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## Guide to Setting up a Branch Office 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 branch office in Taiwan by a foreign company. This article is prepared for the reference of our clients.

### 1. Features of Branch Office in Taiwan

#### (1) Name of Branch Office

The name of the branch office should be in the following format: Name of country of registration of the foreign company + name of the foreign company + Taiwan Branch Office. For example, a Hong Kong registered company named Kaizen Corporate Services Limited applies to set up a branch office in Taiwan, the name of the branch office should read “Hong Kong Kaizen Corporate Services Limited Taiwan Branch Office”.

A pre-filing search for availability of the proposed name should be conducted and approval be obtained from the business registration authority.

(2) Directors of a Taiwan Branch Office

As the branch office is not a separate legal entity, it is not required to appoint any director.

(3) Company Secretary

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

(4) Supervisor

As the branch office is not a separate legal entity, it is not required to appoint any supervisor.

(5) Manager

The foreign company is required to appoint at least one manager to manage its Taiwan branch office. The manager so appointed is also the person who will be in charge of the Taiwan branch office. The person to be appointed as manager could be of any nationality but should be ordinarily residing in Taiwan.

(6) litigation/ non-litigation agent in Taiwan

A branch office is required to have one litigation/non-litigation agent. The person to be acting as such could be of any nationality and needs not be residing in Taiwan. Kaizen can provide the service of litigation/ non-litigation agent.

(7) Registered Office (Business Address)

A branch office must maintain a registered/business address in Taiwan. The registered office/business address of a company must be located in the commercial or commercial-cum-residential building.

(8) Operating Capital

A branch is not a separate legal entity and therefore the concept of registered capital is not applicable. However, in practice and for the purpose of registration of branch office in Taiwan, a foreign company which applies to set up a branch office in Taiwan is still required to state a particular amount of operating capital in the application form and any such amount so stated should be remitted to Taiwan at the time of registration.

In addition, the foreign company is required to engage a practicing accountant in Taiwan to issue a capital verification report after it contributes and pays the operating capital.

(9) Language of Corporate Documents

Chinese is the only official language in Taiwan. All corporate documents must be prepared in Chinese. The name of the branch office is also in Chinese.

(10) Local Agent

The investor of the Taiwan branch office must appoint a local Taiwan resident to act as Local Agent to handle the registration of the branch office or handle the registration of changes after registration. Kaizen can provide the local agent service.

## **2. Procedures for Establishing a Branch Office in Taiwan**

### **(1) Preliminary**

(a) Lease of Office Space

Firstly, the investor will have lease an office space for its Taiwan branch. The foreign company should enter into a tenancy agreement in relation to the office space to be used by the branch office.

(b) Appointment of Manage(s)

The investor should decide the personnel to be appointed as manager(s) of the Taiwan branch office and prepare authorisation letter for appointment.

(c) Legalisation of Identity Documents of the foreign company

The foreign 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 foreign 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 foreign 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 branch office 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 workings 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 manager of the Taiwan branch is required to visit Taiwan for the purpose of preparatory bank account opening.

### (e) Contribution of Operating Capital

Once the account is opened, the foreign company need to transfer the operating capital into the bank account of the branch office.

(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

Then, 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 branch should visit the State Tax Authority for identification verification.

(i) Collection of Tax Invoice

Finally, the manager of the branch office or any person with authorisation will have to visit the State Tax Bureau to apply and collect Tax Invoice.

### 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 Identity 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 branch office. The scope of business will be stated in the registration application documents and therefore the registration certificate issued by the business registration authority.

(3) Minutes of Meeting or Written Resolution

The investor should prepare a minutes of shareholders or directors meeting or a written resolution approving the application for registration of Taiwan branch office and the appointment of manager(s) of the Taiwan branch.

(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 manager(s)

A copy of passport copy and address proof in respect of each manager of the Taiwan branch. The residential address of the manager must be located in Taiwan.

(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 Operating Capital

The investor should decide on the amount of operating capital. There is no limitation on the amount operating capitals, except certain businesses that require permit or licence. However, it is advisable that the amount of operating capital to be stated in the registration application document should be sufficient to cover the operating costs in the first six months of operation. The foreign company is required to engage a practicing accountant in Taiwan to issue a capital verification report after the investor contributes and pays the operating 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) Branch Office Recognition Form;
- (2) Branch office registration approval letter and registration form issued by the Taiwan Government;
- (3) Business tax registration form;
- (4) Business tax registration approval letter;
- (5) Branch office 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 branch office 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 Branch Office Maintenance Guide” for detailed requirements of these compliance obligations.

If you wish to obtain more information or assistance, please browse the official website of Kaizen Certified Public Accountants Limited at [www.bycpa.com](http://www.bycpa.com) or send email to [enquiries@bycpa.com](mailto:enquiries@bycpa.com).