

Taiwan Branch Liquidation Procedures and Fees (Applicable to branch not owned by China nationals)

The fee quoted in this quotation is applicable to the liquidation and dissolution of a Taiwan branch previously set up by a foreign company (including Hong Kong and Macau) and not owned or controlled by Chinese resident.

Our fee for handling the liquidation and dissolution of a branch in Taiwan is USD3,750. Our fee includes all procedures required for the purpose of de-registration of a branch office in Taiwan. Specifically included apply de-registration company in Department of Commerce of Ministry of Economic Affairs, as well as to the National Taxation Bureau, Ministry of Finance, Bureau of Foreign Trade, Taiwan courts and banks for the de-registration procedures. After the completion of all the previous procedures, its Taiwan branch de-registration procedures are finished.

For the purpose of liquidating a Taiwan branch, client will need to prepare and provide a copy of the latest financial statements, chops of the branch, the identification documents of the director of the foreign company and manager of the branch., registration documents of the branch, uniform invoice purchase certificate and bank passbook.

In respect of the time needed, assuming that the branch has properly disposed all of its assets and settles all its debts, the whole liquidation process could most likely be completed with 6 months.

Our fee stated in this quotation is for general reference only and may be subject to change from time to time.

SHENZHEN 深圳

Rooms 1203-06, 12/F.
Di Wang Commercial Centre
5002 Shennan Road East
Luohu District, Shenzhen, China
中國深圳市羅湖區深南東路5002號
地王商業中心12樓1203-06室
T: +86 755 8268 4480

SHANGHAI 上海

Room 603, 6/F., Tower B
Guangqi Culture Plaza
2899A Xietu Road, Xuhui District
Shanghai, China
中國上海市徐匯區斜土路2899甲號
光啓文化廣場B座6樓603室
T: +86 21 6439 4114

BEIJING 北京

Room 303, 3/F.
Interchina Commercial Building
33 Dengshikou Street
Dongcheng District, Beijing, China
中國北京市東城區燈市口大街33號
國中商業大廈3樓303室
T: +86 10 6210 1890

SINGAPORE 新加坡

138 Cecil Street, #13-02 Cecil Court
Singapore 069538
新加坡絲絲街138號
絲絲閣13樓1302室
郵政編碼: 069538
T: +65 6438 0116

TAIPEI 台北

Room 303, 3/F., 142 Section 4
Chung Hsiao East Road
Daan District, Taipei
Taiwan 10688
台灣台北市大安區忠孝東路四段
142號3樓之3
郵政編碼: 10688
T: +886 2 2711 1324

NEW YORK 紐約

202 Canal Street, Suite 303, 3/F.
New York, NY 10013, USA
美國紐約州紐約市
堅尼路202號3樓303室
郵政編碼: 10013
T: +1 646 850 5888

LONDON 倫敦

Room 319, 3/F., One Elmfield Park
Bromley, Greater London
BR1 1LU, UK
英國倫敦布羅姆利
雅茅菲爾德公園一號3樓319室
郵政編碼: BR1 1LU
T: +44 20 8176 3860

1. Liquidation Services and Fees

Our fees for handling the liquidation of a branch in Taiwan are USD3,750. Our fee quotation is estimated based on the assumption that the branch does not have debts to any third party (other than its head office) and the branch does not have outstanding returns and/or tax liability.

In particular, our fees cover the following services:

- (1) Answering client's quotation regarding the deregistration/liquidation of a branch of a foreign company in Taiwan;
- (2) Review of registration documents, financial statements, tax filing records of the branch and advise if any outstanding issues that need to be fixed before commencing the liquidation;
- (3) Preparation of liquidation application documents;
- (4) Advising client in respect of the payment of final salary and termination of employments of employees of the branch;
- (5) Filing of last company income tax, business tax and profit tax declaration;
- (6) Advising client in respect of the collection of deposits and other receivable, if any;
- (7) Advising client regarding the transfer out the bank balance;
- (8) Liaison with the liquidator on the close of bank account of the branch;
- (9) Filing of application for cancellation of tax registration;
- (10) Handle the cancellation of registration of import and export company (applicable only to trading company);
- (11) Reporting of liquidation to the court;
- (12) Filing of final liquidation report with the court.

Note:

- (1) The fee quoted above covers official filing fees, but excludes other of-out-pocket expenses.
- (2) Our fee stated above does not cover handling disposal of assets, payment of debts and collection of receivables.
- (3) Our above fee is quoted on the assumption that the branch is solvent.
- (4) The fees quoted above do not include translation fee. If any liquidation documents need to be translated to Chinese, or client needs an English version of registration document for reference, a translation fee of USD50 per A4 page applies.
- (5) The fees quoted above is not applicable to the liquidation of a branch owned by a company registered in the Mainland China or a Chinese resident.

2. Payment Terms and Methods

Upon receipt of your confirmation of engagement, we will issue and send an invoice together with the wiring instructions to you for your settlement. When you arrange the payment, please put our invoice number of account number in the message section and then send email a copy of the remittance receipt to us for our records. Because of the nature of service, we require full payment in advance. And once the service is commenced, no refund of service fee will be made.

We accept cash, check, TT and credit card through Paypal. An extra handling fee of 5% will be charged if paid by Paypal.

If Taiwan Business Tax Invoice is required, a Business Tax at 5% will be charged, according to the Taiwan Business Tax Act.

3. Conditions for Liquidation of Branch

Before the foreign company applies to have its Taiwan branch liquidated, the following conditions must be satisfied:

- (1) All the debts (to third parties) of the branch should be settled. If the asset of the branch is insufficient, the foreign company should settle those debts for its Taiwan branch;
- (2) The branch should have ceased business before it commences liquidation;
- (3) The branch should terminate the employment of its employees properly.

4. Required Materials for Liquidation

- (1) A copy of the resolution of the board of the foreign company resolving to the liquidation of the Taiwan branch;
- (2) A copy of financial statements covering the period from the date immediately after the last year end date and the date of cessation of business;
- (3) Copy of the latest tax filing records (business tax and corporation income tax);
- (4) The seals of company, litigation and non-litigation agent and branch office manager;
- (5) A copy of identity document of the liquidator. Please note that only the litigation and non-litigation agent or the branch manager may act as the liquidator;
- (6) The latest registration documents of the branch (as issued by the Ministry of Economic Affairs);
- (7) Original Taiwan Uniform Invoice Purchase Certificate;
- (8) Original bank passbook of bank account of the branch.

5. Taiwan Branch Liquidation Procedures and Time Frame

The process to dissolve a branch in Taiwan typically takes about 6 months, assuming the branch is solvent. The table below details each of the steps of the dissolution process.

| Item | Descriptions | Time (Day) |
|------------------------------|---|-------------------|
| 1 | Client confirms with Kaizen of engagement for dissolution of Taiwan branch. Kaizen issues an invoice to client. | 1 |
| 2 | Client delivers the registration documents, latest financial statements and tax filing documents to Kaizen. | Client's schedule |
| 3 | Kaizen reviews the materials received and advises client of any outstanding returns or issue to be processed before dissolution. | 2 |
| 4 | Kaizen prepares branch dissolution application documents and send them to client for signing. | 2 |
| 5 | Client signs off the documents and return them to Kaizen's Taiwan office by courier. | Client's schedule |
| 6 | Kaizen files the dissolution application documents with the Ministry of Economic Affairs for approval of dissolution. | 1 |
| 7 | The Ministry of Economic Affairs issues an approval letter. | 5 |
| 8 | Kaizen attends to declaration and deduction of current salary, interest, rent, royalty and other kinds of income, declaration and withhold the current business tax and reporting of profit tax on the profit for the current year (January 1 to the date of cancellation) to the National Taxation Bureau. | 14 |
| 9 | Kaizen submits the application for cancellation of tax registration to National Taxation Bureau | 1 |
| 10 | The National Taxation Bureau will issue an approval letter of the cancellation of the business registration | 7 |
| 11 | The branch appoints the liquidator and report the liquidation to the court, submit the settlement of application documents. | 1 |
| 12 | Kaizen arranges to publish in the Taiwan Daily newspaper a notice of dissolution. | 5 |
| 13 | Kaizen arranges to return the remaining funds to the foreign company and report final tax declaration to the National Taxation Bureau. | Actual situation |
| 14 | Kaizen applies for the settlement of liquidator to the court and file of the final liquidation report with the court. | Actual situation |
| 15 | Kaizen arranges to close the bank account of the branch (the signatory of the account must visit the bank in person). | Actual situation |
| 16 | Kaizen arranges to apply to cancel the import and export registration with the Bureau of Foreign Trade (where the branch is in trading business). | 1 |
| Total: About 6 months | | |

Note:

- (1) The time frame shown in the table above is estimated on the assumption of a smoothly case and close cooperation of client.
- (2) The schedule/time listed above is based on the assumption that the branch office does not hold any special licence or permit. Otherwise, extra time may be needed.
- (3) The signatory (i.e. litigation and non-litigation agent or manager of the branch) of the branch's bank account is required to go to Taiwan in person (at the time of writing, physical presence of the signatory is not required. However, the bank may change their policy from time to time without notice).

6. Certificates and Documents to be Returned to Client

After the procedure completed, we will return the following documents to the client:

- (1) Approval letter of deregistration by Taiwan Ministry of Economic Affairs;
- (2) Approval letter of cancellation of certificate of business registration by National Taxation Bureau of Taiwan;
- (3) Approval letter of the liquidator appointed;
- (4) Approval letter of the declaration of the company during the liquidation period by National Taxation Bureau of Taiwan;
- (5) Approval letter of the liquidation declaration by the Court;
- (6) Approval letter of cancellation of import and export manufacturers registration by Bureau of Foreign Trade;
- (7) Seal of branch, litigation and non-litigation agent and branch office manager;
- (8) Copy of documents for deregistration of company.

If you wish to obtain more information or assistance, please visit our official website at www.kaizencpa.com or contact us through the following methods:

T: +852 2341 1444

M: +852 5616 4140, +86 1521 9434 614

WhatsApp/Line/Signal/WeChat: +852 5616 4140

Skype: kaizencpa

E: info@kaizencpa.com