

## Taiwan's uniform invoice regulations require action by foreign e-commerce operators

---

### **NEW!** EY Tax News Update: Global Edition

EY's new Tax News Update: Global Edition is a free, personalized email subscription service that allows you to receive EY Global Tax Alerts, newsletters, events, and thought leadership published across all areas of tax. Access more information about the tool and registration [here](#).

Also available is our [EY Global Tax Alert Library](#) on ey.com.

---

### Executive summary

Following the enactment of Taiwan's Tax Ruling No. 10600549520<sup>1</sup> requiring the Value Added Tax (VAT) registration and VAT filing obligations for foreign enterprises, institutions, groups or organizations without a fixed place of business in Taiwan (referred to as foreign e-commerce operators, FECOs) when providing e-commerce services to domestic individuals,<sup>2</sup> Taiwan's Ministry of Finance (the MOF) issued two additional tax rulings<sup>3</sup> announcing the relevant government uniform invoice (GUI) regulations.

FECOs that sell e-commerce services to domestic individuals (domestic purchasers) are subject to GUI regulations beginning in 2019.

### Detailed discussion

#### Overview of the Tax Rulings

##### Type of GUIs for e-commerce services

FECOs should issue cloud GUIs to domestic purchasers. The cloud GUIs are defined as electronic GUIs and issued by business entities to domestic purchasers through means, such as email and phone that are approved by the MOF.

### Issuance of cloud GUIs

- ▶ The regulations are effective for transactions occurring on or after 1 January 2019.
- ▶ Penalties may be waived on the failure of FECOs to issue cloud GUIs to domestic purchasers for the period from 1 January 2019 to 31 December 2019, allowing FECOs additional time to implement the required procedures to adopt the cloud GUI regulations.

### Failure to issue cloud GUIs penalties

Under the *VAT Act* and *Tax Collection Act* in Taiwan, FECOs that fail to issue cloud GUIs would be subject to a penalty of up to five times of the tax that should have been collected through the issuance of the cloud GUI. In addition, failure by FECOs to issue cloud GUIs more than three times in a 12-month period, beginning with the first failure, may result in closures of the FECOs' businesses.

### Procedures of the issuance of cloud GUIs

FECOs should choose one of the two manners to upload the cloud GUI data to the MOF's platform - directly by FECOs or appointing Value-Added Centers.

### Key issues for FECOs

FECOs will have to address the following with respect to GUIs:

- ▶ Complying with the requirements in a correct and timely manner
- ▶ Allowing sufficient time to set up the cloud GUI system, including an application for transmission software and cloud GUI number

---

## Endnotes

1. 1 May 2017.
2. See EY Global Tax Alert, [Taiwan issues ruling on new tax guidelines on cross-border e-commerce transaction](#), dated 4 May 2017.
3. Tax Ruling No. 10604506690 on 24 February 2017 and No. 10704607091 on 16 July 2018.

For additional information with respect to this Alert, please contact the following:

**Ernst & Young (Taiwan), Taipei**

- ▶ Sophie Chou                   sophie.chou@tw.ey.com
- ▶ Anna Tsai                     anna.tsai@tw.ey.com
- ▶ Chien-Hua Yang            chienhua.yang@tw.ey.com
- ▶ Vivian Wu                    vivian.wu@tw.ey.com

**Ernst & Young LLP, Asia Pacific Business Group, New York**

- ▶ Chris Finnerty             chris.finnerty1@ey.com
- ▶ Kaz Parsch                 kazuyo.parsch@ey.com
- ▶ Bee-Khun Yap             bee-khun.yap@ey.com

**About EY**

EY is a global leader in assurance, tax, transaction and advisory services. The insights and quality services we deliver help build trust and confidence in the capital markets and in economies the world over. We develop outstanding leaders who team to deliver on our promises to all of our stakeholders. In so doing, we play a critical role in building a better working world for our people, for our clients and for our communities.

EY refers to the global organization, and may refer to one or more, of the member firms of Ernst & Young Global Limited, each of which is a separate legal entity. Ernst & Young Global Limited, a UK company limited by guarantee, does not provide services to clients. For more information about our organization, please visit [ey.com](http://ey.com).

Indirect Tax

© 2019 EYGM Limited.  
All Rights Reserved.

EYG no. 012880-18Gbl

1508-1600216 NY  
ED None

This material has been prepared for general informational purposes only and is not intended to be relied upon as accounting, tax, or other professional advice. Please refer to your advisors for specific advice.

**[ey.com](http://ey.com)**