貨物稅、營業稅、菸酒稅、菸品健康福利捐、推廣貿易服務費及商港服務費(§23)
- FTZ事業之貨物輸往保稅區，依保稅貨物之相關規定，免徵相關稅費(§27)



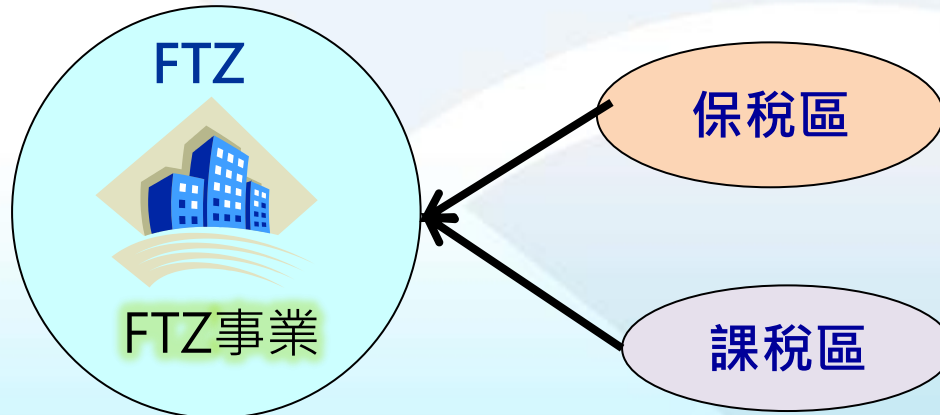
1.4 FTZ貨物、機器、設備輸往課稅區

- FTZ事業免稅之貨物、機器、設備，因修理、測試、檢驗、委託加工而須輸往課稅區，依規定得免提供擔保稅款(§25 I)
- FTZ內之免稅貨物(非管制品)經受託課稅區廠商加工所添加之進口原料，得依外銷品沖退原料稅辦法規定申請退稅(§26 I、II)



1.5 課/保稅區貨物或自用機器、設備運入FTZ

- 課稅區或保稅區運入FTZ之貨物，免收推廣貿易服務費(\$22)
- FTZ事業自課稅區運入供營運之貨物及自用機器、設備，視同出口，得依相關法令規定，申請減徵、免徵或退還關稅、貨物稅、菸酒稅及菸品健康福利捐(\$24 I)
- FTZ事業自課稅區運入之已稅進口貨物或國產非保稅貨物，自運入之次日起五年內，原貨復運回課稅區時，免徵關稅；其有添加未稅或保稅貨物者，該添加之未稅或保稅貨物，應課徵關稅及相關稅費(\$24 II)

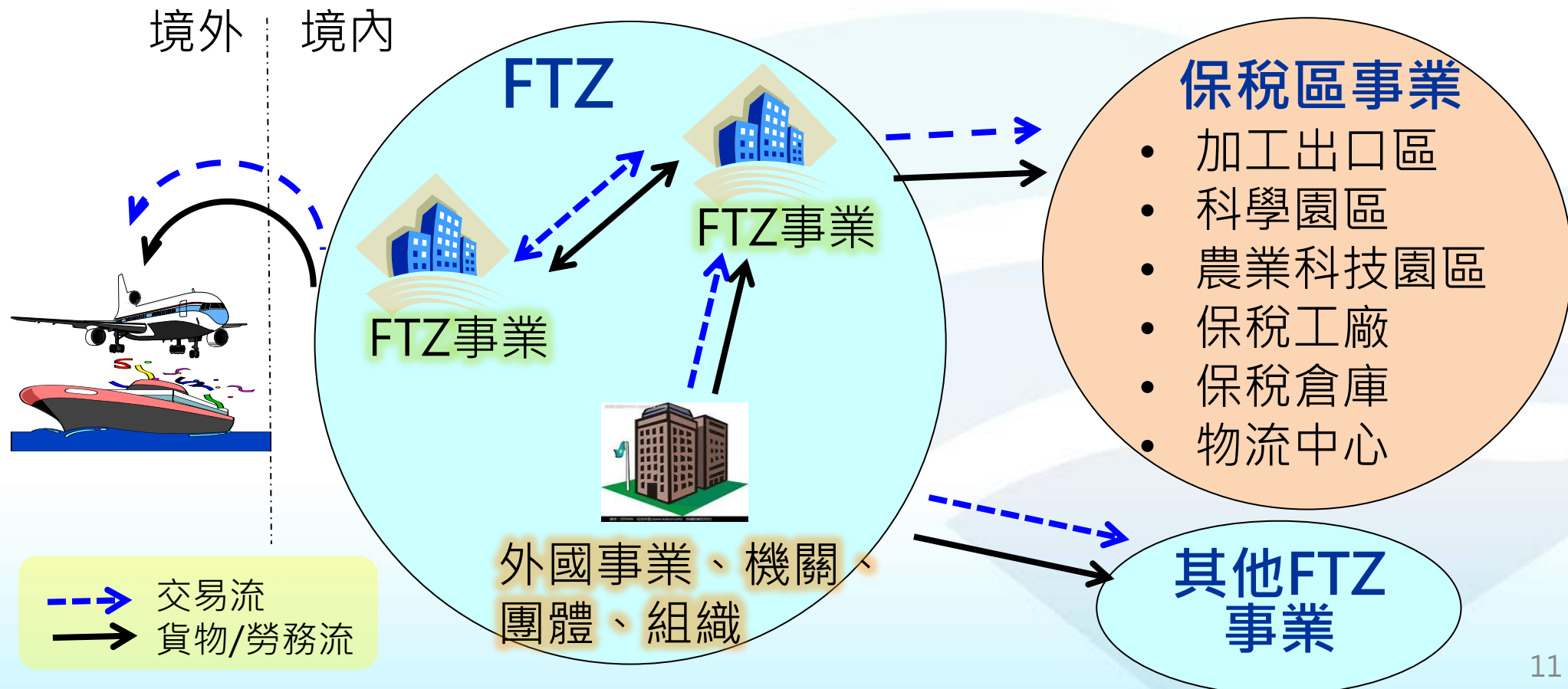


2

加值型營業稅制

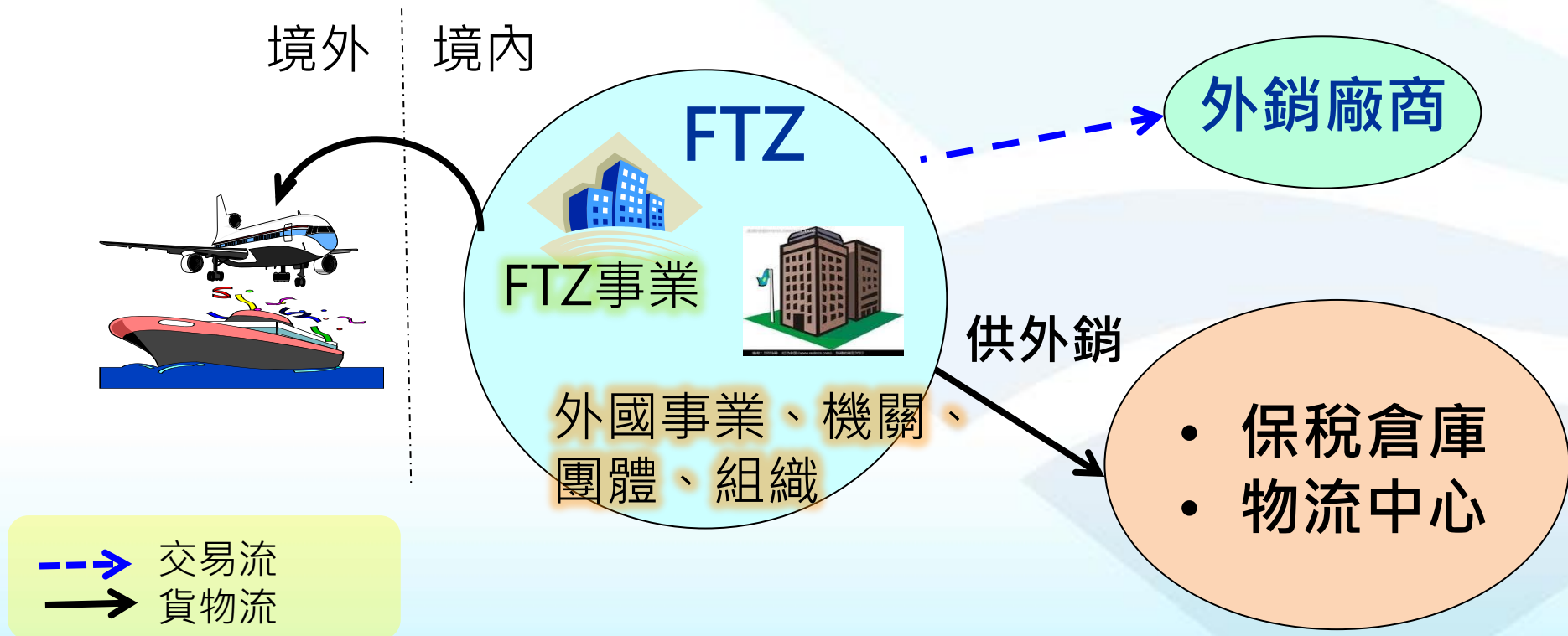
營業稅率為0 (1/4)

□ FTZ事業或外國事業、機關、團體、組織在FTZ內銷售貨物或勞務與該FTZ事業、另一FTZ事業、國外客戶或其他保稅區事業(§28 II)



營業稅率為0 (2/4)

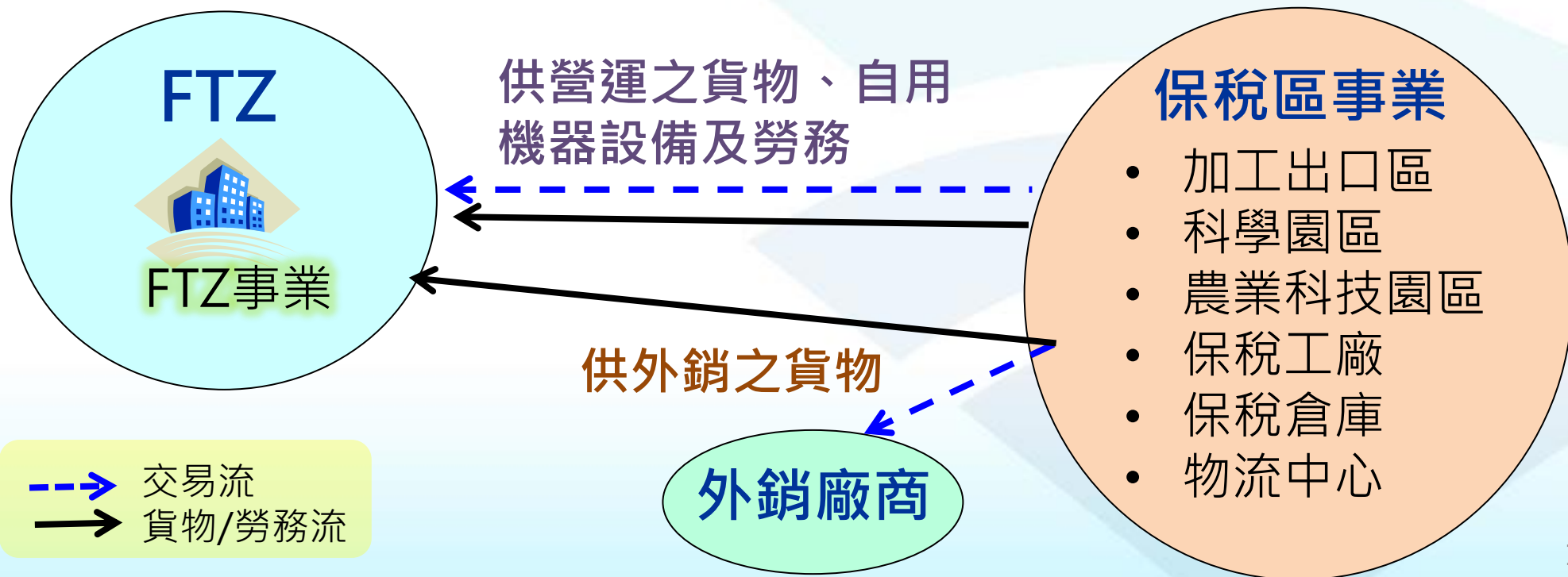
- FTZ事業或外國事業、機關、團體、組織在FTZ內銷售貨物與外銷廠商未輸往課稅區而直接出口或存入保稅倉庫、物流中心以供外銷者 (§28II)



營業稅率為0 (3/4)

□ 保稅區營業人

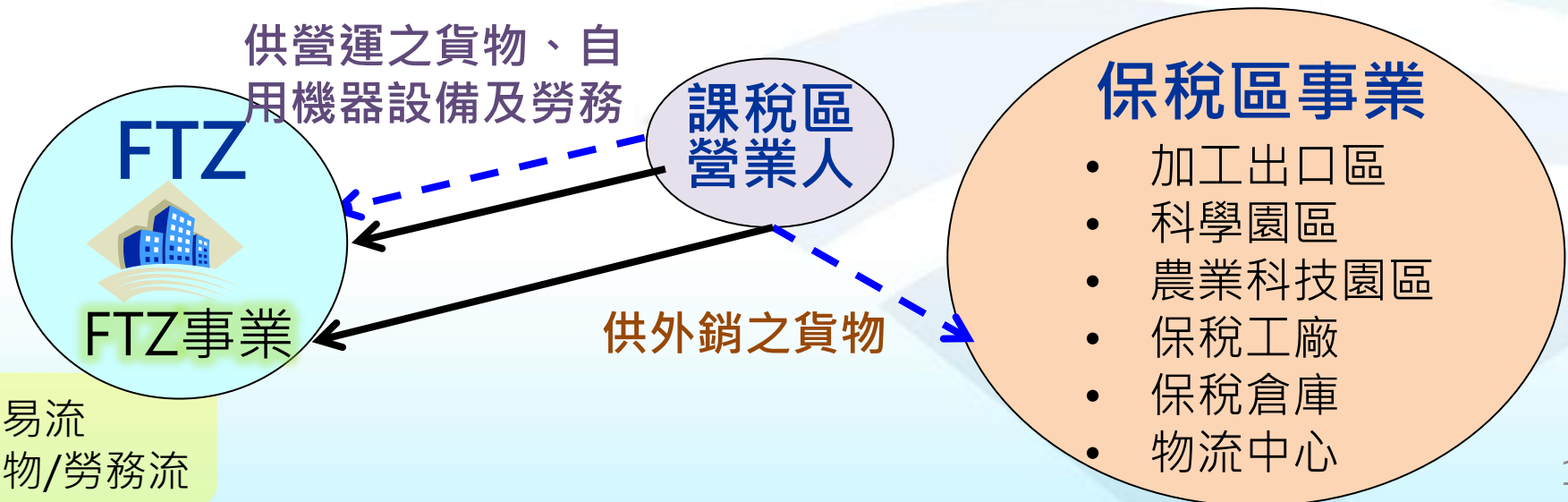
- 銷售與FTZ事業供營運之貨物及自用機器、設備 (§28 I ①)
- 銷售與外銷廠商存入FTZ事業以供外銷之貨物 (§28 I ②)
- 銷售與FTZ事業與營運相關之勞務 (§28 I ④)



營業稅率為0 (4/4)

□ 課稅區營業人

- 接受FTZ事業或國外事業、機關、團體、組織委託，提供修理、測試、檢驗、委託加工之勞務收入 (§26 III)
- 銷售與FTZ事業供營運之貨物及自用機器、設備 (§28 I ①)
- 銷售與保稅區廠商存入FTZ事業以供外銷之貨物 (§28 I ③)
- 銷售與FTZ事業與營運相關之勞務 (§28 I ④)

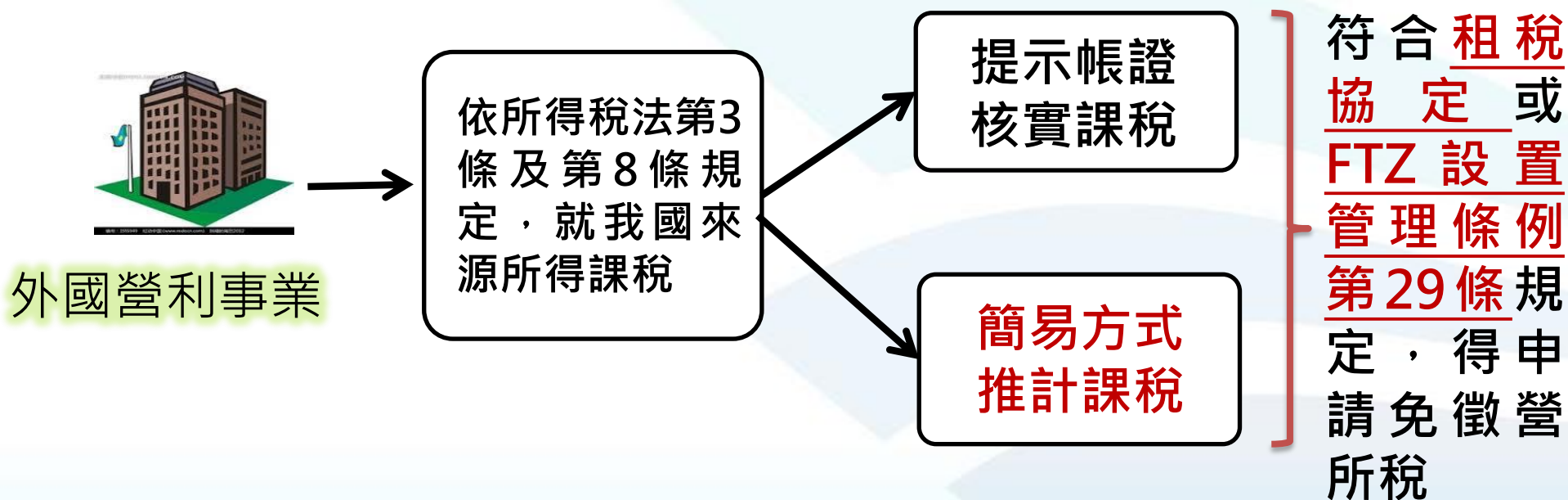


3

外國營利事業所得稅制

3.1 營所稅制

□外國營利事業課徵營所稅制度



3.2 簡易方式推計課稅

□ 適用對象

- 在我國境內從事輸入、儲存、簡單加工等附屬(輔助)營業活動，與我國經濟關聯性較小，對其總利潤貢獻度相對微小且無法提示帳簿文據及相關資料者

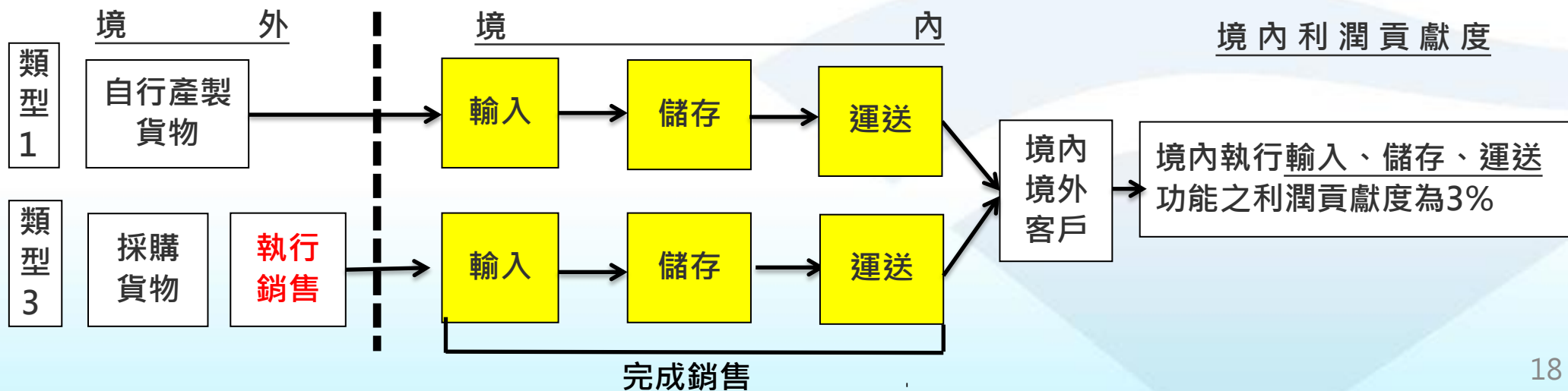
$$\begin{array}{c} \text{營所稅} \\ \text{應納稅額} \end{array} = \begin{array}{c} \text{境內外} \\ \text{總營業利潤} \end{array} \times \begin{array}{c} \text{境內} \\ \text{利潤貢獻度} \end{array} \times \begin{array}{c} \text{營所稅} \\ \text{稅率} \end{array}$$

- 總營業利潤：依同業利潤標準淨利率推計
- 境內利潤貢獻度：依財政部107.4.17台財稅字第10600664060號令推計

3.3 利潤貢獻度簡易公式(1/3)

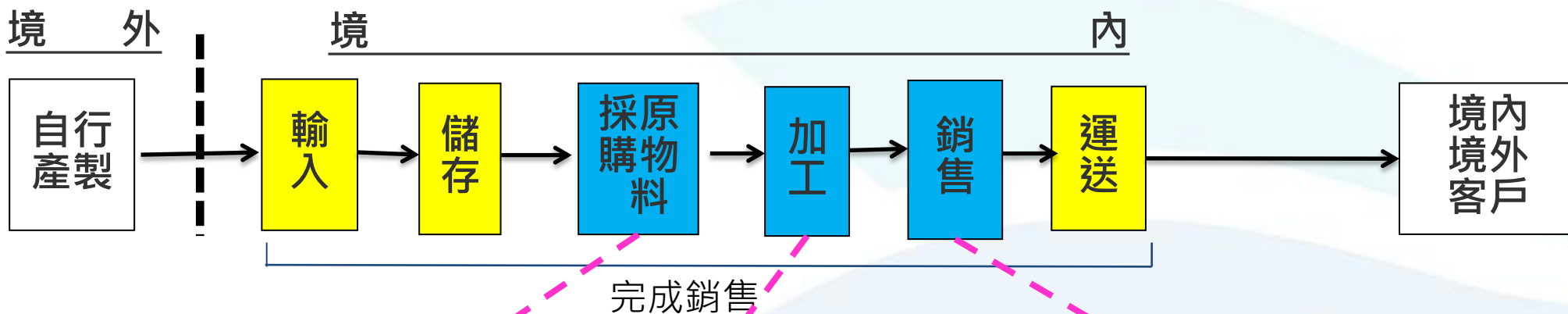
□ 適用類型

- 類型1：輸入、儲存其在境外自行產製之貨物(含製成品、半製品、原物料，下同)，並於貨物在境內時完成銷售(不論執行銷售地)，嗣運送與境內外客戶
- 類型3：輸入、儲存其在境外採購之貨物，並於貨物在境內時在境外執行銷售活動且完成銷售，嗣運送與境內外客戶



3.3 利潤貢獻度簡易公式(2/3)

- 類型2：輸入、儲存其在境外自行產製之貨物，且在境內從事製造加工(含採購製造加工用境內外原物料或半製品)，並於貨物在境內時完成銷售，嗣運送與境內外客戶。



境內利潤貢獻度簡易公式：

境內執行「採購」、「製造加工(不含境內原物料成本)」、「銷售」等功能之成本費用

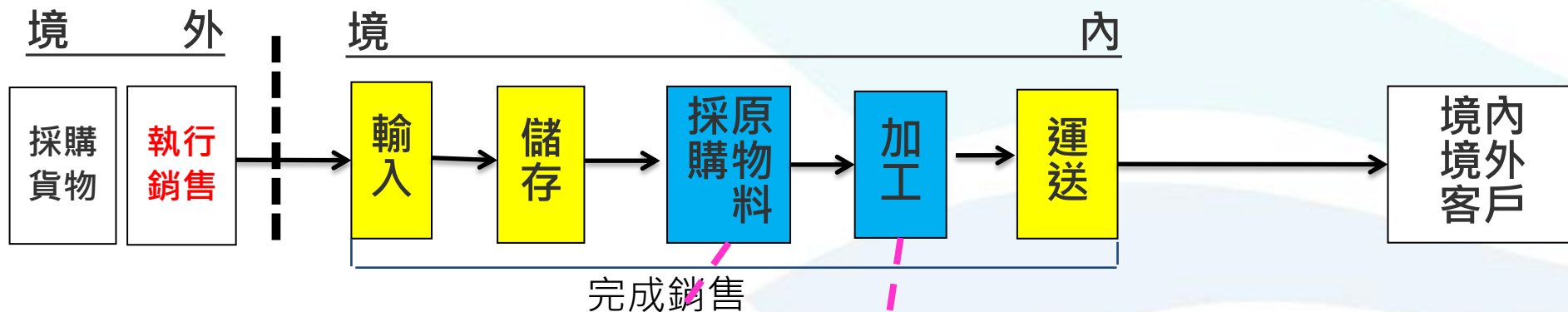
3%+

境內、外總成本費用(A)

A=境內執行輸入、儲存、採購、製造加工、銷售、運送等功能之成本費用+境內採購原物料成本+境外相關成本費用(境外自行產製貨物或加工用境外原物料之進口報單完稅價格)

3.3 利潤貢獻度簡易公式(3/3)

- 類型4：輸入、儲存其在境外採購之貨物，且在我國境內從事製造加工(含採購製造加工用境內外原物料或半製品)，並於貨物在我國境內時在我國境外執行銷售活動且完成銷售，嗣運送與境內外客戶。



境內利潤貢獻度簡易計算：

$$3\% + \frac{\text{境內執行「採購」、「製造加工(不含境內原物料成本)」等功能之成本費用}}{\text{境內、外總成本費用(A)}}$$

A = 境內執行輸入、儲存、採購、製造加工、銷售、運送等功能之成本費用 + 境內採購原物料成本 + 境外相關成本費用(境外自行產製貨物或加工用境外原物料之進口報單完稅價格)

3.4 租稅協定規定

□ 免稅範圍

- 租稅協定締約國之居住者企業在我國無「常設機構 (PE)」，或未經由我國「PE」從事營業取得之利潤，我國應予免稅



註：我國租稅協定國家，請參財政部網站
(<https://www.mof.gov.tw/Detail/Index?nodeid=191&pid=63930&rand=8151>)

3.5 FTZ設置管理條例第29條

□ 第29條第1項

➤ 適用免稅主體：
營利事業在境內僅從事準備或輔助性質之活動(即營運重心不在境內)

➤ 免稅所得範圍
在FTZ從事貨物採購、輸入、儲存或運送，其全部銷售貨物所得免稅

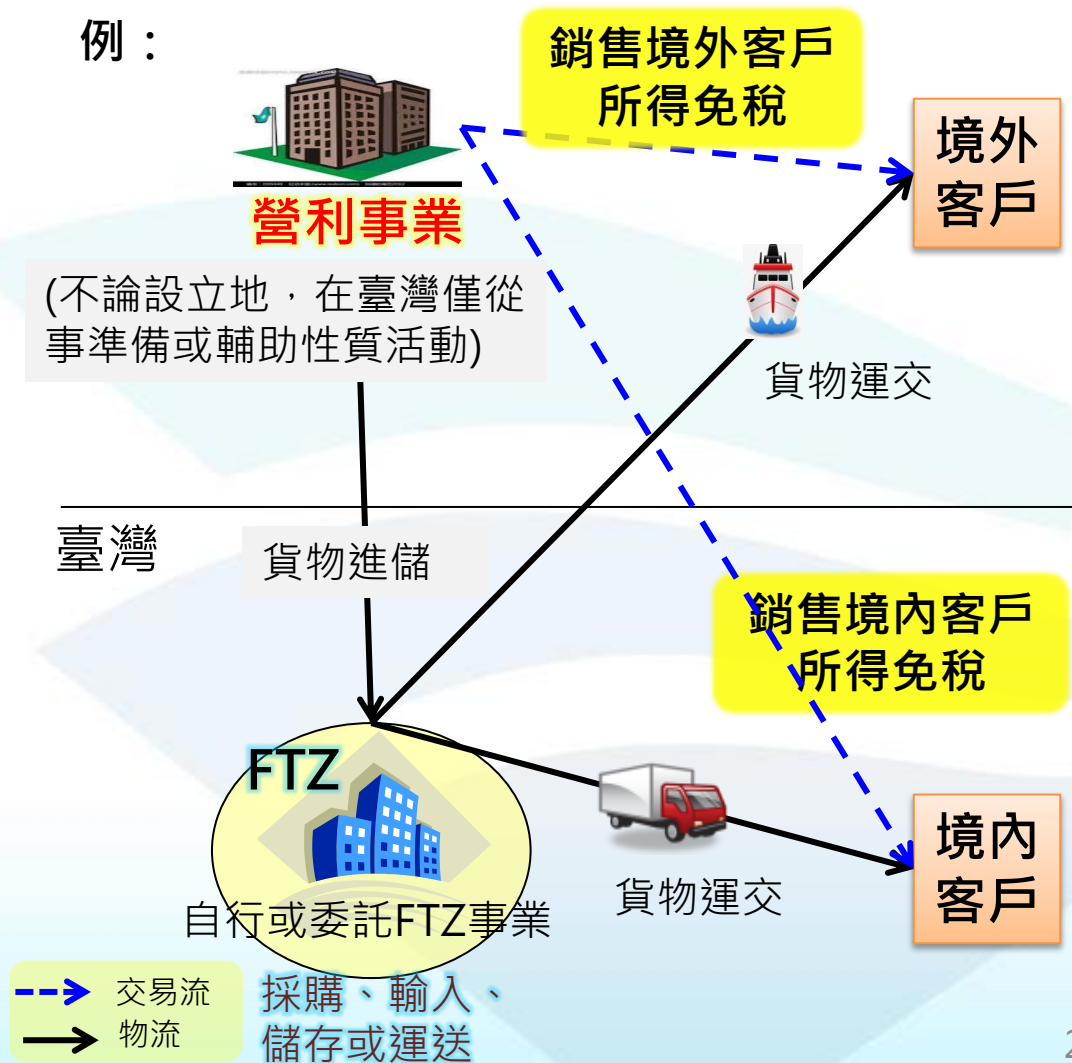
➤ 適用之營運模式

國際貿易

物流配銷

採購中心

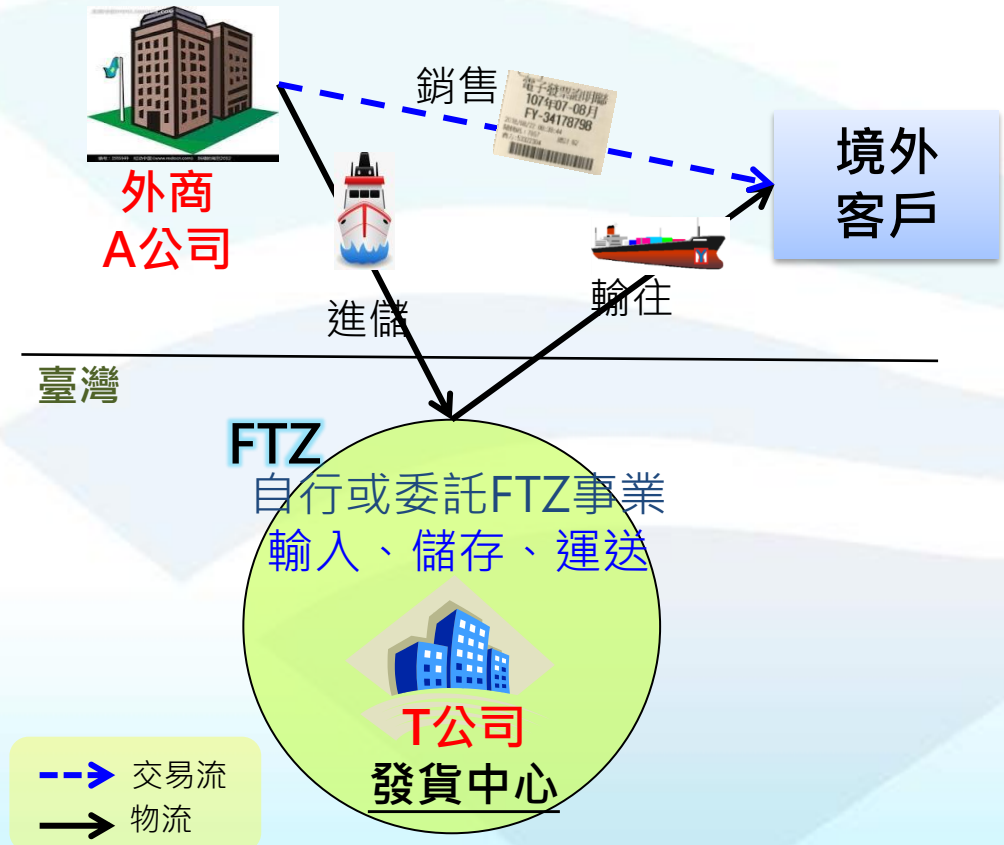
例：



3.6 案例A-外商於境內從事物流活動

- ◻ 情境：外商為**手機批發業**，在境外從事銷售活動，自行或委託我國FTZ事業在境內從事貨物輸入、儲存或運送活動(以下稱**物流活動**)，並於貨物在境內時以1,200萬元售與境外客戶
- 外商營利事業所得稅之稅負差異

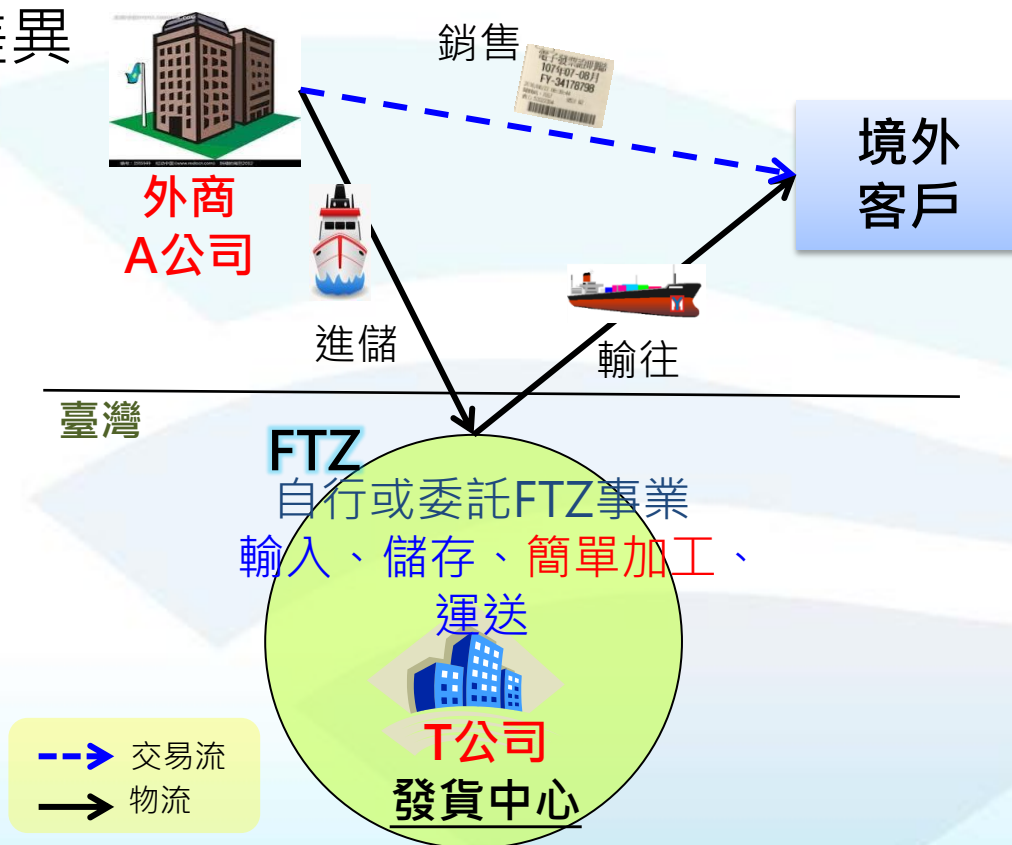
外商於我國境內從事 物流活動		
	107年 4月令	FTZ
銷售收入	1,200	1,200
同業利潤標準	10%	-
境內外交易總利潤	120	
境內利潤貢獻度	3%	
應課稅所得額	3.6	
營所稅(稅率20%)	0.72 → 0	



3.6 案例B-外商於境內從事物流及加工活動

- 情境：外商為電子零組件製造業，自行或委託我國FTZ事業在境內從事貨物物流及簡單加工活動，於貨物在境內時以1,200萬元售與境外
- 外商營利事業所得稅之稅負差異

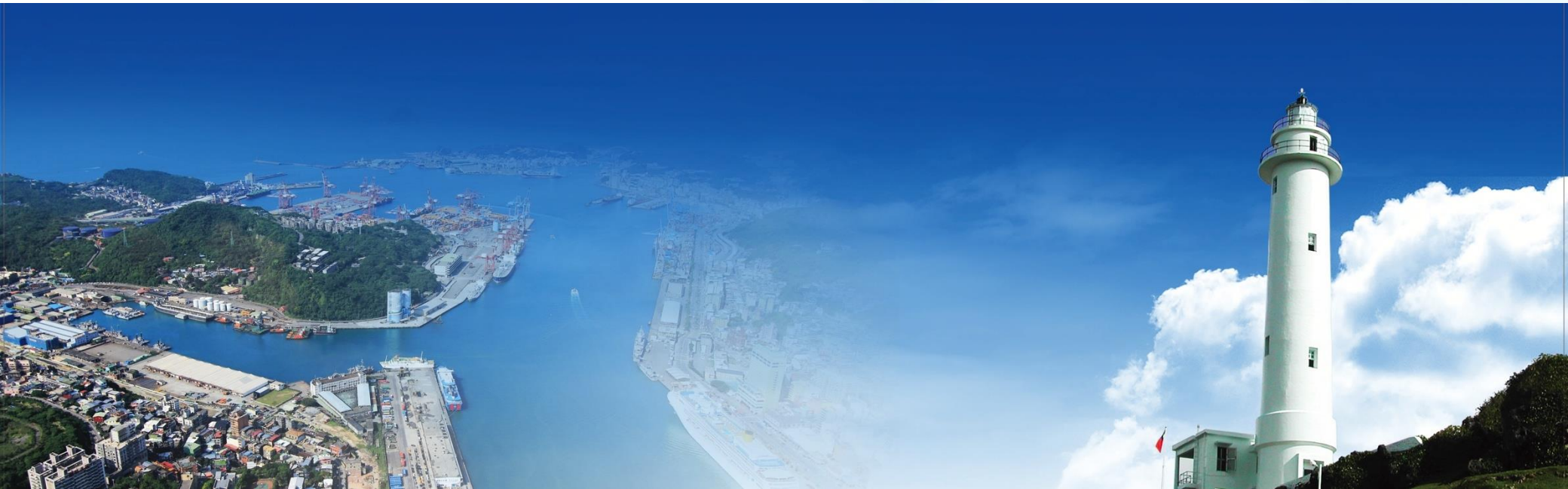
外商於我國境內從事 物流及加工活動	
	107年4月令
銷售收入	1,200
同業利潤標準	10%
境內外交易總利潤	120
境內利潤貢獻度	3%+10%(註)
應課稅所得額	15.6
營所稅(稅率20%)	3.12



註：3%+【(境內執行製造加工功能成本費用100)/(境內外製造加工全部成本費用1,000)】= 13%

參考資料

- 自由貿易港區設置管理條例§21-§29
- 財政部107年4月17日台財稅字第10600664060號令





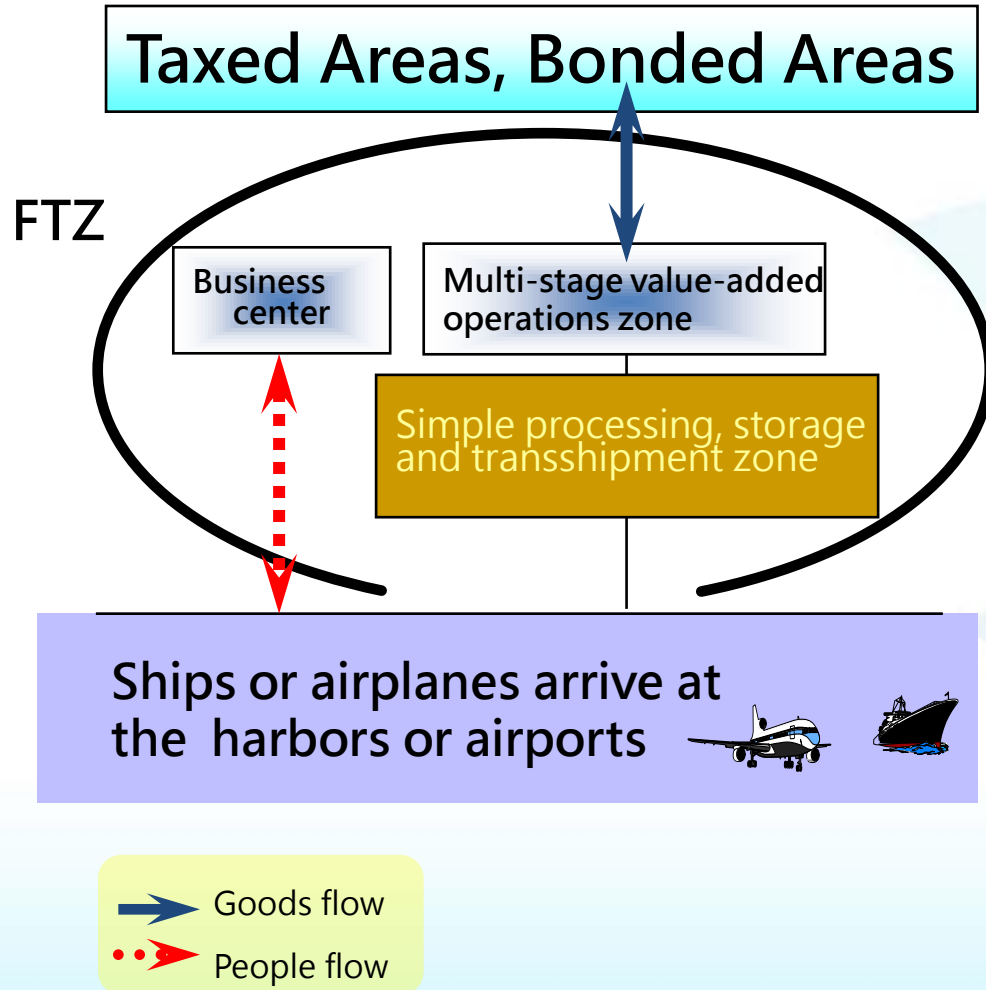
Taxation Measures In Free Trade Zone

Maritime Port Bureau, MOTC



Jan, 2019

The Planning of FTZ

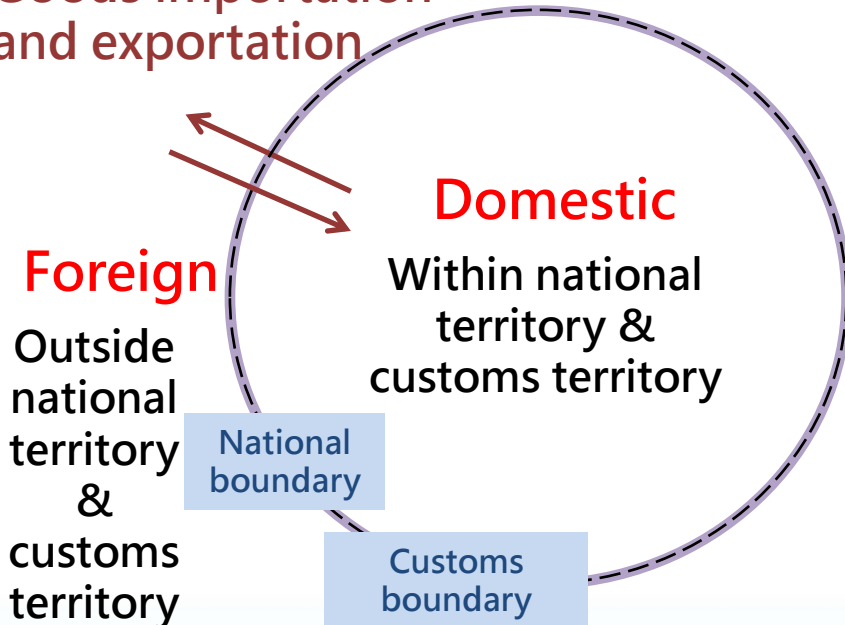


- **“Within national territory but outside customs territory”** special zones: To alleviate the hindrance of goods flow, business flow, people flow and provide better investment environment.
- Create **“transshipment and value added”** special zones: To integrate the functionality of both harbors and airports together with the demanding of supply chain management in order to enhance the enterprises’ superiority in competition.
- Pilot special zones for **“comprehensive trade liberalization”** : Highlighted self-management from enterprises. To attain the goal of trade liberalization steps by steps through the pilot special zones.

System Planning of FTZ (1/2)

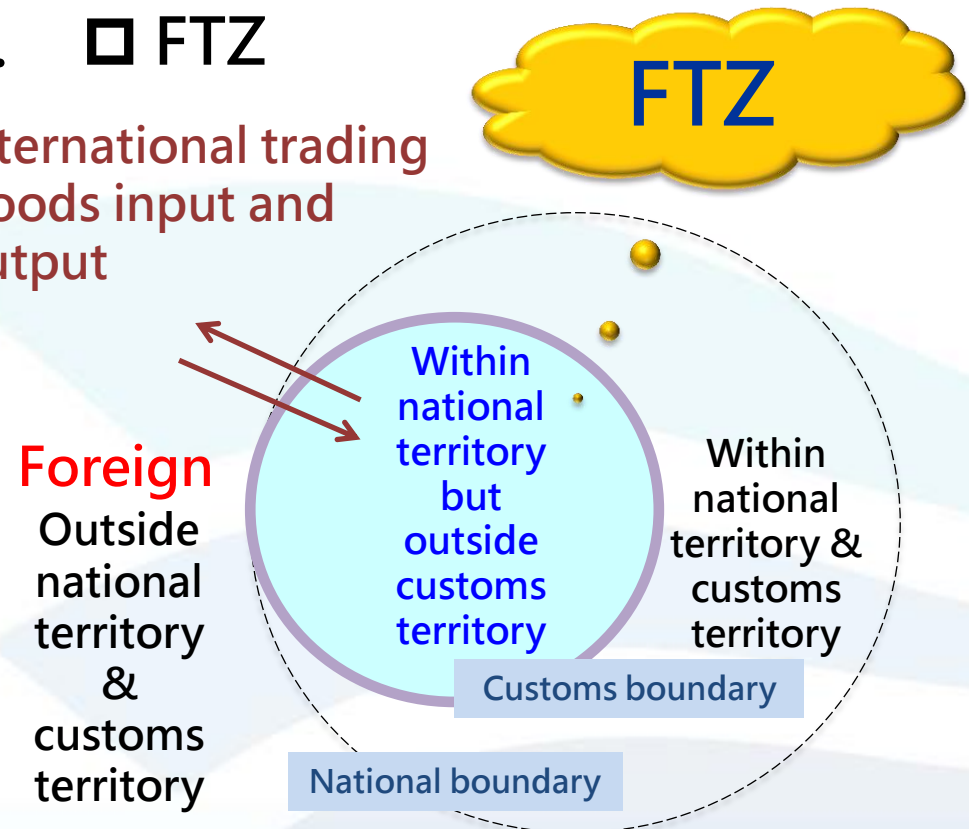
□ Taxed / Bonded Areas VS. □ FTZ

International trading
Goods importation
and exportation



Subject to customs
declaration and tax

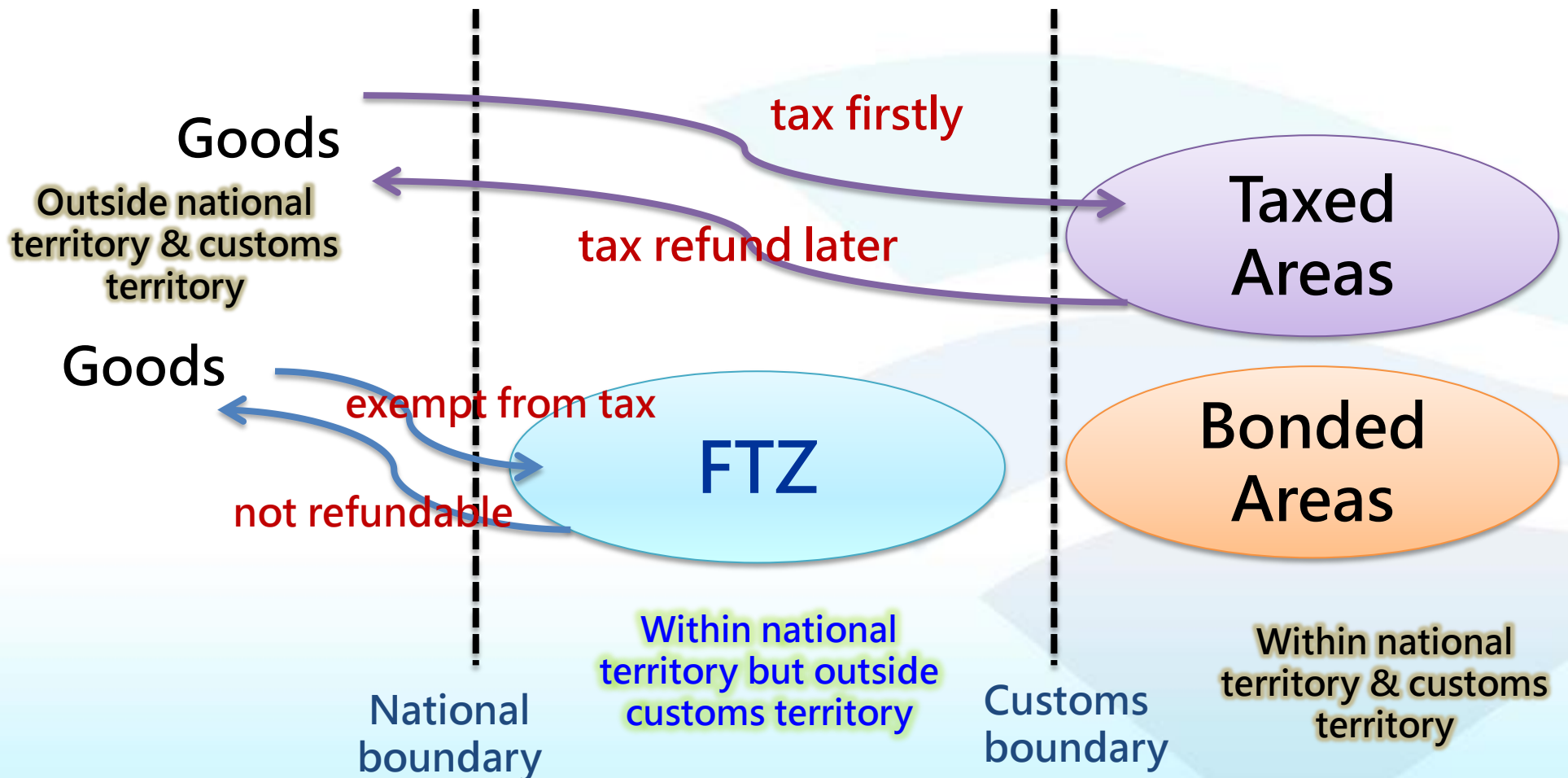
International trading
Goods input and
output



Report (rather than
declaration) to the Customs,
Exempt from tax

System Planning of FTZ (2/2)

- Simplify the imposition of import/export goods

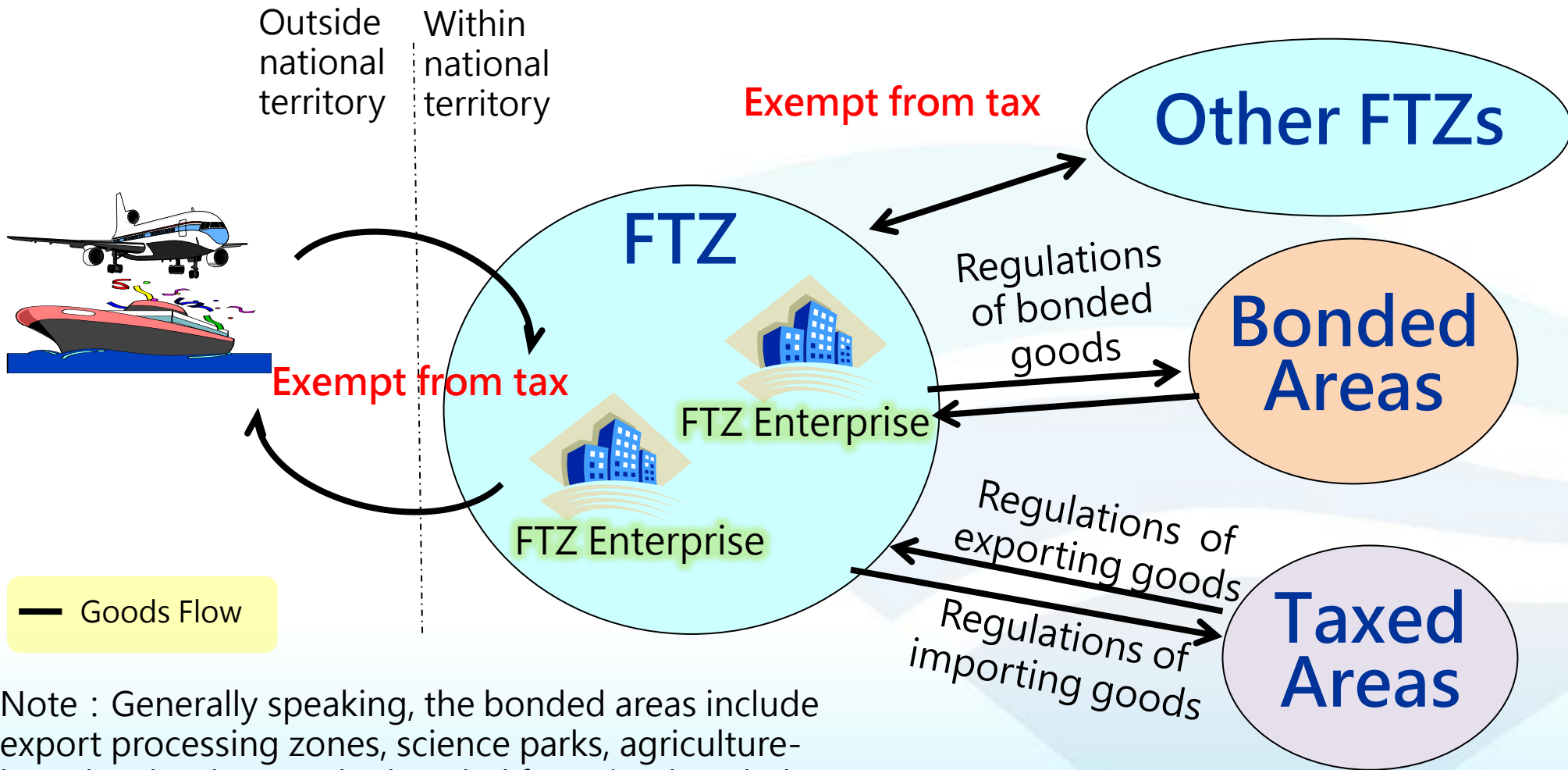




1

The Imposition on Imported and Exported Goods

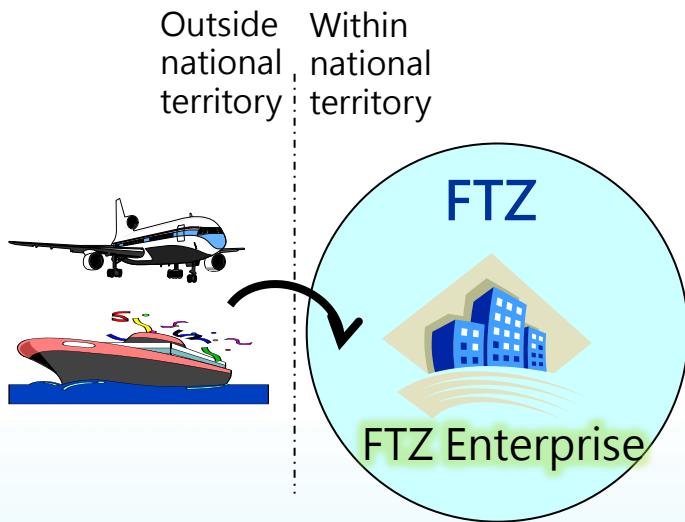
1.1 The Imposition on Imported and Exported Goods



Note : Generally speaking, the bonded areas include export processing zones, science parks, agriculture-based technology parks, bonded factories, bonded warehouses, and logistics centers.

1.2 Foreign Goods Transport into FTZ

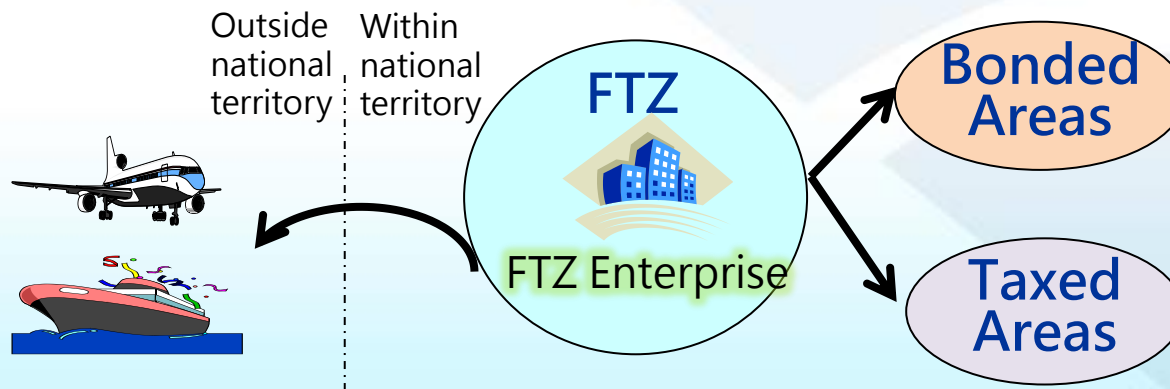
- Foreign goods, machinery and equipment to be transported from overseas to a free trade zone by a FTZ enterprise for its own use shall be **exempted from relevant taxes and fees.** (§21 I、II)



	Type of taxation	Transport into FTZ
Foreign goods, private-used machinery and equipment	Customs duty	Be exempted
	Commodity tax	
	Tobacco and wine taxes	
	Public health and welfare dues on tobacco products	
	Trade promotion services charges	
	Harbor services dues	
	Value-added tax (VAT)	

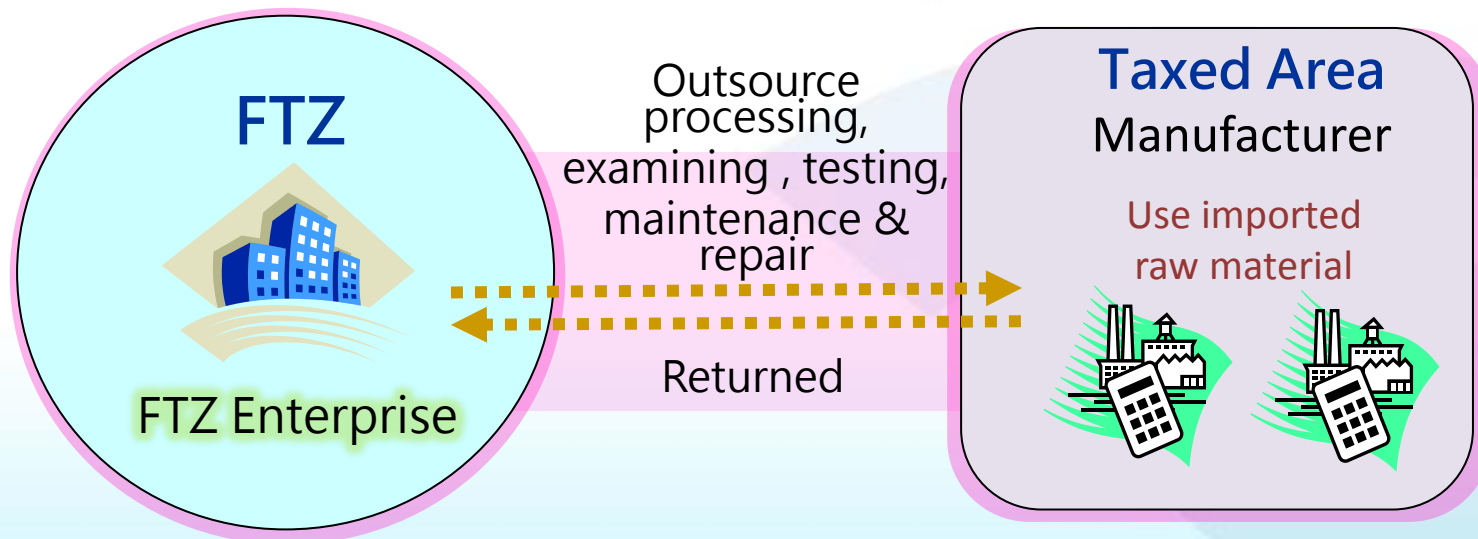
1.3 FTZ goods transport into Taxed / Bonded Areas

- ❑ Goods to be transported to other countries or bonded areas by a FTZ enterprise are **exempted from trade promotion services charges** in accordance with Trade Law. (§22)
- ❑ Goods to be transported from FTZ to a taxed area by a FTZ enterprise shall be subject to the assessment and levy of customs duty, commodity tax, business tax, tobacco and wine tax, public health and welfare dues on tobacco products, trade promotion services charges, and harbor services dues in accordance with relevant acts and regulations applicable to import of goods. (§23)
- ❑ Goods to be transported to a bonded area from a FTZ by a FTZ enterprise shall be **exempted from relevant duties and taxes** in accordance with the relevant acts and regulations applicable to bonded goods. (§27)



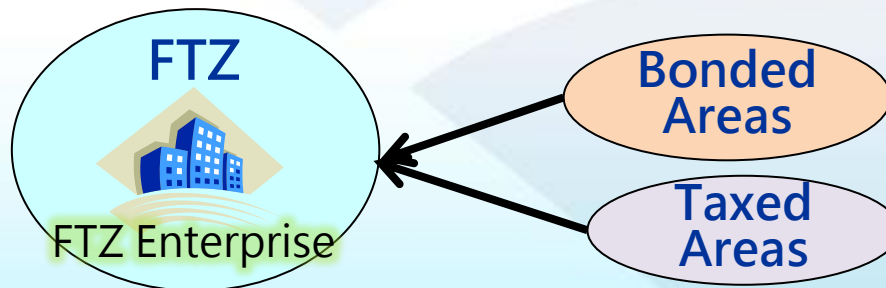
1.4 Goods, Machinery or Equipment transport from FTZ to Taxed Areas

- ❑ Where duty/tax free goods, machinery or equipment of a FTZ enterprise needs to be transported to a tax area for repair, test, inspection, and/or commissioned processing, the **tax bonding may be exempted.**(§25 I)
- ❑ The (not restricted) raw material which is imported to be used in processing in taxed area might be **applicable to relevant duty drawback** in accordance with “The Regulations Governing Offsetting or Refund of Duties and Taxes on the Raw Materials of Export Products” .(§26 I 、 II)



1.5 Goods/Machinery/Equipment transport from Taxed/Bonded Area to FTZ

- ❑ Deliver goods from a taxed or bonded area into FTZ by a FTZ enterprise are **exempt from trade promotion services charges.(\$22)**
- ❑ Goods, machinery or equipment which is for operation and private-used only and transported from a taxed area to a FTZ by a FTZ enterprise shall be considered as exportation of such machinery or equipment, and shall be **applicable for reduction, exemption or duty drawback.(\$24 I)**
- ❑ Imported-duty-paid goods or non-bonded domestic goods transported from a taxed area to a FTZ by a FTZ enterprise for its operations shall be **exempted from customs duty** if said goods are transported back to a tax area within five years from the next day of transportation. However, where there is tax free or bonded goods added to said goods, then the additional tax or bonded goods are subject to custom duty and relevant taxes.(\$24 II)



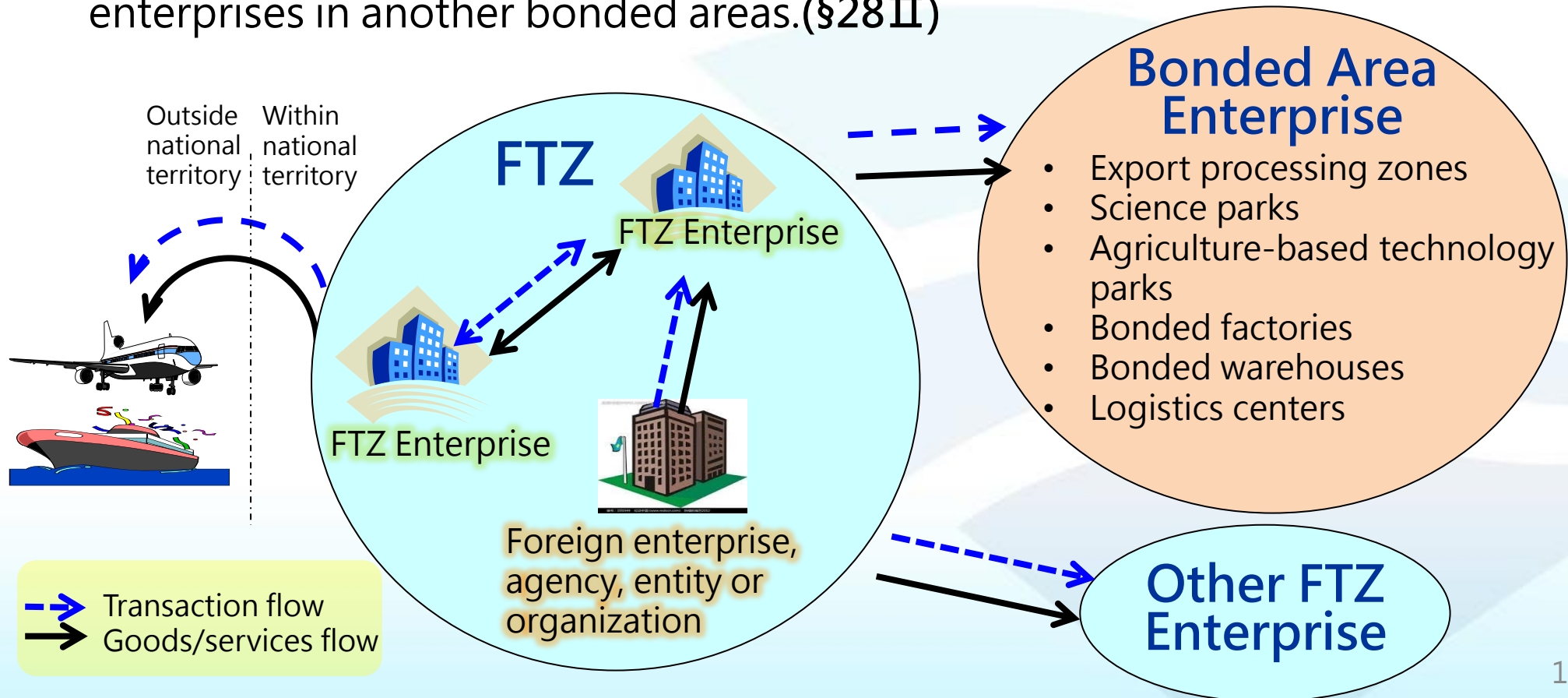
An aerial photograph of a large port facility, likely Taichung Port, showing a massive container yard filled with colorful shipping containers, several large cargo ships docked at piers, and various industrial buildings and infrastructure. The port is situated along a coastline with a clear blue sky and ocean in the background. A large, stylized number '2' is overlaid on the left side of the image.

2

*The Imposition on
Value-added Tax*

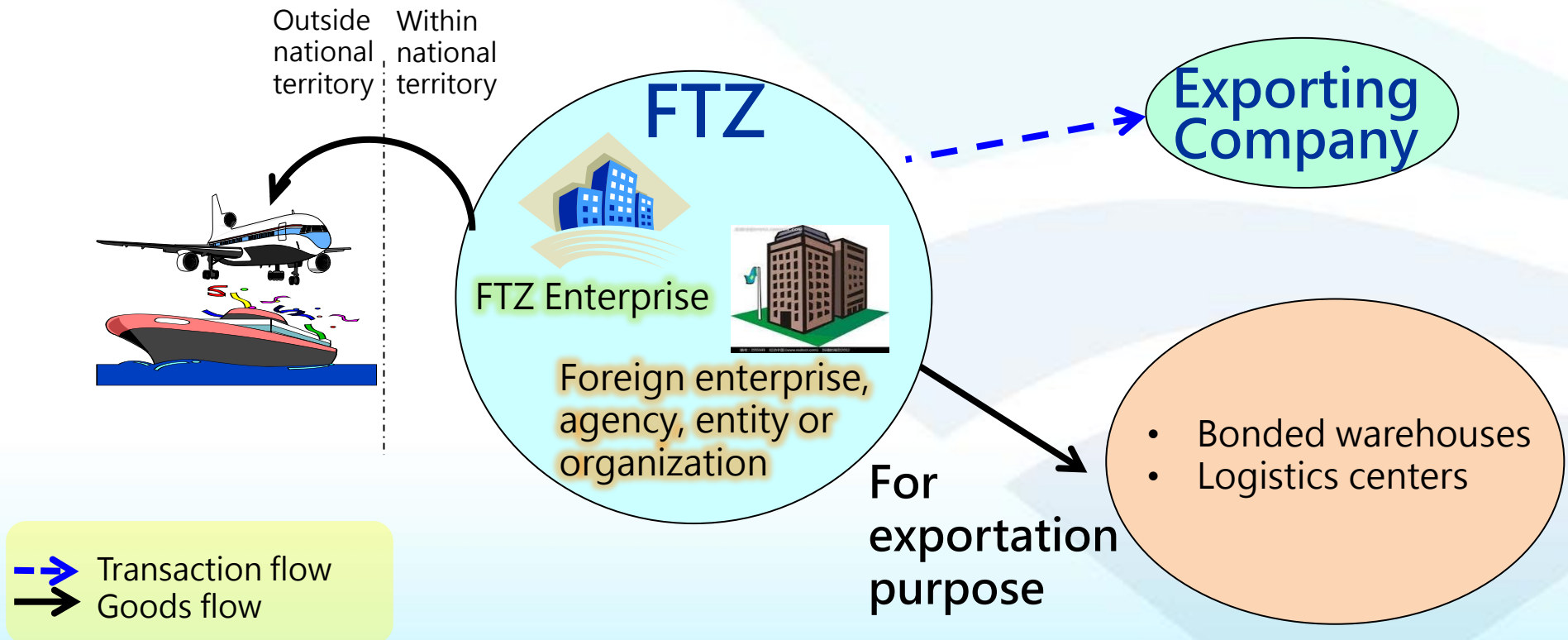
VAT Rate at Zero(1/4)

- Goods/services sold by a FTZ enterprise or by a foreign enterprise, agency, entity or organization to another FTZ enterprise in the same FTZs, or to the FTZ enterprise(s) in another FTZ, or to foreign customers, or to the enterprises in another bonded areas. (§28II)



VAT Rate at Zero(2/4)

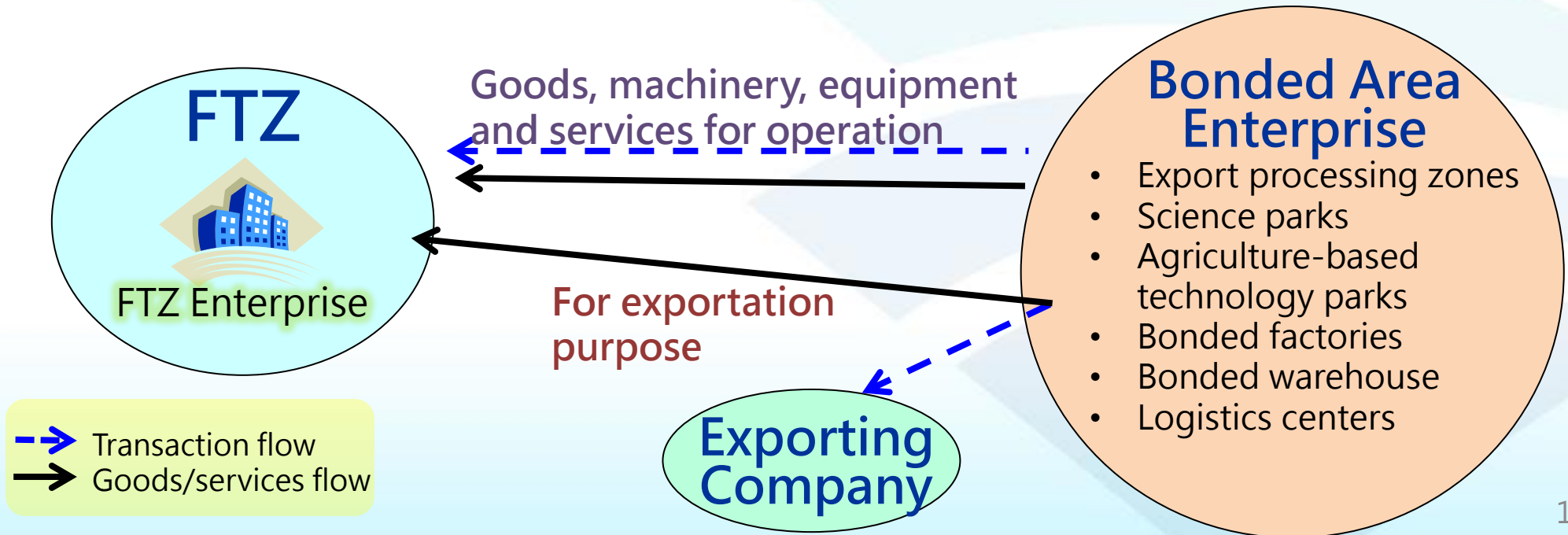
- Goods sold by a FTZ enterprise or by a foreign enterprise, agency, entity or organization to an exporter for direct export or storage in a bonded warehouse or a logistics center for exporting, instead of shipping the same to any taxed area. (§28II)



VAT Rate at Zero(3/4)

□ Bonded area enterprise

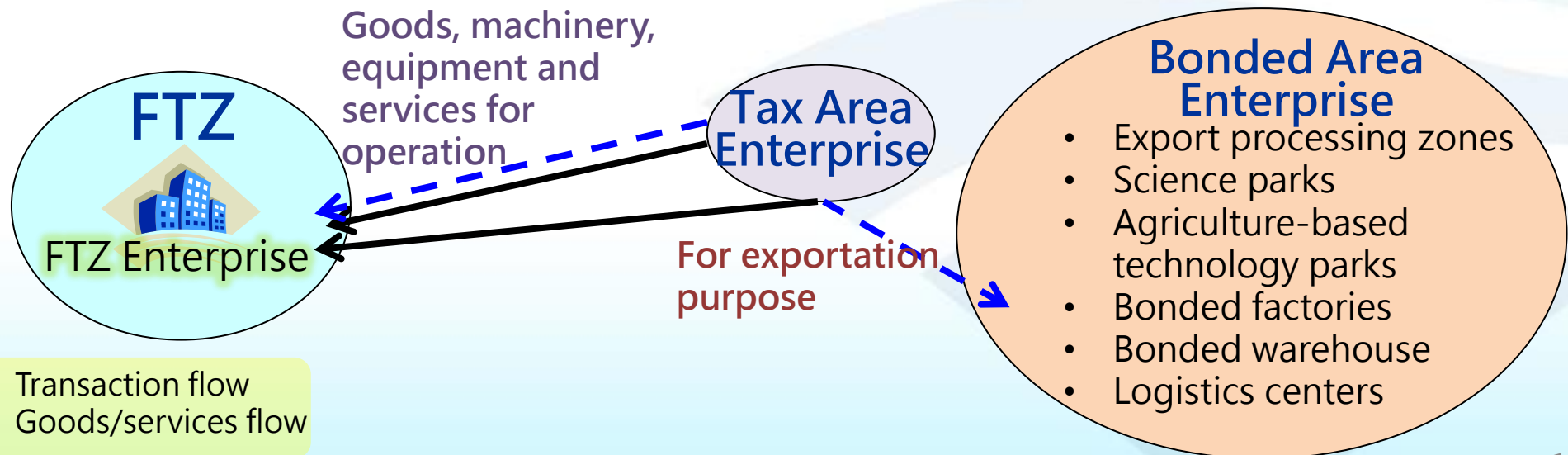
- Sell the goods/machinery/equipment to FTZ enterprise for operation. (§28 I ①)
- Sell the goods stored in FTZ enterprise for exportation purpose to exporting company. (§28 I ②)
- Provide services to FTZ enterprise for operation-related purpose. (§28 I ④)



VAT Rate at Zero(4/4)

❑ Taxed area enterprise

- The services fees from providing repair, test, inspect, and/or commission processing services to a FTZ enterprise or foreign enterprise/agency/group/organization. (§26Ⅲ)
- Sell goods/machinery/equipment to a FTZ enterprises for operation.(§28 I ①)
- Sell the goods stored in FTZ enterprise for exportation purpose to a bonded area enterprise.(§28 I ③)
- Provide operation-related services to a FTZ enterprise.(§28 I ④)



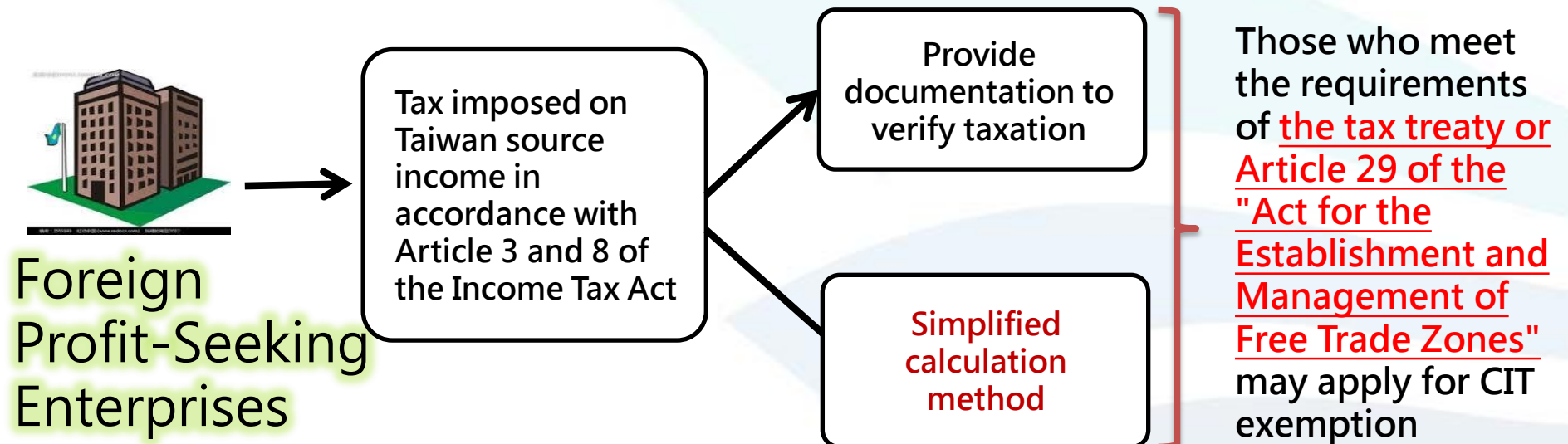
An aerial photograph of the Kaohsiung Port and surrounding industrial zone. The port is filled with large cargo ships, container stacks, and cranes. In the background, there are numerous industrial buildings and factories. The sky is blue with some clouds.

3

*Income Tax for Foreign
Profit-Seeking
Enterprises*

3.1 Corporate income tax mechanism

□ Corporate Income Tax (CIT) Exemption for Foreign Profit-seeking Enterprises



3.2 Simplified Calculation Method

□ Subject of Application

- Those who conduct supplementary (supporting) activities, such as importing, storage, simple processing and others within Taiwan territory
- Have little economic nexus with Taiwan
- Taiwan contribution rate is relatively minor and are unable to provide accounting books, documentation and other relevant materials

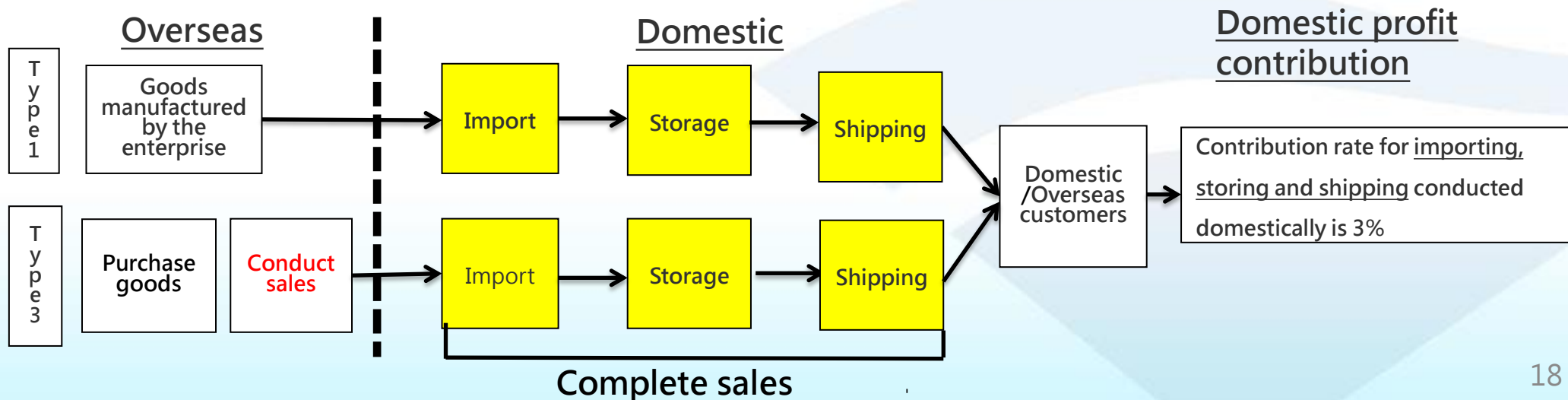
$$\text{CIT amount} = \text{Domestic and overseas total operating profit} \times \text{Domestic contribution rate} \times \text{CIT rate}$$

- Total operating profit: Estimated based on the [profit standard of the same trade concerned](#).
- Domestic contribution rate: Estimated based on [Tax Ruling 10600664060, Ministry Of Finance, April 17, 2018](#).

3.3 Simple Formula for Contribution Rate (1/3)

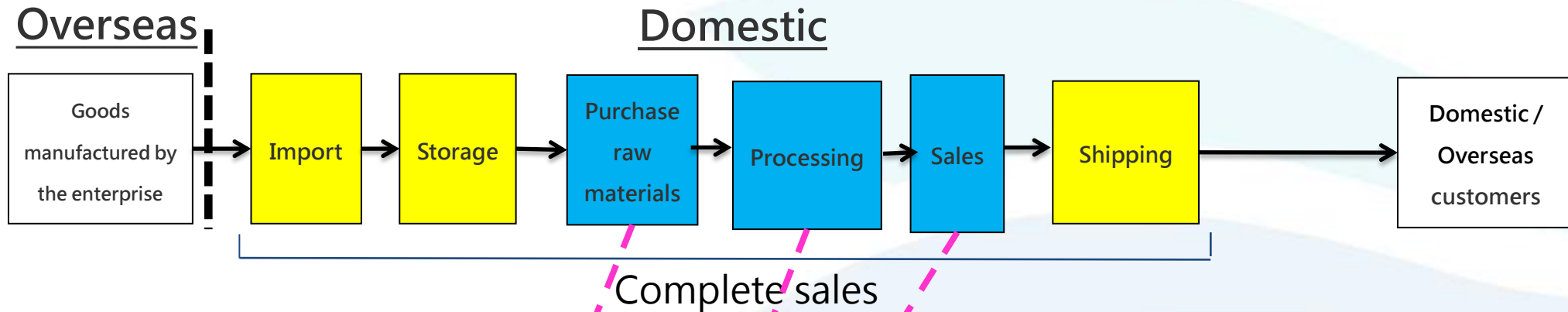
□ Applicable Types

- Type 1: Import and store their goods (including finished products, semi-finished goods and raw materials, the same applies below) that are manufactured overseas, complete the sales while the goods are within Taiwan territory (regardless of the place of sale), and shipped to either domestic or overseas customers.
- Type 3: Import and store their goods that are purchased abroad, complete the sales overseas while the goods are within Taiwan territory, complete the sales, and then shipped to either domestic or overseas customers.



3.3 Simple Formula for Contribution Rate (2/3)

- Type 2: Import and store their goods that are manufactured overseas, conduct further manufacturing and processing (including the purchase of domestic and overseas raw materials or semi-finished products to be used in the manufacturing and processing), complete the sales while the goods are within Taiwan territory, and then shipped to either domestic or overseas customers.



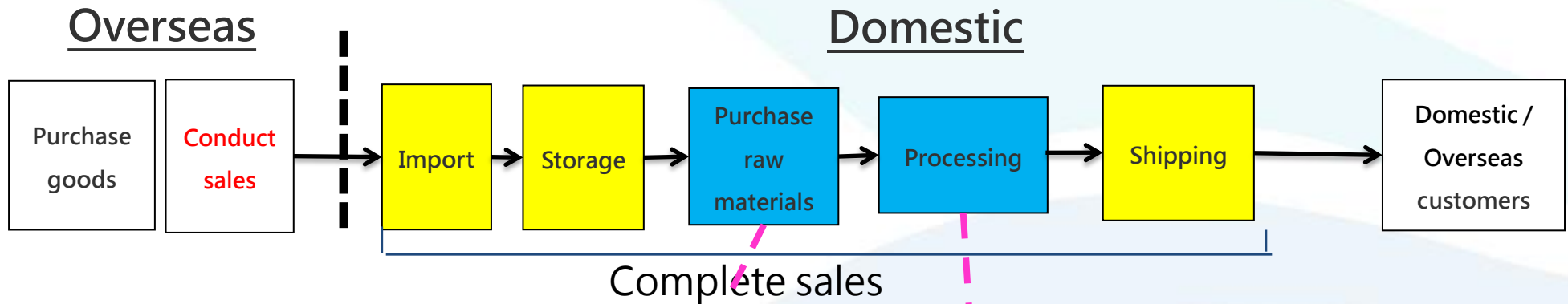
Simple Formula for Domestic Profit Contribution:

$$3\% + \frac{\text{Costs of conducting "Purchase", "Manufacturing and processing (not including the raw materials cost domestically)", "Sales" and other functions within Taiwan territory}}{\text{Domestic and overseas total cost (A)}}$$

A=Cost of conducting import, storage, purchase, manufacturing and processing, sales, shipping and other functions domestically + Cost of raw materials purchased domestically + Other related costs overseas (their own goods manufactured overseas or the taxable value on the import declaration form for overseas raw materials that will be used in the domestic processing)

3.3 Simple Formula for Contribution Rate (3/3)

- Type 4: Import and store their goods that are purchased overseas, conduct further manufacturing and processing (including the purchase of domestic and overseas raw materials or semi-finished products to be used in the manufacturing and processing) domestically, conduct and complete the sales overseas while the goods are within Taiwan territory, and shipped to either domestic or overseas customers.



Simple Formula for Domestic Profit Contribution:

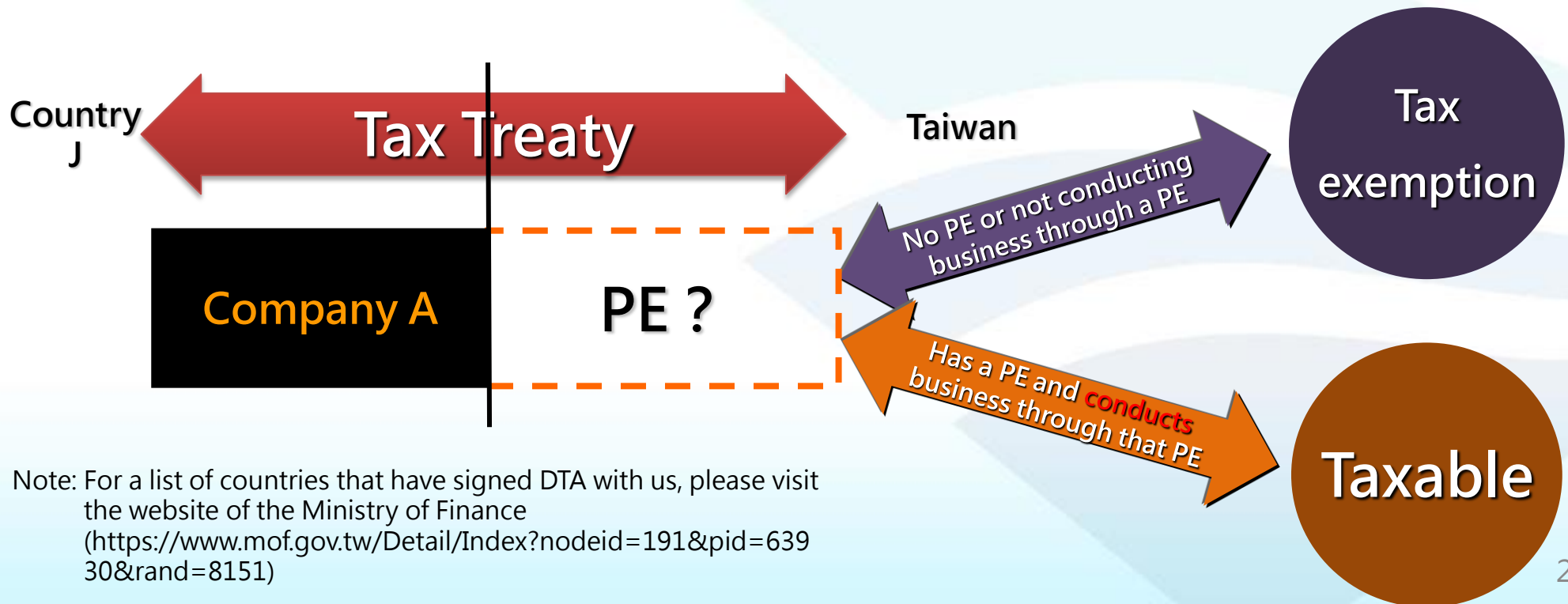
$$3\% + \frac{\text{Costs of conducting "Purchase", "Manufacturing and processing (not including the raw materials cost domestically) "and other functions within our territory}}{\text{Domestic and overseas total cost (A)}}$$

A=Cost of conducting import, storage, purchase, manufacturing and processing, sales, shipping and other functions domestically + Cost of raw materials purchased domestically + Other related costs overseas (their own goods manufactured overseas or the taxable value on the import declaration form for overseas raw materials that will be used in the domestic processing)

3.4 Provisions from Double Taxation Agreement

□ Tax Exemption

- For the enterprises of a country that has signed a double taxation agreement (DTA) with Taiwan, and do not have permanent establishments (PEs) in Taiwan or their profit were not driven by PE, such profit is exempt from tax.



Note: For a list of countries that have signed DTA with us, please visit the website of the Ministry of Finance (<https://www.mof.gov.tw/Detail/Index?nodeid=191&pid=63930&rand=8151>)

3.5 Article 29 of the Act for the Establishment and Management of Free Trade Zones

□ Provision 1 of Article 29

➤ Entity applicable for tax exemption:
For profit-seeking enterprises conducting only preparatory or supplementary activities domestically (focus on operations out of Taiwan)

➤ Scope of tax exemption:
Goods that are purchased, imported, stored or delivered in the FTZ, the total sales shall be exempted from corporate income tax when sold

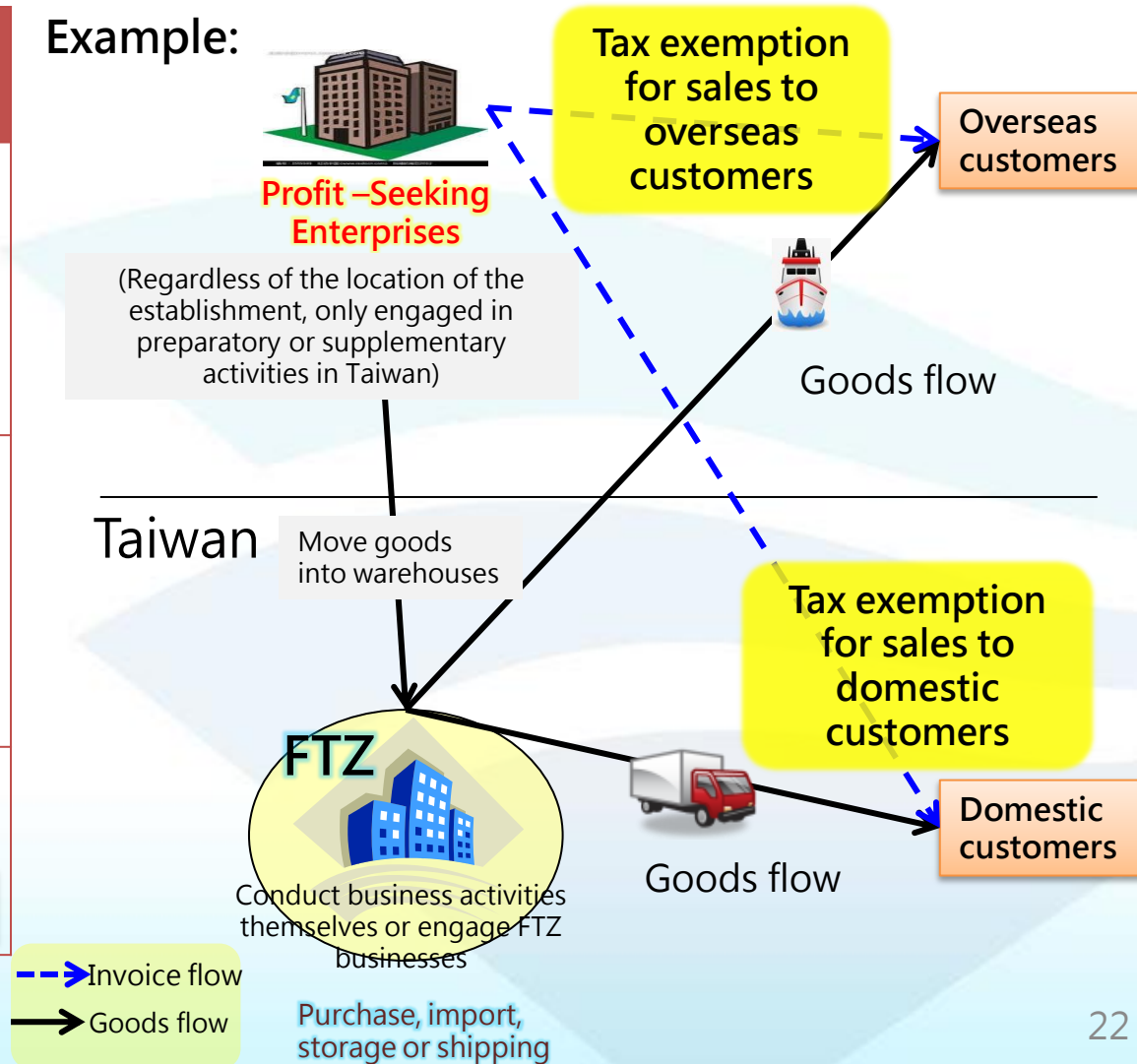
➤ Applicable business model

International trade

Logistics distribution

Procurement center

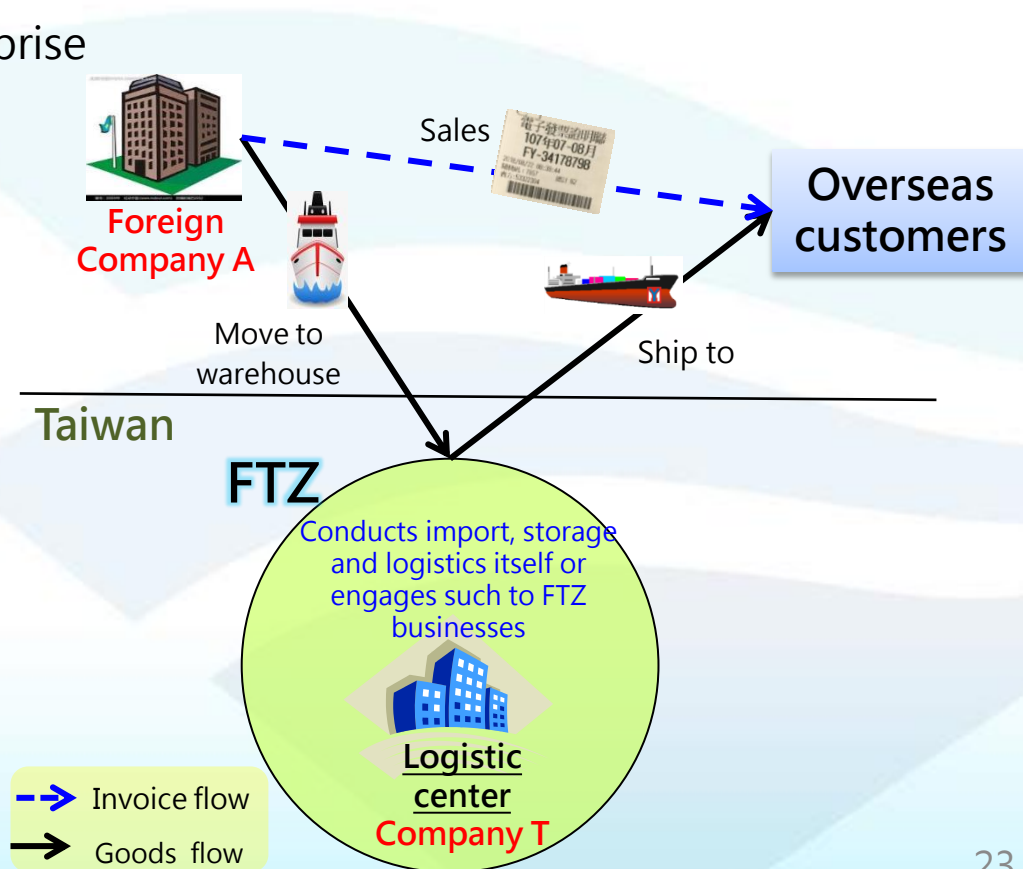
Example:



3.6 Case A - Foreign Enterprise Conduct Logistics Activities Domestically

- Scenario: Foreign mobile phone wholesaler, conducts sales abroad and import, storage or shipping (referred to as **logistics activities**) of goods domestically or engages such to a FTZ enterprise, and then sells such goods to overseas customers for \$12 million while the goods are within Taiwan territory.
- Taxation differences for CIT of a foreign enterprise

Foreign enterprise conducts logistics activities domestically		
	Tax ruling from April 2018	FTZ
Sales revenue	1,200	1,200
profit standard of the same trade concerned	10%	
Domestic and overseas total operating profit	120	-
Profit contribution rate	3%	
Taxable income	3.6	
CIT (tax rate : 20%)	0.72	0

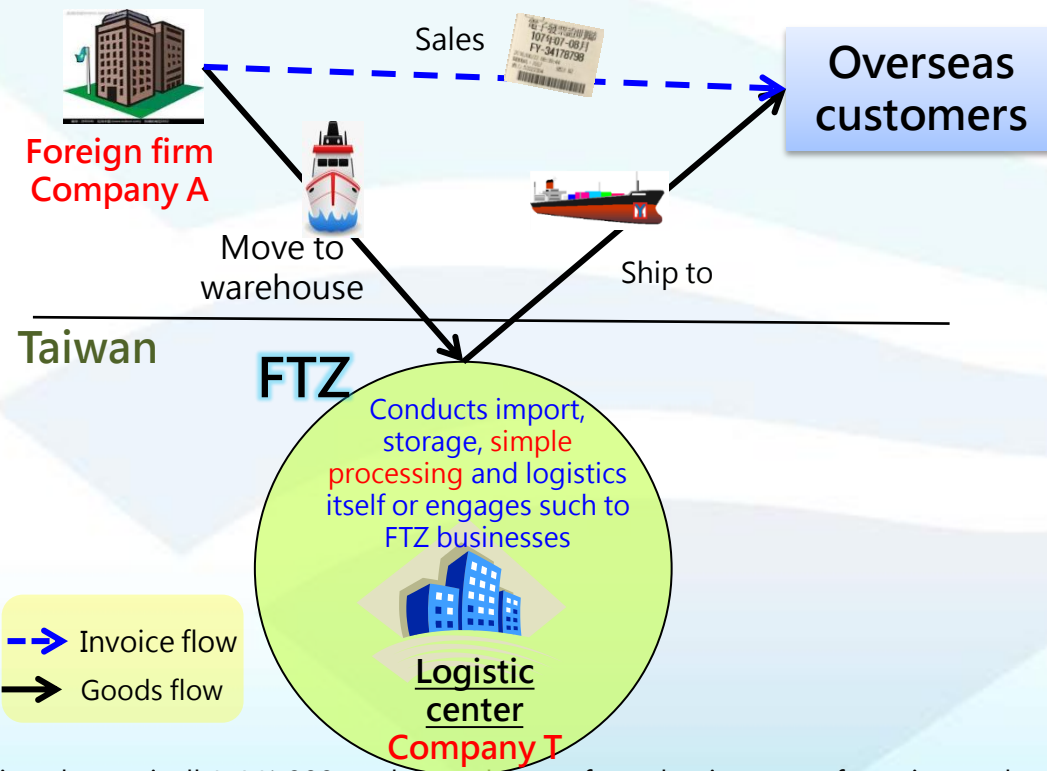


3.6 Case B - Foreign Enterprise Conduct Logistics and Processing Activities Domestically

- Scenario: Foreign enterprise manufacturing electronic components, conducts logistics and simple processing activities of goods domestically itself or engages such to a FTZ enterprise, and sells to overseas customers for \$12 million while the goods are in our territory.
- Taxation differences for CIT of a foreign enterprise

Foreign enterprise conducts **logistics** and **processing** activities domestically

	Tax ruling from April 2018
Sales revenue	1,200
Profit standards of other firms in the same industry	10%
Domestic and overseas total operating profit	120
Contribution rate	3%+10% (Note)
Taxable income	15.6
CIT (20%)	3.12



Note: $3\% + ((100 \text{ as the cost of conducting manufacturing and processing domestically}) / (1,000 \text{ as the total cost of conducting manufacturing and processing both at home or abroad})) = 13\%$

Reference

- Article 21-29 of the Act for the Establishment and Management of Free Trade Zones
- Tax Ruling 10600664060, Ministry Of Finance, April 17, 2018

