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Guide to Setting up a Limited Company in Taiwan

When a foreigners or a foreign company, including residents and companies from Hong Kong, Macau and Mainland China, intend to carry out business in Taiwan, they can consider setting up a company limited by shares, a limited company or a branch office in Taiwan.

The article brief explains the major features, the registration procedures and the documents and materials required for the registration of a limited company in Taiwan. This article is prepared for the reference of our clients. “Company” here in this article refers to Limited Company.

1. Features of Taiwan Limited Company

(1) Name of Company

A name that is similar to or identical to an existing company. A name that constitutes a criminal offence or is otherwise contrary to the public interest. A name that implies government patronage.

(2) Directors of a Taiwan Company

A minimum of one director is required to be appointed at the time of incorporation and full details of these must be filed with the business registration authority. The director can be of any nationality and be resident anywhere. Corporate director is not allowed. The shareholder could also act as director but there is no requirement for the directors to also be shareholders. The director is also the person-in-charge of the Taiwan company.

(3) Shareholders of a Taiwan Company

A minimum number of one shareholder is required whose details are filed on the public register maintained by the business registration authority. Corporate shareholder is permitted. The shareholders can be of any nationality and be resident anywhere in the world and meetings can take place anywhere.

(4) Company Secretary

The Company Law in Taiwan does not require the appointment of Company Secretary.

(5) Supervisor

The Company Law does not require the appointment of supervisor for limited company. Only company limited by shares is required to appoint at least one supervisor.

(6) Registered Office (Business Address)

A company must maintain a registered/business address in Taiwan. The registered address must be a physical address and cannot be a PO Box. The registered office/business address of a company must be located in the commercial or commercial-cum-residential building.

(7) Articles of Association

An Articles of Association stating clearly the name of the company, name of shareholder, address of registered office, amount of registered capital and that the liability of the shareholder(s) is limited must be filed with the business registration authority.

(8) Registered Capital

There is no limitation on the amount registered capitals, except certain businesses that require permit or licence. However, it is advisable that the amount of registered capital to be stated in the Articles of Association should be sufficient to cover the operating costs in the first six months of operation. The company is required to engage a practicing accountant in Taiwan to issue a capital verification report after the shareholder/investor contributes and pays its registered capital.

(9) Language of Corporate Documents

Chinese is the only official language in Taiwan. All corporate documents must be prepared in Chinese.

(10) Local Agent

The investor of the Taiwan company must appoint a local Taiwan resident to act as Local Agent to handle the registration of the company or handle the registration of changes after registration.

2. Procedures for Establishing a Company in Taiwan

(1) Preliminary

(a) Lease of Office Space

Firstly, the parent company will have to enter into a tenancy agreement in relation to the office space to be used by the branch office. The office must be located in a commercial building or a commercial-cum-residential building.

(b) Appointment of Director(s)

The investor should decide the personnel to be appointed as director(s) of the Taiwan company and obtain their consent and arrange a written appointment accordingly.

(c) Legalisation of Identity Documents of the parent company

The parent company is also required to arrange to have the identity documents, such as Certificate of incorporation and Articles of incorporation and bylaws (including all amendments to-date) of the parent company legalised by the Taiwan Embassy in the country where the parent company is registered

(d) Legalization of Board Minutes, Power of Attorney for Appointment of the litigious and non-litigious agent and branch manager

The parent company is also required to issue and have the Board Minutes, Power of Attorney appointing the company's litigious and non-litigious agent and Power of Attorney appointing the branch manager legalised by the Taiwan Embassy in the country where the parent company is registered.

(e) Other Documentation

The parent company at the same time needs to prepare other documents, such as photocopy of passports and address proof of the Agent and Manager.

(2) Application for Registration

(a) Name Search and Reservation

The registration process of a company starts with name availability search. We will perform a name availability search with the Ministry of Economic Affairs, R.O.C and confirm with you their availability.

Should the search indicate that the preferred company names are available for registration, we then apply for the reservation of the preferred name

(b) Examination and Approval

As for the timing of approval, Ministry of Economic Affairs is required to make its decision within 10 working days from receipt of all the documentation.

(c) Carving of Company Chop

Upon approval as stated in (b) above, the investor can then arrange the carving of company chop which is required for opening of bank account.

(d) Opening preparatory bank account

Once obtaining the approval from Ministry of Economic Affairs, the person in charge of the Taiwan company is required to visit Taiwan for the purpose of preparatory bank account opening.

(e) Contribution of Capital

Once the account is opened, the parent company need to deposit the capital into the bank account. After the payment, the bank will issue you remittances memo and inward remittance notification.

(f) Capital Verification

Upon receipt of confirmation of remittance of capital, the investor can then arrange a local Taiwan accounting firm to perform capital verification and issue of capital verification report which is required to be filed for the purpose of company registration.

(g) Application for Registration

Then, the investor can submit the registration application documents together with the capital verification report to the business registration authority for registration.

(h) Application for Tax Code

Finally, the investor can move to handle the application for tax registration for the Taiwan company with the State Tax Bureau and apply for Tax Code. It should be noted that the Director/Person in Charge of the Taiwan company should visit the State Tax Authority for identification verification.

3. Estimated Time Frame

It is estimated that the whole registration process would take around 4-6 weeks. The table below shows the estimated time frame for each of the steps for the registration process.

Step	Description	Working Days
1	Lease of office space	1
2	Legalisation of Incorporation Documents	5
3	Preparation of other documents	1
4	Application for pre-approval of company name	2
5	Filing of application documents for preliminary review	6
6	Carving of company chop	2
7	Open preparatory bank account	1
8	Capital verification	5
9	Application for registration of company	6
10	Perform State Tax Registration	5
11	Application certificate for collection of uniform tax invoice	6
12	Open official bank account	5-10
13	Application for import and export registration	1

Note: The estimated time frame does not take into consideration the need for application for special permit or licence.

4. Required Documents and Materials

The following documents and materials needed to be prepared by the application before submitting an application for registration:

(1) Name of Company

The investor should create a name for the proposed Taiwan company. The company name must be in Chinese.

(2) Scope of Business (Principal Business Activities)

The investor should decide on the intended business activities of the Taiwan company and put them in writing as this information is required for the purpose of company registration.

(3) Minutes of Meeting or Written Resolution

The investor should prepare a minutes of shareholders or directors meeting or a written resolution recording the decision of the company to set up the company in Taiwan and the appointment of director(s) of the Taiwan company.

(4) Legalised Identity Documents of the Shareholder

The investor should arrange to have the identity documents of the shareholder of the Taiwan company legalised by the Embassy or Consulate General or organisation authorised by the Taiwan Government in the country where the shareholder is registered or resided.

(5) Legalised Identity Document of the Local Agent

The investor should arrange to have the identity and the appointment letter of the local agent legalised by a Notary Public in Taiwan or the Embassy or Consulate General or organisation authorised by the Taiwan Government.

(6) Identity Document of the Director(s)

A copy of passport copy and address proof in respect of each director of the Taiwan company.

(7) Lease Agreement

The investor should decide on the location of the office of the Taiwan company and enter into a lease agreement. In addition, the investor should require a copy of property tax payment receipt and a consent letter consenting to the use of that office premise by the Taiwan company.

(8) Amount of Registered Capital

The investor should decide on the amount of registered capital. There is no limitation on the amount registered capitals, except certain businesses that require permit or licence. However, it is advisable that the amount of registered capital to be stated in the Articles of Association should be sufficient to cover the operating costs in the first six months of operation. The company is required to engage a practicing accountant in Taiwan to issue a capital verification report after the shareholder/investor contributes and pays its registered capital.

5. Certificate and Documents Obtained after Registration

After the company is officially registered in Taiwan, the investor should have the following documents and certificate evidencing that the company is ready for business:

- (1) Company Recognition Form;
- (2) Company registration approval letter and registration form issued by the Taiwan Government;
- (3) Business tax registration form;
- (4) Business tax registration approval letter;
- (5) Company chop and chop for the person-in-charge;
- (6) Uniform tax invoice collection certificate;
- (7) Import and export registration

6. Operation and Maintenance

After a company is officially registered in Taiwan, it is required by the Company Law, Tax Law and other regulations to file any changes to its registration particulars, maintain proper books of accounts and filing various kinds of tax returns. You are welcome to browse our “Taiwan Company Maintenance Guidelines” for detailed requirements of these compliance obligations.