



# **46<sup>th</sup> SGATAR MEETING**

## **Topic 2 Common Reporting Standard Implementation**

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# Outline

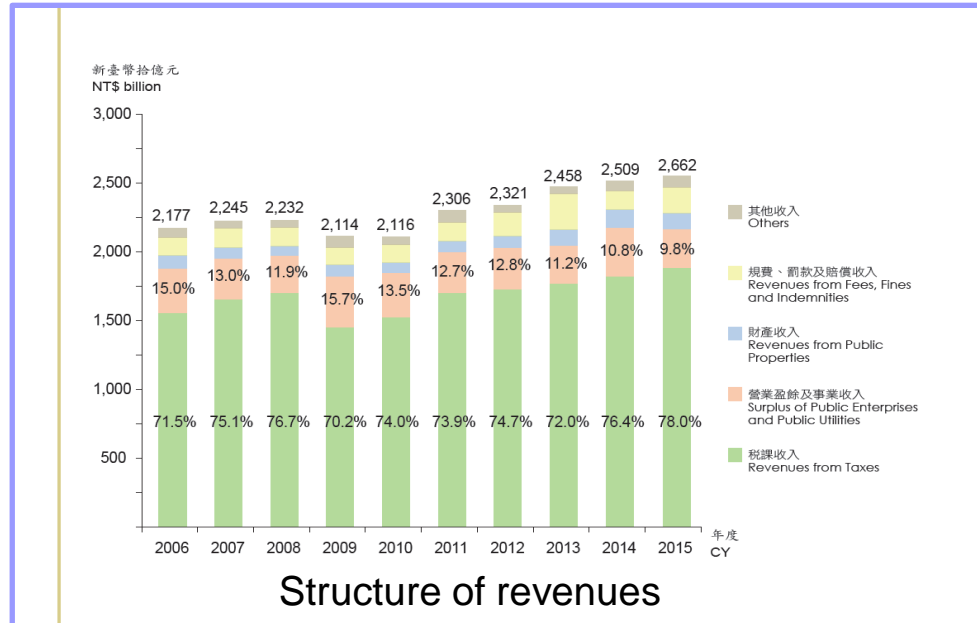




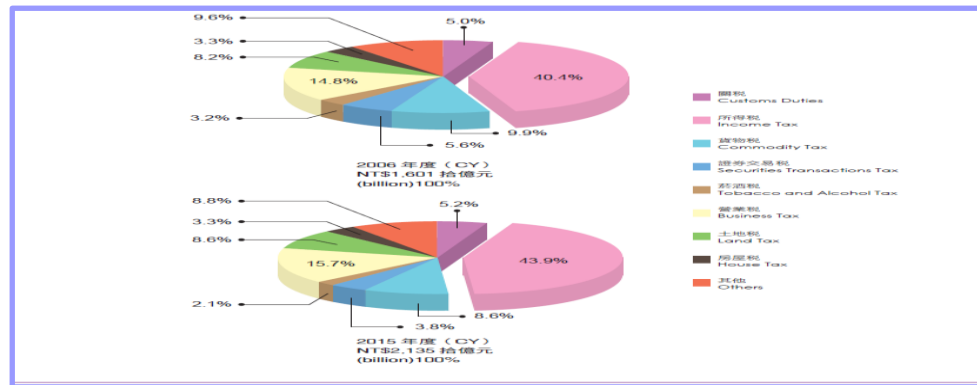
# Overview of Taxes

- Customs Duties
- \*Income Tax
- \*Estate Tax
- \*Gift Tax
- Commodity Tax
- \*Securities Transactions Tax
- \*Futures Transactions Tax
- Value Added and Non-Value-Added Business Tax
- Tobacco and Alcohol Tax
- Specifically Selected Goods and Services Tax
- Stamp Tax
- Vehicle License Tax
- \*Agricultural Land Tax
- \*Land Value Tax
- \*Land Value Increment Tax
- \*House Tax
- Amusement Tax
- \*Deed Tax
- Special and Provisional Tax Levies

19 tax items



Structure of revenues



Revenue from income tax



# Overview of Taxes

## Income Tax System

### Individual income tax

- Any individual having income from sources in the territory

### Profit-seeking enterprise income tax

- Any profit-seeking enterprise operating within the territory

### Income basic tax

- Individuals who are tax residents (including expatriates who stay in the territory for 183 days or more in a tax year)
- All resident profit-seeking-enterprises and foreign enterprises with a fixed place of business or a business agent in the territory



# Financial Institutions

Competent authority of financial institutions

- Financial Supervisory Commission

Number of financial institutions

- 430 head offices
- 6,044 branches



# Overview of Project Plan for Preparation of Implementing CRS



- Cross-ministry
- Two-phase
- Team members
  - Ministry of Finance
  - Financial Supervisory Commission

- To establish current policy and scope of EOI
- To establish rules governing making and processing of requests for EOI
- To train relevant staff and enhance their fundamental knowledge and practices

- To evaluate pros and cons of setting up a mechanism for EOI
- To analyze costs and benefits of establishing the mechanism
- To obtain support from society and reach a consensus on amendment of laws



# Legal Framework

## Current legal framework for EOI

- **EOI provisions in ADTA**
  - Tax laws empowered MOF to enter into ADTAs to grant tax exemption or reduction on a reciprocal basis
  - EOI is a necessary measure to allow reciprocity

## Key points in domestic legislation/regulations in relation to EOI

- **Tax information possessed by Taxation Bureaus**
  - Regardless whether such information has domestic interest
  - In current practice, EOI on request
  - Planning to provide such information reciprocally
- **Tax information not possessed by Taxation Bureaus**
  - Investigate only Paragraphs 4 and 5 of Article 26



# Legal Framework

## Lack of legal framework for CRS

- Ministry of Finance is currently consulting with relevant authorities to draft the bill for amendment of Tax Collecting Act for preparation of implementing CRS in the future

## To review policy toward tax agreements

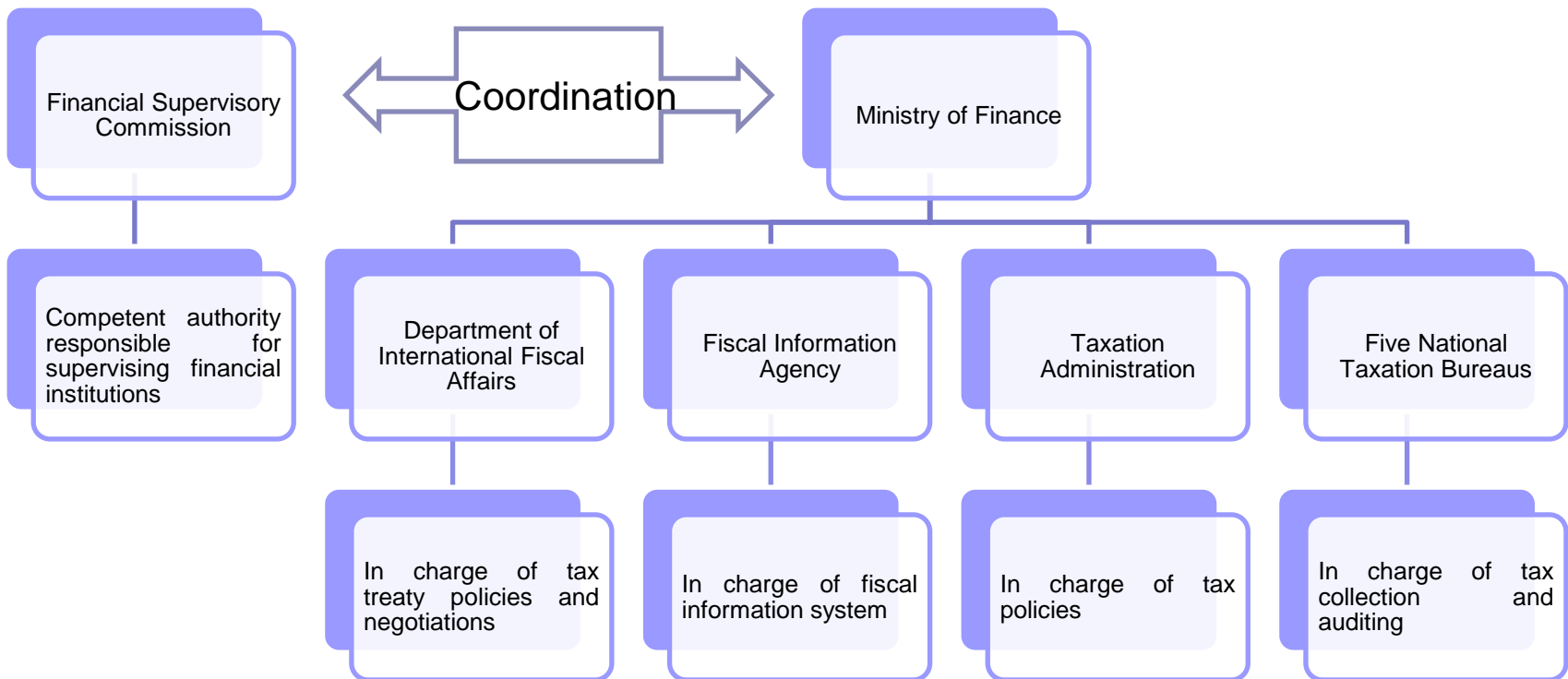
- A need to review policy and consider whether TIEAs or the Convention should be concluded or signed to strengthen cross-border cooperation in tax matters and combat tax evasion.





# Technology and System

## Organizational structure





# Technology and System

## Current information technology and systems

- We have long been utilizing information technology to facilitate tax administration
- We have been actively building a centralized tax information platform and database and integrating cross-unit and cross-region, cross-tax, and cross-year tax information
- We have accumulated experiences in respect of utilizing information technology to facilitate tax administration, it would help us to take a further step towards the establishment of CRS technology and systems.

## Data security

- Safeguards to protect confidentiality of tax information
- Supervision divisions in every tax collection authority to deal with investigation and record tracking of tax information
- To learn experiences of SGATAR members in respect of internal policies and procedures to support exchange of CRS data and ensure safety of exchanged information



# Closing

Our priority is to prepare for amendment of domestic laws in order to implement CRS

A need to assess sufficiency of current resources for implementing CRS

To learn experiences of SGATAR members, including internal and external communication strategies, compliance projects, training projects, monitoring regimes.....



**Thank you for your attention**