

Supporting SME Compliance through Digitalization

51st SGATAR ANNUAL MEETING

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Chinese Taipei

Date of Presentation: 19 October 2022



Agenda

- Overview of SMEs and Cashless Payments in Chinese Taipei
- Digital Platforms
- Tax Incentives
- Centralized Information Management and Information Security
- Conclusion

Overview

☐ SMEs in Chinese Taipei

- Number: 99% (SMEs / all enterprises)
- Sales revenue: 54% (SMEs / all enterprises)

☐ Cashless Payments in Chinese Taipei

- Account transfer: 92% in terms of amount of cashless payments
- Credit cards, stored value cards and electronic payment accounts: 82.5% in terms of number of cashless payments

Digital Platform

- ❑ Online taxation registration platform
- ❑ E-Invoice Platform
 - E-invoice issuance with verification mechanism
 - An open platform to provide real time information about transactions
 - Saving costs of invoice issuance and accounting management
 - Decreasing compliance costs when it comes to tax investigation and tax filing

Digital Platform

- ❑ Intelligent Online Business Tax Filing System
 - Cost effective
 - Secured confidentiality
 - Integration with tax payment platform

Tax Incentive

- Mitigation or Remission of Penalties
 - E-invoice
 - Electronic payment account
 - Online tax filing
- E-Invoicing Competitions
- Outstanding Business Award
 - Dedicated tax services
 - Exemption from audit selection within three years

Tax Incentive

- ❑ Tax Incentive Regulation for Small-Scale Business Entities
- ❑ Applying for Mobile Payment
 - 1% assessed business tax rate regardless of monthly sales amount over US\$6,667 (5% business tax rate)
 - Alleviation of the compliance cost of providing operating information for sales amount assessment

Tax Incentive

Cloud Invoice Exclusive Award

- Cloud invoices stored through carriers
- US\$16.67 to US\$33,333, US\$32.23 million in total
- One more chance to win the uniform invoice lottery
- Uniform Invoice Redemption App



Centralized Information and Information Security

❑ The Fiscal Information Agency

- Centralized information management of fiscal-related agencies
- Establishment of analytics in accordance with laws

❑ Information Security Management System

- Encryption and SSL
- Intrusion-detection system
- Vulnerability assessment
- Cyber security incidents exercises
- Data backup and system updates

Conclusion

Results of Digitalization

- Penetration Rate of Mobile Payment: 72.2%
- E-invoicing Rate: 38.7% (businesses adopting e-invoicing / all enterprises)
- Cloud Invoice Rate: 42.1% (cloud invoices / e-invoices issued)
- E-filing Rate: 97.3% (Business Tax returns)
99.6% (Profit-seeking Enterprise Income Tax returns)

Future Prospects and Endeavors

THANK YOU

