



財政部

Ministry of Finance, R.O.C.

# The Act for the Recruitment and Employment of Foreign Professionals Reduction and Exemption of Income Tax

Ministry of Finance

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簽證



居留



保險



租稅



退休

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# 1. The focus of this amendment

## Original regulations

- ▶ The applicable period is 3 years.

## Relaxed regulations

- ▶ The applicable period is now extended from 3 years to **5 years**.  
(Deferred retention regulations have been cancelled )



**Improve the talents needed by our industry  
Incentives for long-term work in the R.O.C.**

## 2. The content of tax incentives: Those eligible (1/2)

### A foreign special professional



Science & Technology



Economy



Education



Culture & the Arts



Sports



Finance



Law



Architectural Design



National Defense

A foreign special professional is one who has been recognized to possess the special expertise announced by the central competent authority.

A foreign special professional is one who has been recognized by National Development Council in consultation with the central competent authority.

**A foreign special professional must meet all of the following requirements:**

- 01 He/she has for the first time been approved to reside in the R.O.C. for the purpose of work.
- 02 He/she has engaged in professional work related to the recognized special expertise sought in the R.O.C.
- 03 During the five years prior to his/her employment engaged in professional work or his/her obtaining the Employment Gold Card, he/she did not have household registration in the R.O.C., and he/she didn't reside in the R.O.C. for a full 183 days of the year.

## 2. The content of tax incentives: Exemption content (2/2)



A foreign special professional who meets the above-mentioned requirements may apply for the tax incentives within five years from the qualifying tax year:

- ☑ One half of the amount of the salary income exceeding NT\$ 3 million of each such year may be excluded from the gross amount of consolidated income of the year for the assessment of individual income tax liability.
- ☑ Overseas income may be excluded from the income basic tax.

### 3. The application time of tax incentives

A foreign special professional who meets the specified conditions of tax benefits shall submit relevant documents to the jurisdictional tax collection authority at the following time:

when he/she files his/her annual income tax return (in May every year)

when he/she files the departure income tax return in the current year before he/she leaves the R.O.C.



## 4. The documents that should be submitted

<b>A foreign special professional who has obtained “the foreign special professional employment (work) permit document” issued by the Ministry of Labor or the Ministry of Education</b>	<b>A foreign special professional who has held an “Employment Gold Card”</b>	<b>The relevant certificate of having special expertise issued by the central competent authority</b>
<ul style="list-style-type: none"> <li>✓ A photocopy of the foreign special professional employment (work) permit document issued by the Ministry of Labor or the Ministry of Education.</li> </ul>	<ul style="list-style-type: none"> <li>✓ A photocopy of the Employment Gold Card.</li> </ul>	<ul style="list-style-type: none"> <li>✓ A photocopy of the relevant certificate of having special expertise issued by the central competent authority.</li> </ul>
<ul style="list-style-type: none"> <li>✓ Application for Exemption from Income Tax for Foreign Special Professionals.</li> </ul>		
<ul style="list-style-type: none"> <li>✓ The supporting document of the first-time approval to reside in the R.O.C. for the purpose of work [i.e., a photocopy of the Alien Residence Certificate (ARC) showing employment as the reason for residence]. If it is not the first-time approval to reside in the R.O.C., the supporting document showing the previous approval not related to the engagement of the professional work (i.e., a photocopy of the ARC explaining the residing purpose for studying Chinese, being a foreign student, being a foreign spouse, or visiting relatives) is required.</li> </ul>		
<ul style="list-style-type: none"> <li>✓ An employment contract or other supporting documents showing that the foreign special professional has engaged in professional work related to his/her special expertise recognized by the relevant central competent authority in the R.O.C..</li> </ul>		

# 5. Case description: The statement of calculation of reduction and exemption of income tax (1/5)

## Case 1

- He/she has engaged in professional work related to a recognized special expertise and has had an annual salary income of NT\$ 15 million.
- He/she has had income derived from sources outside the R.O.C of NT\$ 2 million.

### Exemption of Income:

(An annual salary income of NT\$ 15 million - NT\$ 3 million)\*50%  
=NT\$ 6 million

### The annual salary income including from the gross amount of consolidated income of the year for the assessment of individual income tax liability:

NT\$ 15 million - Exemption of Income of NT\$ 6 million = NT\$ 9 million

### Outside income:

Such income would be excluded from the income basic tax.



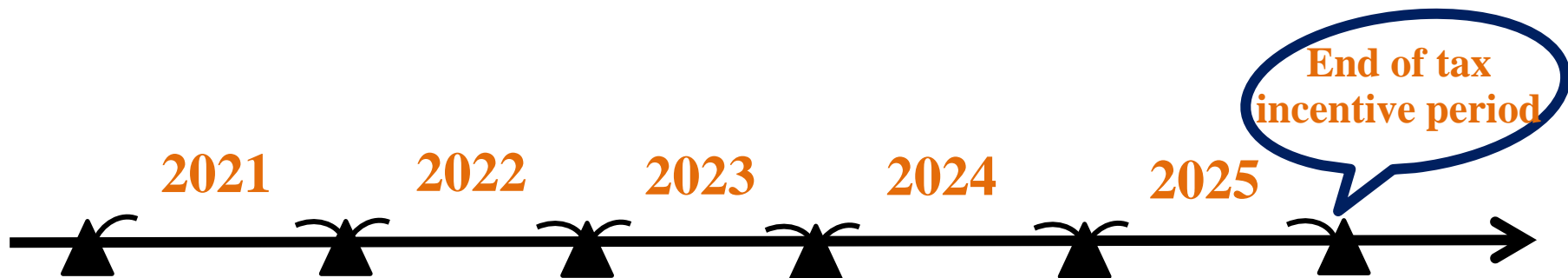


## 5. Case description: The period of tax incentives (2/5)

### Case 2

Case of engaging in professional work in the R.O.C. for the first time in 2021

- He/she has obtained the foreign special professional employment (work) permit document issued by the Ministry of Labor in 2021.
- He/she has met the requirements that he/she has resided in the R.O.C. for a full 183 days and has obtained an annual salary income of over NT\$ 3 million by engaging in professional work during the years 2021~2025.



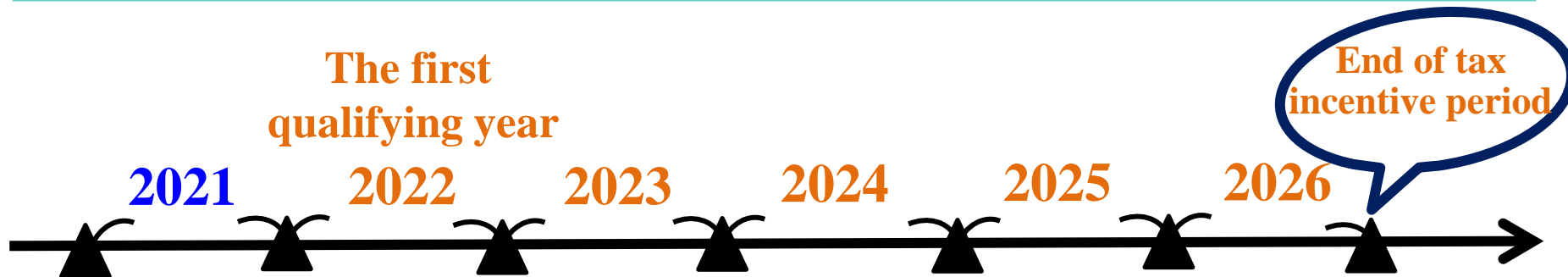
He/she can apply for reduction and exemption of income tax in 2021 ~ 2025.

## 5. Case description: The period of tax incentives (3/5)

### Case 3

Example of engaging in professional work in the R.O.C. for the first time in 2021, but the foreign special professional meets the requirements with tax benefits in the following years

- He/she has obtained the foreign special professional employment (work) permit document issued by the Ministry of Labor in 2021.
- He/she has met the requirements that he/she has resided in the R.O.C. for a full 183 days and has obtained an annual salary income of over NT\$ 3 million by engaging in professional work during the years 2022 ~ 2026.



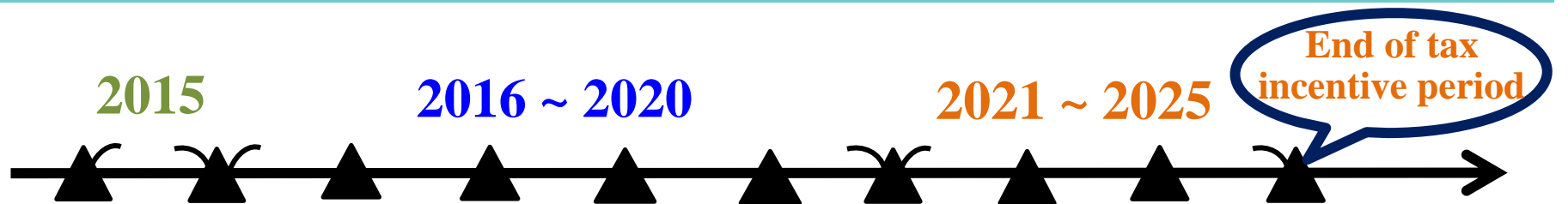
The year 2022 shall be the first qualifying year of the tax incentives, and the tax incentives last for 5 years (from 2022 to 2026). Therefore, he/she can apply for reduction and exemption of income tax in 2022 ~ 2026.

## 5. Case description: The period of tax incentives (4/5)

### Case 4

Example of engaging in professional work in the R.O.C. for the first time in 2021, but the foreign special professional had resided in the R.O.C. in the previous year

- He/she had resided in the R.O.C. for the purpose of study in 2015 and returned to his/her country of origin in 2016.
- He/she has obtained the foreign special professional employment (work) permit document issued by the Ministry of Labor in 2021, and he/she has met the requirements that he/she has resided in the R.O.C. for a full 183 days and has obtained an annual salary income of over NT\$ 3 million by engaging in professional work during the years 2021 ~ 2025.



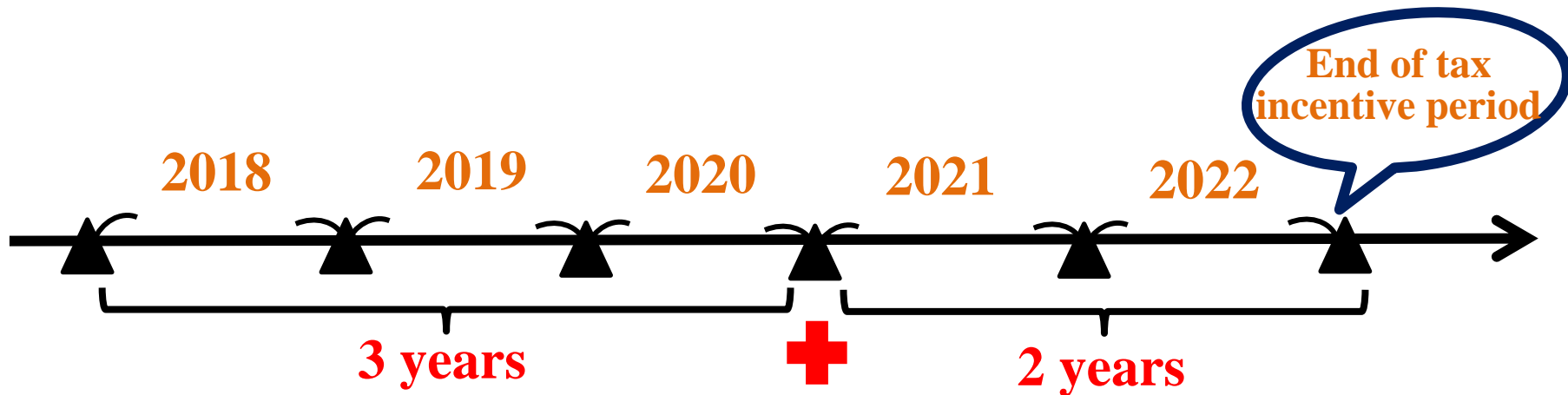
He/she can apply for reduction and exemption of income tax in 2021~2025. (The reason for residing in the R.O.C. in 2015 can't be attributed to engaging in professional work, and he/she did not have household registration in the R.O.C. nor resided in the R.O.C. for a period of 183 days by the time he/she comes to R.O.C. in 2021.

# 5. Case description: The period of tax incentives (5/5)

## Case 5

Case of engaging in professional work in the R.O.C. for the first time in 2018

- He/she has obtained the foreign special professional employment (work) permit document issued by the Ministry of Labor in 2018.
- He/she has met the requirements that he/she has resided in the R.O.C. for a full 183 days and has obtained an annual salary income of over NT\$ 3 million by engaging in professional work during the years 2018 ~ 2022.



He/she can apply for reduction and exemption of income tax in 2018 ~ 2022.

# Thank you for your attention

