

DOING BUSINESS GUIDE

Taiwan





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1. Why Taiwan



Taiwan is a world leader in advanced technology manufacturing and an integral part of the global economy, despite its relatively small size. Taiwan's rising household incomes and growing economy offer opportunities for diversification of trade and investment. Taiwan's robust manufacturing sector, highly skilled workforce, global supply chain integration and strong consumer demand position it well for continued growth. Australia maintains strong economic ties and regular contact with Taiwanese authorities to promote bilateral trade and investment.



1.1. Economy overview

Taiwan is home to some of the world's most important technology companies, placing it at the centre of many global supply chains for advanced semiconductors, electronic components and consumer electronic devices. For the past several decades, Taiwan has focused on attracting more foreign investment through several incentive programs and expanded free trade zones. Although investment is concentrated in the manufacturing and electronics sectors, FDI has increased across Taiwan's economy, including information and communications technology, professional services and real estate. Foreign businesses and investors play a substantial role in the Taiwanese economy. Since 2023 more than 40 per cent of the Taiwan Stock Exchange's value has been capitalised by foreign investment.

Despite a downturn after the COVID-19 pandemic, Taiwan's economy has resumed relatively steady growth, projected to continue at a rate of approximately 3 per cent ([Figure 1](#)). Taiwan is the 17th largest exporter of merchandise globally. Leading exports are electronics, basic materials and metal products, plastics and rubber, chemicals and machinery. Taiwan's stable economic environment is underpinned by the world's 6th largest foreign reserve holdings, totalling over AUD 883.5 billion in 2024.

Taiwan's population of 23.5 million people boasts a highly educated workforce. It faces some labour supply challenges due to population ageing and fertility rates that remain below replacement levels. To maintain adequate levels of labour for continued economic growth, the Taiwanese authorities have eased foreign worker restrictions for some industries.

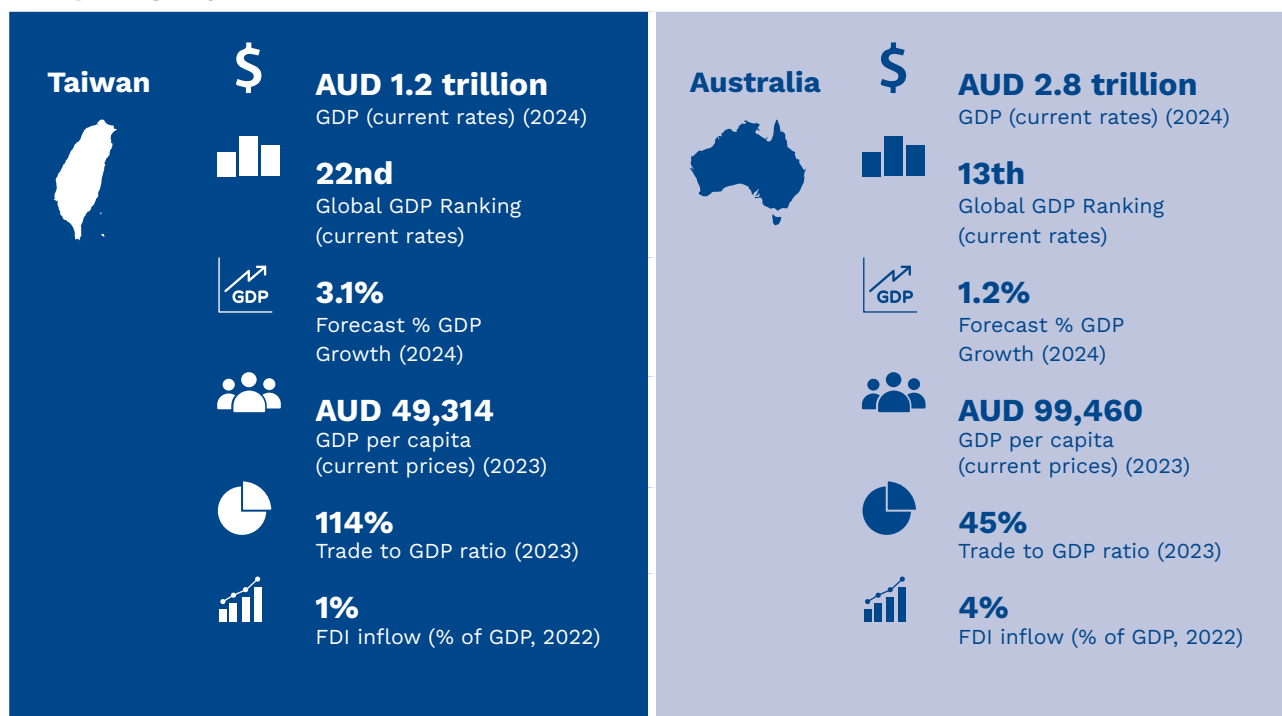
Taiwan is an important regional market in East Asia. High GDP and trade intensity make it a hub for economic activity. Along with Australia, Taiwan is a member of the [Asia-Pacific Economic Cooperation](#) forum and maintains close economic ties with countries throughout the region, promoting trade and cross-border investment. Taiwan is an export-oriented economy and its strategic integration into regional and global economies provide strong prospects for continued growth.

While Australia and Taiwan do not have official diplomatic relations, they maintain strong people-to-people links, economic ties and share important values such as promoting rules-based, open and stable trade throughout the Indo-Pacific region.

Taiwan is Australia's ninth largest trading partner and a top 20 FDI destination. Two-way trade between Australia and Taiwan totalled AUD 33.6 billion in 2023. More information on Australia's relationship with Taiwan is available in [Section 5.1](#) and from the Department of Foreign Affairs and Trade's [Taiwan Brief](#).

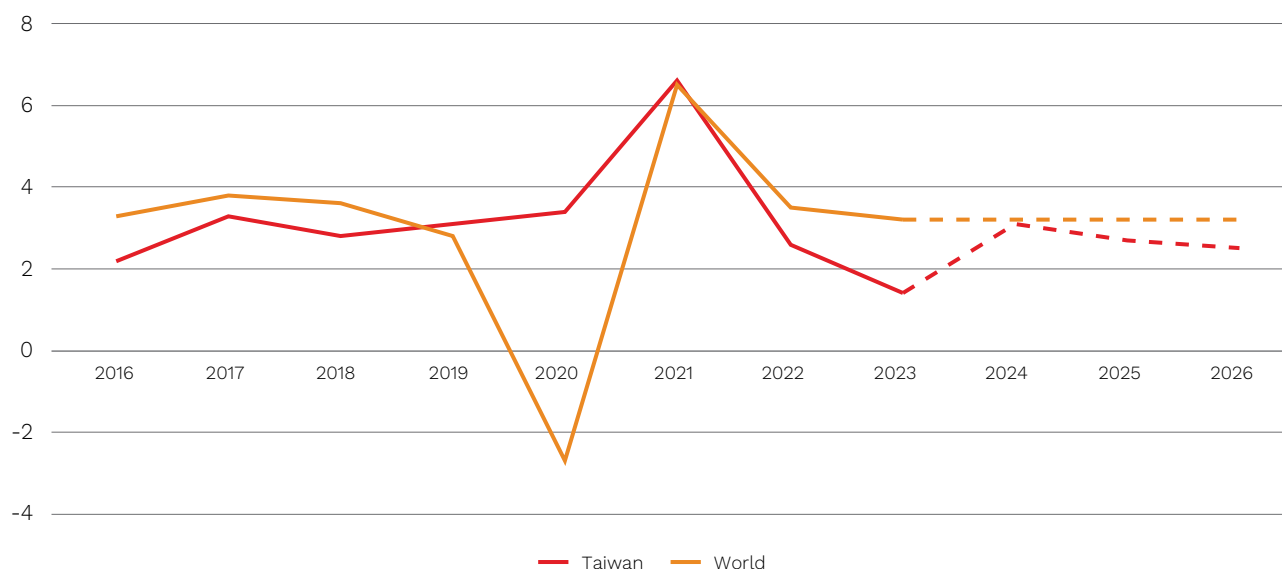
Although Taiwan is committed to maintaining favourable conditions for continued foreign investment and economic cooperation, its relationship with mainland China present some potential risks for investors. Australian businesses should be mindful of changing regional conditions when doing business in Taiwan.

Comparing key indicators: Taiwan and Australia



Source: IMF and World Bank

Figure 1: Real GDP Growth – Taiwan and world average (2016-2026f), %





1.2. Sectoral snapshots

Taiwan's strong economic performance, demographic trends, and advanced technology ecosystem offer significant opportunities for Australian trade and investment. From providing basic staples such as food, fuel and metal ores to advanced technology manufacturing equipment and services, Taiwan's economy is attractive for many types of foreign businesses. This section highlights the key business sectors for Australian companies.



Education

Education is an important facet of Australia and Taiwan's strong people-to-people links. Australian educational institutions are very highly regarded and a popular choice among Taiwanese students studying abroad. In 2023, over 10,000 Taiwanese students studied in Australia. Since signing the Australia-Taiwan English Language Learning Partnership Action Plan in 2022, Australia has become a preferred provider of English language education in Taiwan. Bilingualism is a priority for the Taiwanese authorities and workforce as the economy becomes increasingly integrated into global markets. Australian businesses have an opportunity to offer transnational education programming across all levels of the Taiwanese educational system.



Food and agribusiness

Due to limited arable land, Taiwan imports a significant share of its agricultural products, offering many opportunities for Australian businesses throughout the value chain. Australian agricultural products are popular and highly regarded among Taiwanese consumers. Taiwan's food processing sector is largely export-oriented and has consistently high demand for quality ingredients. Australian businesses provide many staples such as dairy products, wheat and sugar. Other primary products such as animal feed are also in high demand. Due to rising household incomes and greater attention to health and nutrition, the Taiwanese market is also attractive for Australian exporters of high-quality produce, meat and beverages, many of which command higher than average prices in the region.



Metals and processing technology

Taiwan is a major manufacturer and exporter of metal products such as fasteners, metal sheets and steel. Taiwanese producers focus primarily on manufacturing high-quality products for use in high-tech industries like aerospace creating significant demand for raw metal inputs such as iron ore, titanium and copper. Australia is Taiwan's largest source of iron ore, with exports totalling over AUD 2 billion in 2023. Like many other steel-producing nations, Taiwan is seeking to decarbonise its heavy industries, presenting an opportunity for Australian businesses to provide services and expertise related to green steel production.



Health and biotechnology

Taiwan's healthcare system is highly developed, but expansion is needed to provide for its ageing population. By 2060, people aged 65 and up are expected to constitute over 40 per cent of the population in Taiwan. Taiwan is heavily reliant on imported medical equipment and demand for advanced devices is expected to grow. Australian exporters should be aware that all medical devices must be approved and licensed by the Taiwanese Ministry of Health and Welfare (MOHW). Taiwan and Australia are also part of a joint **Health and Biotechnology Partnership** aimed at developing health solutions and fostering growth in the sector. Growing demand and strong bilateral trade ties offer many opportunities for Australian businesses looking to participate in the dynamic biomedical industry, including in clinical trials.



Energy and green economy

Taiwan relies on imports for most of its energy needs, and Australia is a top import source, supplying approximately half of the coal used in Taiwan in 2023 and around 40 per cent of its liquid natural gas (LNG). In 2023, Taiwan obtained less than 8 per cent of its electricity from renewable sources. However, Taiwan's National Development Council's 2050 net-zero plan includes phasing out coal and increasing renewable power imports and generation capacity. This creates opportunities for businesses in green energy technologies. Taiwan's geographical conditions make it a favourable place to build offshore wind power generation. Taiwan has also included hydrogen as a possible green energy source in the net-zero plan, offering an additional opportunity for Australian businesses to engage in the sector.



Technology

Taiwan has a highly developed technology sector with many opportunities for entry. Australia and Taiwan cooperate across a range of science and technology innovations and Taiwanese authorities have introduced a number of policies and programs to incentivise investment in the sector. Key opportunities for Australian businesses include providing information processing and cybersecurity software, remote sensing and nanosatellites, advanced manufacturing and agricultural technologies, semiconductor-related technologies and services, drones, artificial intelligence solutions and quantum computing capabilities. Taiwan is generally open to foreign investment in these areas, although Australian businesses should be aware of restrictions in certain areas of the sector. Foreign operators of other telecommunications equipment also require approval from local offices and must comply with Taiwanese cybersecurity management standards.



2. Understanding Taiwan



Entering a new market requires knowing what makes that market unique. An understanding of different business cultures and risk profiles provides a solid foundation from which to explore opportunities across the region.



2.1. Business culture

Cultural intelligence is key to achieving sustainable business outcomes. Being able to read cultural clues and respond appropriately helps develop relationships, communicate effectively and build trust. While cultural and communication norms are changing as virtual modes of engagement increase, core cultural values remain an important factor in business. Not understanding the particularities of doing business in Taiwan may lead to missed opportunities, delays and lost engagements.

Communication

Many Taiwanese people speak both English and Mandarin, especially in and around major cities. Taiwanese people tend to be somewhat formal, particularly in professional settings.

Usually, greetings involve a slight bow of the head, although handshakes are common when greeting close acquaintances or colleagues. It is a sign of respect to greet the oldest person in a group first. Taiwanese people consider it polite to use formal titles when greeting someone for the first time. Listening actively, being interested in the views of others, and showing empathy and respect are important factors to building understanding and trust.

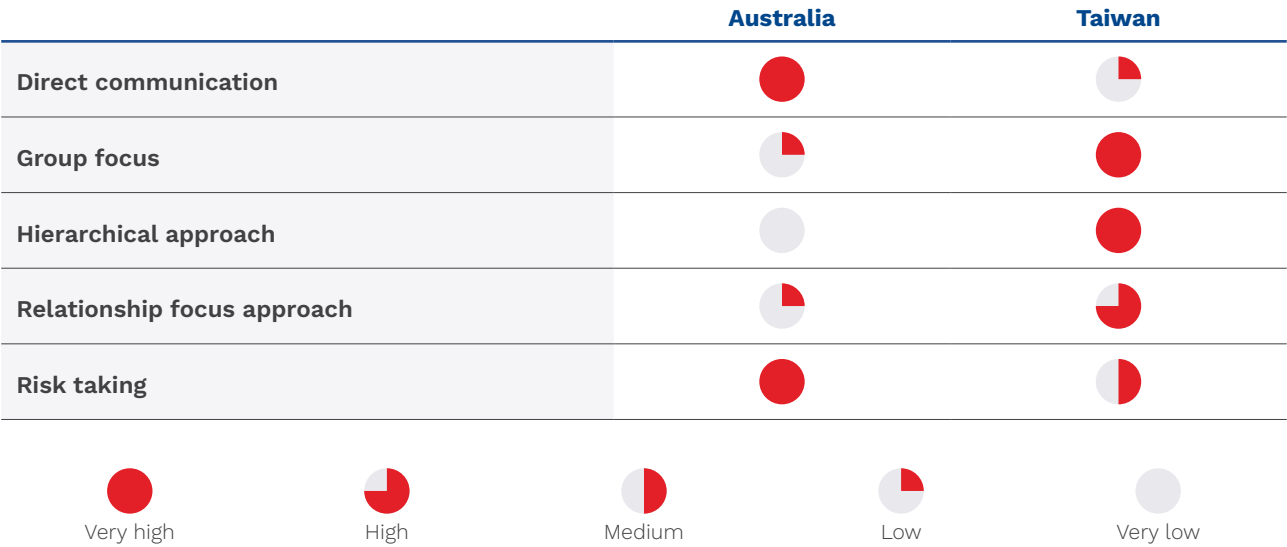
In business environments, it is generally best to wait to be introduced to new acquaintances rather than introduce oneself. Business cards are usually exchanged after formal introductions. To show respect, use both hands to accept the card and take time to examine it before putting it away. In business discussions, Taiwanese people tend to proceed carefully and will often remain silent instead of openly voicing disagreement.

With the increasing use of digital communications, instant messaging platforms are widely used for business communications. In Taiwan, Line is the most popular messaging app.

LINE

Line is a 'super app' that provides instant messaging, video conferencing, file sharing and mobile payments. Having a Line account is beneficial for business and personal communications in Taiwan. Many Western-owned messaging apps such as WhatsApp, which are commonly used for business communications in other parts of Asia, are less prevalent in Taiwan. Business contacts will often ask to connect on Line via a digital business card.

Navigating culture in business – the importance of core cultural values



Relationships

Personal relationships are an integral part of doing business in Taiwan. Taiwanese people value long standing relationships and loyalty over short-term interactions. Business meetings are usually structured but may continue beyond their scheduled end time until a natural conclusion is reached.

Due to the importance of personal relationships, it is customary to engage in small talk prior to beginning business negotiations, particularly in informal settings. Food is a very important part of Taiwanese culture and sharing meals with business contacts is an important way to develop networks and deepen relationships.

Hierarchy

Understanding the influence of hierarchy on team dynamics, decisions making, leadership styles and information flow is essential to successfully navigating Taiwan’s business environment. Taiwan has great respect for hierarchy, often defaulting to older members of a team to make decisions. However, younger generations are more likely to value individualism and freedom of choice over traditional hierarchical structures.



The importance of partnerships

Successfully navigating Taiwan's business environment necessitates an understanding of the market and key stakeholders. It can be helpful to engage with local experts when conducting business in Taiwan.

Building a partnership requires having relationships that can facilitate introductions. A strong network of contacts is a starting point for productive partnerships. After identifying a potential partner, due diligence is essential. This involves an understanding of a company's customers and clients, their reach across Taiwan, available support for product localisation and in-market reputation. It is vital to conduct reference checks and evaluate risks before starting any local partnerships.

Harmony is very important to building strong partnerships in Taiwan. Cooperation is valued much more highly than individual achievement and is essential to maintaining ongoing relationships. Additionally, it is beneficial for Australian businesses to keep in mind that business experience in mainland China does not always transfer to Taiwan, where customs, laws and regulations tend to be quite different.

The strength of a local partnership brings multiple benefits across phases of a commercial operation, from procurement and contracting to gaining credit. Importantly, a local partner can often assist with bureaucratic requirements, including company and product-specific registration processes. Building a long-term and sustainable partnership takes time and patience. Austrade can help identify potential partners in Taiwan (details can be found in [Section 5.2](#)).

Forming a partnership requires strong networks that can lead to introductions. For a more detailed understanding of business culture, business etiquette and building long term and sustainable partnerships to deliver strong business outcomes visit the [Asialink Business Academy](#).



2.2. Managing risks

Taiwan offers significant opportunities for informed and well-prepared Australian businesses. However, doing business in any new market can involve a range of uncertainties. These should be identified and mitigated as much as practicable – and carefully managed once business operations are established.

Risk factors in Taiwan



Economic – including the potential for default (sovereign risk), fiscal, monetary and exchange rate risk.

What this means for your business in Taiwan

Taiwan's economic outlook is very stable, with AA+ ratings from both Fitch Ratings and S&P. This reflects Taiwan's stable banking sector, relatively high-income levels and well-developed foreign exchange markets.

The New Taiwan Dollar (NTD) is stable. The Taiwan Central Bank manages exchange rates through a market-based float system with limited regulatory interference.

Potential mitigations for foreign exchange risk include forward contracts, foreign currency options and utilising foreign bank accounts and loans to manage currency inflows and outflows. Seek advice on the level of currency risk and potential mitigations.



Corruption – including the potential for bribery, embezzlement and conflicts of interest.

What this means for your business in Taiwan

On the Transparency International Corruption Perceptions Index, Taiwan ranks 28th out of 180 jurisdictions. Like other advanced markets, Taiwan has implemented anti-corruption institutions and programs to improve transparency and reduce business risk. Large-scale corruption is relatively rare, and most cases are swiftly prosecuted. However, smaller bribes are not unheard of and are much less closely monitored by the Taiwanese authorities.

You should familiarise yourself with Australia's foreign corruption and bribery legislation and ensure you have a robust anti-corruption strategy.



Political – including the potential for political instability and restrictive policies.

What this means for your business in Taiwan

Taiwan ranks 3rd out of 137 jurisdictions on BTI's Political Transformation Index. Locally, Taiwan has stable democratic institutions and well-protected civil liberties. Domestic policymaking is largely guided by one of Taiwan's largest parties, KMT or the DPP. The two parties occupy different positions on relations with China, presenting some uncertainty around economic opportunities and trade relations. While the political system is relatively stable, Australian businesses operating in Taiwan should be sensitive to changes in the political environment and understand potential risks.

Consider performing political risk due diligence for any major investments and be mindful of political affiliations of potential partners. For significant investments, political risk insurance may provide potential mitigation.



Regulatory – including the potential for regulations that increase the cost of doing business, reduce the attractiveness of an investment or change the competitive landscape.

What this means for your business in Taiwan

Taiwan ranks 4th out of 180 jurisdictions on Heritage International's Index of Economic Freedom. Taiwan maintains robust institutions and an open business environment. Strong legal protections and well-developed property rights support enterprise development throughout the market. Accounting standards and regulatory practices are consistent with international norms, making it a relatively easy place to conduct business overseas.

A trusted local partner can help you understand, navigate and secure regulatory processes.



Intellectual property (IP) – *including the potential for weak or underdeveloped IP protections and enforcement mechanisms.*

What this means for your business in Taiwan

The U.S. Chamber of Commerce's International IP Index ranks Taiwan 21st out of 55 jurisdictions. Taiwan's IP framework supports organisations in quickly certifying new assets and provides high levels of technical assistance. Taiwan has also had a dedicated court to litigate IP disputes since 2008.

Registration for patents, trademarks and copyrights can help mitigate IP risk. Continual product development and brand updates can deter counterfeiting. There are also technology solutions such as RFID tags and QR codes to authenticate products.



Geopolitical – *including the potential for trade relationships, security partnerships and territorial disputes to impact business activities.*

What this means for your business in Taiwan

Taiwan's business environment is shaped by its relationship with China and other regional ties. China has a stated ambition to reunify Taiwan with the mainland and is using military, economic and diplomatic pressure to advance that goal. Cross-strait tensions have risen as China has escalated its rhetoric and military activities. Although Taiwan is a member of some international organisations, it faces constraints in these settings due to China's ability to restrict its participation in multilateral proceedings.

Boards and leadership teams should familiarise themselves with geopolitical issues that may impact your business and, if relevant, develop plans in response to potential scenarios. You may also wish to seek external advice.



Supply chain – *including the quality of infrastructure, levels of corruption, corporate governance, supply chain visibility and timeliness.*

What this means for your business in Taiwan

FM Global's Resilience Index ranks Taiwan 48th out of 130 jurisdictions. As a global leader in semiconductor manufacturing, Taiwan sits at the heart of global supply chains. Taiwan is an export-led economy that also imports many of its manufacturing inputs, including energy, leaving it vulnerable to external shocks and disruptions. Risks in Taiwan's supply chains may arise in conjunction with geopolitical challenges, particularly in the Taiwan Strait and should be monitored closely.

Advice from a local partner can help to navigate a novel logistics environment to ensure you are able to take full advantage of Taiwan's sophisticated environment while mitigating the risks of disruption.



Climate – *including the potential for extreme weather events and rising sea levels to impact trade routes, supply chains and infrastructure.*

What this means for your business in Taiwan

Due to its geography, Taiwan is vulnerable to the risks of climate change. In particular, changing regional storm patterns increase the risk of water scarcity, severe typhoons and coastal flooding, all of which pose significant threats to manufacturing capabilities and supply chains. Although Taiwan is investing heavily in renewable energy and energy security, the island is still largely powered by fossil fuels.

Identifying and mitigating climate change risks—including their socioeconomic consequences—should be embedded in all elements of your strategy and operating model.

3. How to enter the market



Understanding a foreign business environment is key to a successful market entry. This chapter focuses on important considerations for businesses looking to enter Taiwan, including market entry models for exporters and investors, common business structures and adapting your product or service for the local market.



3.1. Exporting to Taiwan

Taiwan was Australia's sixth largest export destination in 2023, with total exports reaching AUD 23.5 billion. Exports are dominated by coal, natural gas, metals and ores, but Taiwan's strong consumer markets, advanced technology industry and the growing green economy offer many other opportunities.

Market entry models for exporting goods and services

Choosing an appropriate market entry model is essential for businesses looking to export to Taiwan. Any choice should be informed by factors such as the overarching business strategy, target sector, and business size and maturity. Market entry models frequently evolve over time.

Market entry model

Usually suited for

A. Direct exporting	Exporting products when more control is desired over distribution, marketing and sales
B. Agents and distributors	Exporting products when less control is desired over brand, marketing and sales
C. Online sales	Selling products via e-commerce

A. Direct exporting

In direct exporting, businesses sell directly to a Taiwanese customer from Australia. Exporting directly to Taiwan requires a significant level of involvement in the export process, including market research, marketing, distribution, sales, product registration and approval, import-export licensing and receivables.

Direct exporting has some advantages, including:

- Greater control of commercial processes, including sales
- Better margins, as middlemen are avoided
- More direct customer relationships

While there are advantages, direct exporting may ultimately involve higher establishment costs in Taiwan, as employing dedicated in-house staff and other resources may be necessary to manage the complexities of exporting and sales. Businesses using this model may need to consider ways to offset these costs, including employing an agent or distributor to handle local product registrations, while still maintaining control over other aspects such as marketing and supply chain.

This approach will require businesses to engage with customers regularly to build awareness and understanding of the products they are selling on your behalf. In return, their understanding of the Taiwanese market can be applied to product development, pricing and marketing. Selling directly to local retailers can generally cut commissions, reduce expensive travel and create an effective conduit to market.

B. Agents and distributors

Many Australian firms doing business internationally rely on agents or distributors. The roles of agents and distributors differ, and they can vary across industry. It is therefore critical that roles and responsibilities are clearly defined early in any agreement.

Agents: Agents act as representatives of suppliers and do not take ownership of the products they sell. They are usually paid on a commission basis, which provides an incentive for them to drive sales. Being based in Taiwan, they will often represent several complementary products or services. They can be retained exclusively as the sole agent for a company's goods or services or as one of several for the exporter.

Distributors: Unlike agents, distributors buy the goods from exporters and then resell them to local retailers or direct consumers. In some cases, a distributor may sell to other wholesalers who then on-sell to retailers or consumers. Distributors may carry complementary and competing lines and usually offer after-sales service. They earn money by adding margins to product prices. Distributor margins are generally higher than agent fees because distributors have costs associated with carrying inventory, marketing and extending credit for customers.

Choosing an agent or distributor: Whether using an agent or distributor, building a close working relationship is essential. Due diligence when selecting an agent or distributor is important – ask for trade references and seek a credit check through a professional agency. It is best to meet any potential agents or distributors in Taiwan; this will give them a chance to demonstrate knowledge of the market and provide an early opportunity to build the relationship.

Time in market is an important consideration when choosing a distributor in Taiwan. As distributors have a high rate of closure, engaging an established distribution business reduces the risk of disruption to a business relationship. On the other hand, established distributors can lack the dynamism of younger companies.

WHEN CHOOSING AN AGENT OR DISTRIBUTOR, DO THEY...?

- ✓ Demonstrate an understanding of the products and prices of your competitors?
- ✓ Have a depth of experience in your sector and sub-sector?
- ✓ Have a depth of knowledge of the local market and sub-market?
- ✓ Demonstrate an understanding of consumer / customer trends?
- ✓ Have access to sales and / or marketing channels most relevant for your product?



C. Online sales

Taiwan's advanced internet and telecommunications infrastructure support a large mobile user base, creating an attractive environment for selling products and services online. Internet use is widespread, with a 90.7 per cent penetration rate. E-commerce is popular in Taiwan, with the average person spending nearly one hour per week shopping online.

Changing consumer preferences have led to sizable growth in Taiwan's e-commerce market. In 2023 alone, the value of e-commerce platforms grew by nearly 9 per cent, to AUD 67.9 billion. In addition to purchases such as electronics and apparel, sales of basic household items are increasing due to improved delivery speed.

Holiday shopping is an important feature of the Taiwanese consumer market. November 11 (11/11) is known as "Singles' Day", an informal shopping holiday when young, single people celebrate their relationship status by purchasing gifts for themselves. Other popular shopping events in Taiwan include Double Twelve, 618 Festival and the Taiwan-Matsu Joint Online Shopping Festival. Taiwanese consumers are also embracing Western shopping events such as Christmas and Black Friday to take advantage of online deals.

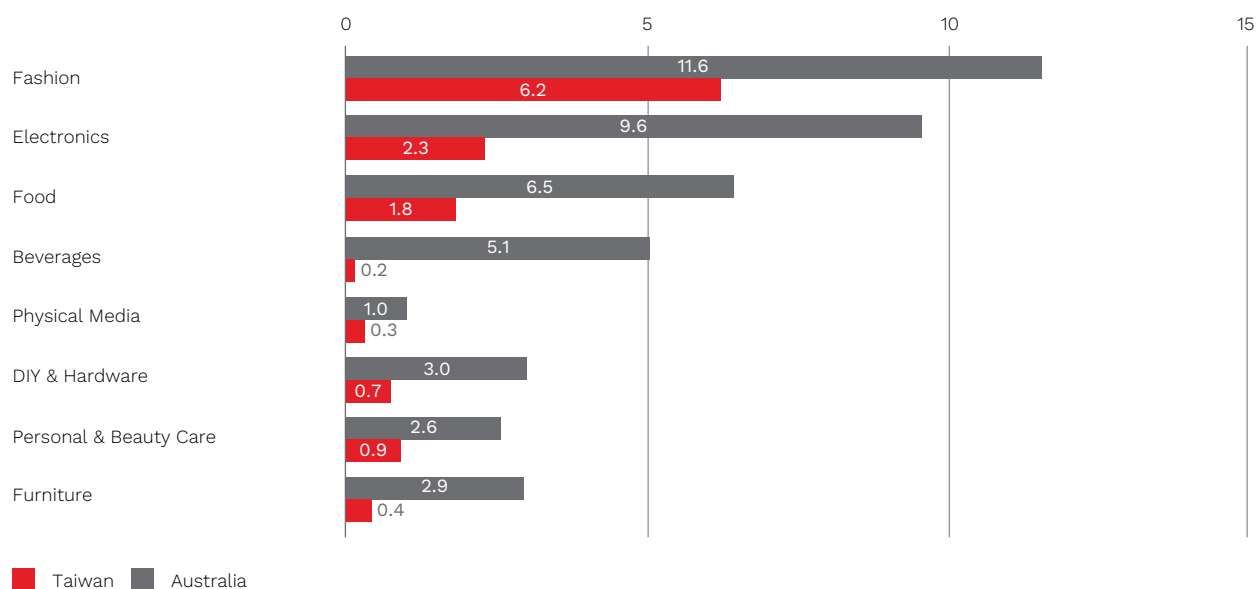
Accessing digital consumers: In 2023, 94 per cent of Taiwanese consumers reported making purchases online in the previous six months. Both business-to-business and business-to-consumer commerce is prevalent, and many online retail platforms service these channels. Top product categories include fashion, electronics, food and beverages (Figure 2).

Although e-commerce adoption among Taiwanese consumers is high, understanding consumer habits and building effective marketing strategies can maximise retail sales online. Most Taiwanese consumers locate products through online brand searches and targeted ads. In addition, over 80 per cent of Taiwanese consumers use social media platforms, presenting another effective advertising strategy.

Search engines: Google dominates online searches in Taiwan, followed by Yahoo, Bing and CocCoc. Approximately two in three Taiwanese consumers use search engines for brand discovery and 27.9 per cent say searching for brands and products is the primary reason for using the internet.

Search engine	Market share (%)
Google	92.2
Yahoo	5.1
Bing	2.4
CocCoc	0.09

Figure 2: E-commerce spending on consumer goods (2023), AUD billion



Source: We Are Social

Online sellers and marketplaces: Taiwan's e-commerce market is relatively diverse, with several popular platforms. Shopee and Momo have the largest market share, while PChome, Yahoo! Buy and Lativ are other important players. Taiwan has no specific e-commerce laws, but businesses engaging in online sales must adhere to local data protection and security regulations.

Social media: Apps with the highest user penetration in Taiwan are Line (90.9 per cent), Facebook (85.1 per cent), Instagram (68.1 per cent), TikTok (37.6 per cent), X (31.6 per cent), and WeChat (24.3 per cent). In addition to keeping in touch with friends and family, seeing content from brands, finding inspiration for future purchases and researching products are popular reasons for using social media in Taiwan.

Platform	Key product range	Market share (%)	Website
Shopee	Electronics, fashion and apparel, health and beauty, home essentials and pet products	21.4	shopee.tw
Momo	Electronics, health and beauty, fashion and apparel, home decor and essentials, travel and leisure items	19.5	momoshop.com.tw
PChome	Electronics, home appliances, office supplies, gaming equipment, digital accessories, health and beauty products and fashion items	9.7	24h.pchome.com.tw
Yahoo! Buy	Budget-friendly electronics, health and beauty, home essentials	9.5	tw.buy.yahoo.com
Lativ	Fashion and apparel for men, women and children, with a focus on basic clothing items and activewear	2.8	lativ.com.tw



3.2. Investing in Taiwan

Investment environment

Taiwan is very open to foreign investment and remains one of the largest recipients of FDI globally. Taiwan is Australia's 19th largest FDI destination, with total investment increasing from AUD 17.3 billion in 2022 to AUD 22.9 billion in 2023.

Taiwan's investment promotion department, InvestTaiwan, promotes Taiwan as an FDI destination and administers a range of investment incentives. Taiwan's major investment programs are designed to attract foreign capital, retain domestic businesses and help grow small and medium enterprises. Incentives are concentrated around Taiwan's "5+2 Innovative Industries" initiative, which includes areas such as smart machinery, biomedicine, Internet of Things, green energy, national defence, advanced agriculture, circular economy and semiconductors.

TAIWAN PROVIDES BOTH TAX INCENTIVES AND SUBSIDIES FOR FOREIGN BUSINESSES. MORE INFORMATION IS AVAILABLE FROM INVESTAIWAN.

- **Tax incentives** are available for research and development activities and certain types of technology investments such as those made in smart machinery, 5G infrastructure, capital expenditure, software and hardware. Tax incentives are available in the form of credits for R&D and exemptions for a range of expenses including import duties, undistributed earnings, employee compensation, foreign employment expenses and participation in public infrastructure projects.
- **Subsidies** may be granted for research and development activities related to critical or innovative technologies. The total value of granted subsidies is up to 50 per cent of the total project budget or AUD 948,958 (NTD 20 million).

Investment rules and regulations

Promoting FDI is a central part of Taiwan's economic planning because of a public debt ceiling rigidly imposed by the Taiwanese authorities. Taiwan imposes very few restrictions on foreign investments unless they originate from mainland China or Chinese nationals. Chinese investments are not strictly prohibited but are subject to more rigorous screening and restrictive conditions.

Regardless of origin, foreign investments are prohibited in certain industries considered critical to national security or environmental protection, including public utilities, power distribution, mass media and certain types of transportation. A full list of prohibited industries is available from [Taiwan's Ministry of Economic Affairs](#).

Market entry models for investing

Choosing an appropriate market entry model is essential for businesses looking to invest in Taiwan. A business' size, sector and growth strategy will help determine which market entry model fits best. Investment models frequently evolve over time as businesses enter and expand in a market. Seek professional advice on the best structure for your business.

Market entry model	Usually suited for
A. Representative office	Exploring the market and marketing and promotion activities. Cannot conduct business that generates revenue.
B. Branch office	Able to conduct commercial activities on behalf of the parent company
C. Limited liability company	Establishing a local business with full ownership
D. Company limited by shares	Establishing a medium to large-size local business
E. Public-private partnership	Establishing a long-term business arrangement with the Taiwanese authorities

A. Representative office

Opening a representative office (RO) can be a useful and economical first step to explore business opportunities in Taiwan. However, representative offices are prohibited from engaging in commercial activities and are not considered separate legal entities.

Representative offices in Taiwan may be useful for foreign businesses looking to establish a buying or selling office in Taiwan, or to provide technical support, training and quality control services locally. Approval to establish an RO is granted by the Ministry of Economic Affairs (MOEA).

Establishing a representative office in Taiwan

Step	Procedure	Timeframe
1	Submit application to the MOEA and obtain registration certificate.	10 days
2	Register with local tax authorities and obtain a tax identification number.	1-3 weeks
3	If desired, open a bank account.	1 day

B. Branch office

Establishing a branch office (BO) in Taiwan allows a company to operate as a local business. However, branch offices are not treated as independent legal entities. The parent company remains legally responsible for the activities of the branch, but a BO may conduct commercial activities in Taiwan and is required to file tax returns separately from the parent company.

Taiwan requires that BOs reserve a Chinese name, open a bank account and transfer capital prior to commencing operations. Like ROs, BOs must also register with local tax authorities. BOs must also submit regulatory filings as required. For example, BOs must submit value-added tax filings every two months and annual tax returns, regardless of whether any transactions were carried out. Branch offices are not eligible for tax incentives provided by InvestTaiwan.

Establishing a branch office in Taiwan

Step	Procedure	Timeframe
1	Reserve a Chinese name for the BO.	1-3 days
2	Obtain investment approval from the MOEA Investment Commission Clearance.	2-4 weeks
3	Open a preparatory bank account and transfer the initial capital.	1-30 days
4	Register the BO with the MOEA.	1-2 weeks
5	Register with local tax authorities and obtain a tax identification number.	1-3 weeks
6	Open an official bank account to conduct business operations.	1-30 days



C. Limited company

Limited companies in Taiwan are treated as separate legal entities. This structure is frequently used to set up small to medium-sized enterprises. Limited companies require only one director and do not require a corporate secretary. There are no nationality or residency requirements for foreign companies, provided that Chinese nationals do not serve as company directors.

Like branch offices, limited companies are required to comply with Taiwanese tax filing procedures. Limited companies are not subject to financial audits unless they have more than 100 local employees, capital contributions over AUD 1.4 million (NTD 30 million) or annual sales revenue over AUD 4.5 million (NTD 100 million).

Establishing a limited company in Taiwan

Step	Procedure	Timeframe
1	Reserve a Chinese name for the BO.	1-3 days
2	Obtain investment approval from the MOEA Investment Commission Clearance and register the company.	2-4 weeks
3	Open a bank account and transfer the initial capital.	1-30 days
4	Register with local tax authorities and obtain a tax identification number.	1-3 weeks

D. Company limited by shares

In Taiwan, companies limited by shares are best suited to medium to large-sized enterprises looking to establish a long-term presence. Legally, companies limited by shares are treated the same as limited companies and the registration process is similar. While there are still no residency requirements for companies limited by shares, they are required to have at least three directors and a supervisor.

Companies limited by shares must be incorporated by at least one corporate shareholder or two individual shareholders and are required to hold annual shareholder meetings. After the first year of incorporation, shares may be transferred to other individuals.

Establishing a company limited by shares in Taiwan

Step	Procedure	Timeframe
1	Reserve a Chinese name for the BO.	1-3 days
2	Obtain investment approval from the MOEA Investment Commission Clearance and register the company.	2-4 weeks
3	Open a bank account and transfer the initial capital.	1-30 days
4	Register with local tax authorities and obtain a tax identification number.	1-3 weeks



E. Public-private partnership

A Public-Private Partnership (PPPs) is a contractual arrangement between public and private sector entities. PPPs are an integral part of Taiwan's development, particularly with respect to infrastructure projects, medical facilities and urban renewal.

Private enterprises may either tender an offer for a project proposed by the public sector or initiate their own project and seek public sector involvement. Different PPPs offer varying levels of private involvement ranging from construction-only to build, own and operate models. PPP participation is available to registered companies in Taiwan. A full list of available opportunities can be found through the [E-Procurement System](#).



3.3. Go to market strategy

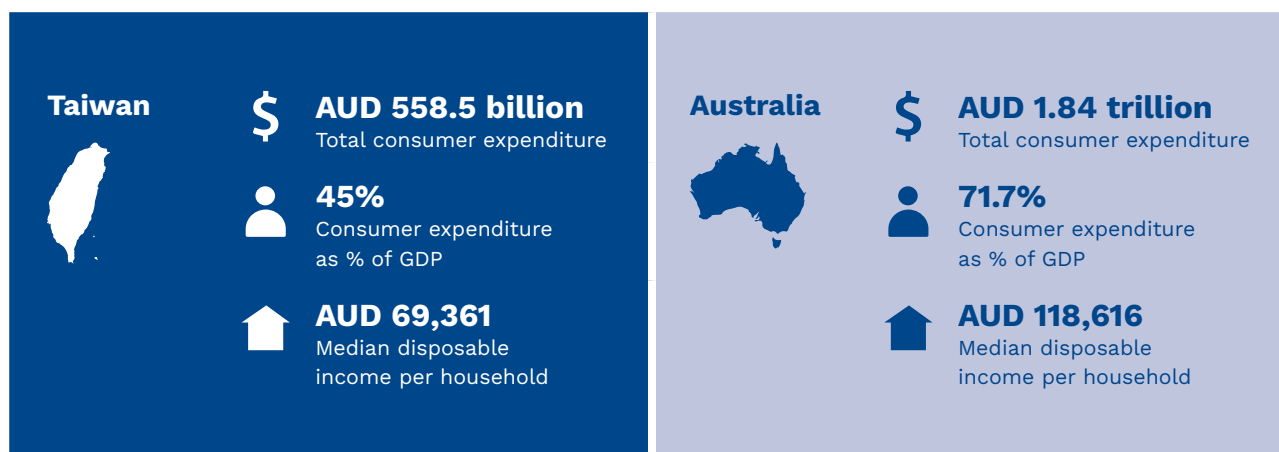
Success in Taiwan requires foreign businesses to tailor their product or service to the market. This should be based on detailed analysis of consumer trends, price consciousness, branding, marketing and advertising.

Taiwan's population is growing increasingly urban and per capita disposable income is expected to increase by 10.3 per cent by 2028. Following high consumer saving levels during the COVID-19 pandemic, private consumption is expected to continue growing. In addition to having strong demand for basic consumer goods, Taiwan has a thriving market for luxury goods and premium products.

Growing digitisation and widespread internet access is changing consumer shopping habits and increasing consumption. While e-commerce spending has been rising consistently, many Taiwanese consumers still value the brick-and-mortar shopping experience, particularly for beauty products. Taiwanese consumers increasingly value personal health, environmental sustainability and convenience.

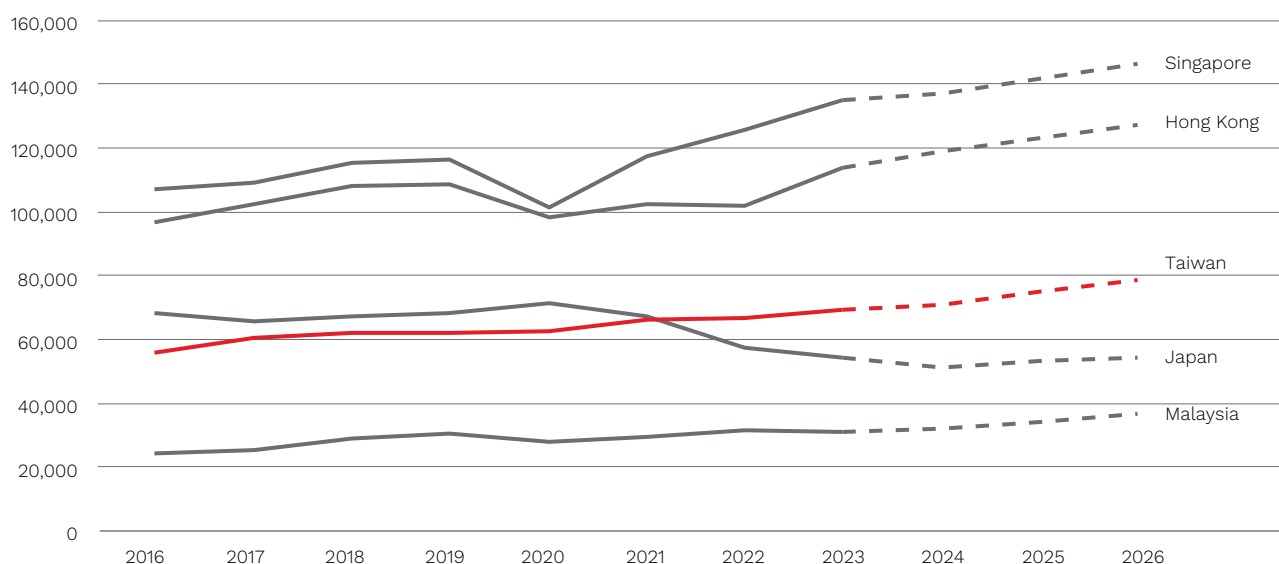
Taiwan's disposable income per household sits at AUD 69,361 in 2023. Household disposable income is expected to continue growing steadily (Figure 3). Catering to demographic trends and changing consumer preferences can help companies stay competitive in the Taiwanese market.

Consumer trends in 2023



Source: World Bank and Euromonitor International. Data accessed December 2024.

Figure 3: Median disposable income per household (2016-2026f), AUD, current prices



Source: Euromonitor International

Price consciousness

Although household incomes in Taiwan are relatively high and rising steadily, many consumers remain price conscious when it comes to higher-priced Western goods. The concept of cost performance (CP), or how much value a given product provides, is very important to Taiwanese consumers. However, CP isn't just about price. Taiwanese consumers also value quality and good customer service, meaning that luxury and premium products can sell well with the right branding strategy.

Branding

Branding is critical in the Taiwanese market, where consumers are particularly brand loyal. As in other developed economies, premium high-quality brands are in demand, but Taiwanese consumers are also well-informed about emerging global trends and have an appetite for novelty.

Taiwanese consumers tend to have high expectations of their interactions with a company's brand. They value brands with a well-defined identity and attentive customer service. Taiwanese consumers also freely share their opinions—positive and negative—about products and services. Gaining customer loyalty is key to achieving success in the Taiwanese market.

Taiwanese consumers value quality Australian brands and products. Australian wine is highly regarded, as are other food and agricultural items. Austrade's **Nation Brand** toolkit provides a range of free branding assets for Australian businesses looking to export products and services.

Marketing

Taiwanese businesses stay apprised of emerging trends in their industry through trade journals and trade shows at home and abroad. Participation in trade shows is an excellent way to promote new brands and products, make local connections and gain market insights.

Many trade shows in Taiwan are arranged between industry associations and the Taiwan External Trade Development Council (TAITRA). **TAITRA** maintains a list of trade shows, exhibitions and conferences that may be of interest to businesses, both domestic and international. Austrade and Investment NSW in collaboration with the Semiconductor Service Sector Bureau (S3B) also organise trade missions to events such as Computex + InnovEX and SEMICON Taiwan.

Traditional marketing channels are becoming less effective among Taiwanese consumers. Novel and interactive marketing campaigns such as online polls, Q&As and social media livestreams are more effective at reaching consumers directly. Leveraging social media platforms such as Facebook, Instagram and Line can result in higher and more effective ad reach among consumers.



Advertising and media

Digital advertising is extremely important in the Taiwanese market, accounting for 65 per cent of total ad spend by brands in Taiwan. While search engines and word-of-mouth remain the dominant methods of product discovery, social media and web-based advertising are increasingly important ways to interact with consumers.

Smartphone usage is widespread in Taiwan, and older generations are very tech savvy. YouTube, Facebook and Instagram have the highest potential ad reach in Taiwan (Figure 4). Instagram is experiencing the fastest growth in ad reach, and influencers are becoming an increasingly valuable part of digital advertising.

While younger generations and urban populations tend to understand English well, advertising and promotional efforts will be most effective in Chinese. If English is used, it should be done so sparingly.

Taiwan's advertising regulations can be cumbersome. Many of the rules are designed to prevent false and misleading statements, protect women and children and control the extent to which certain products like alcohol and tobacco can be promoted.

The Radio and Television Broadcasting law requires all commercials be approved by the National Communications Commission and other relevant authorities, if applicable. Although digital advertising is less heavily regulated, Taiwan's Consumer Protection Act is still robust and should be thoroughly understood by businesses wishing to advertise locally.

Figure 4: Digital advertising audiences in Taiwan (2023)



Source: We Are Social

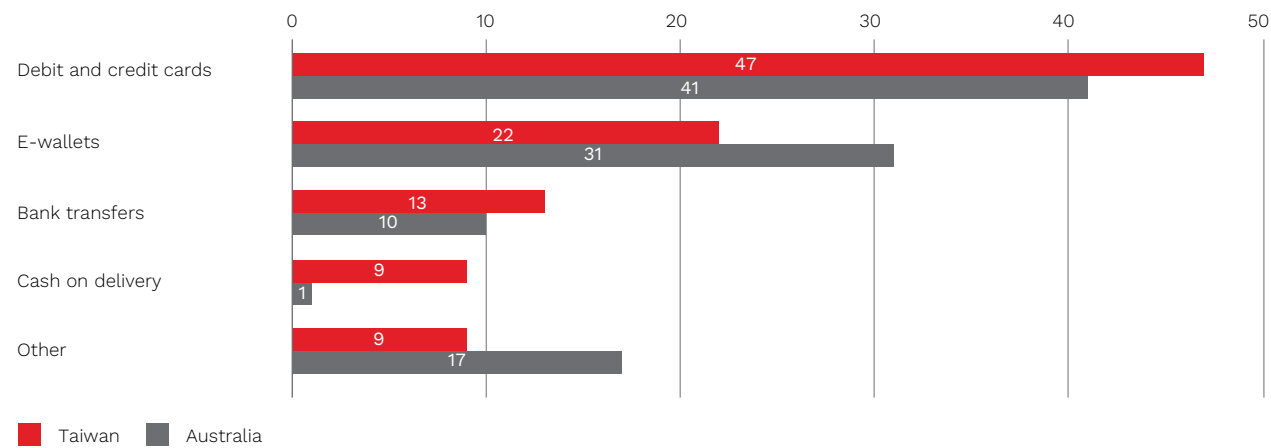


Digital Payments

The payment landscape in Taiwan is comparable to Australia and other developed economies in the region (Figure 5). Nearly half of consumer purchases (47 per cent) are made with debit and credit cards for both in-person and online purchases.

Digital wallets are increasingly popular in Taiwan. 40 per cent of consumers in Taiwan already use smartphones to make purchases with apps such as Line Pay, Taiwan Pay and Apple Pay.

Figure 5: Payment methods for B2C e-commerce (2023), %



Source: We Are Social



3.4. Developing your market entry strategy

A well-considered market entry strategy should take a systematic approach that supports long-term success. This section distils the factors businesses should consider when formulating an approach to the Taiwanese market into a series of key questions.

Asialink Business provides advisory services and capability training programs to help organisations understand and access opportunities in Asian markets. Should you have questions about any aspect of your Taiwan market entry strategy, please [contact us](#). Austrade's Taiwan office also provides services and support to Australian businesses with an interest in Taiwan (details can be found in [Section 5.2](#)).

CALIBRATING AMBITION



- What is your company's aspiration for the market?
- What are the challenges and risks you will need to mitigate?

CONSUMERS



- What is the current or potential demand for your product or service in Taiwan?
- Who are the primary customers / consumers for your product or service in the market?
- How will you tailor your product or service to local preferences?

COMPETITORS



- Who are your competitors in the market, and what is their offering?
- How does your product or service compare to competitors on price?

SALES, BRAND AND MARKETING



- What is your unique value proposition for the market?
- What is the ideal mix of marketing and sales channels to reach your target customers?
- Is your marketing strategy aligned with your identified consumer base and value proposition?

MODE OF ENTRY



- What is the right market entry model for your business?
- What are the specific geographies you should target?

DELIVERY PARTNERS



- Does your team have the right mix of skills and expertise to support your market entry?
- What partnerships will contribute to your business' success in the market?
- What external advice do you need to commission?

OPERATING MODEL



- What changes do you need to make to your business across areas such as operations, HR, finance and IT?

4. Business practicalities

A person wearing a white lab coat and a hairnet is working in a laboratory. They are looking down at a circular object, possibly a petri dish or a sample, which is illuminated with a colorful, rainbow-like light. In the background, there are computer monitors displaying various data and graphs. The overall scene is set in a professional, scientific environment.

Australian businesses need to be aware of business practicalities when operating in Taiwan. The information in this chapter presents an overview of the main areas that need to be considered – including regulations, customs duties, taxation and accounting, employment law and banking.



4.1. Laws and regulations

Land and property rights

Foreigners are allowed to acquire land in Taiwan, with some exceptions. Only foreigners from countries that allow Taiwanese people to acquire land receive the same privilege in Taiwan. Bilateral real estate investments between Taiwan and Australia are allowed under a reciprocal agreement, meaning that Australians can generally acquire property in Taiwan. Land used for certain purposes such as forestry, aquaculture, national defence and mining exploration is not eligible for foreign ownership.

Foreigners require approval from the local Land Registry Office for any land acquisitions. Depending on the industry, larger investments in land intended for infrastructure projects, economic development or agricultural purposes may require additional approvals from central authorities.

Cybersecurity

Cybersecurity policies in Taiwan are overseen by the Ministry of Digital Affairs. Official cybersecurity legislation applies only to the public sector and private businesses operating in critical infrastructure or those receiving public funding.

All businesses using IT systems are required to follow the Personal Data Protection Act which outlines how personal data should be collected, stored, used and protected. Businesses operating in Taiwan are required to inform those affected by a data breach if their personal information has been stolen, damaged, destroyed, lost or disclosed.

Intellectual property (IP)

Taiwan's modern IP framework includes a fast-track option for applications and protections for certain types of IP such as trade secrets. Even so, businesses should be aware that Taiwan's IP laws may still differ from Australia's. For example, Taiwan's copyright laws contain significant exceptions allowing material to be used for many educational, personal and non-profit purposes. Similar to its rules for foreign land ownership, Taiwan only extends IP protection to foreigners on a reciprocal basis.

IP registration, protection and violation enforcement is overseen by the Taiwan Intellectual Property Office, an agency of the Ministry of Economic Affairs (MOEA). Taiwan is not a member of World Intellectual Property Organisation, but its legislation aligns with several international conventions such as the Trade-Related Aspects of Intellectual Property Rights, the Paris Convention for the Protection of Industrial Property, the Hague Agreement, the Berne Convention and the European Patent Convention.

Protection	Detail	Duration
Trademarks	Specified in the Trademark Act, trademarks can contain words, symbols, colours, 3D shapes, holograms, motions or sounds. They must be unique and offer a distinction for consumers.	10 years from the date of registration and renewable for indefinite 10-year terms.
Patents	Taiwan's Patent Act covers inventions, utility models and design patents for novel developments. Patents provide rights for exclusive use to the patent filers.	20 years from the filing date of the application for invention patents, renewable for one additional 20-year term. Design and utility model patents provide 10 years of protection
Copyright	Administered by the MOEA, the Copyright Act protects original works of literary, scientific, artistic, or of another intellectual nature. Protection arises automatically upon creation and no application is required.	50 years following the death of the author except for photographs, audiovisual works, sound recordings and performances which receive 50 years of protection from the date of public release.
Trade Secrets	The Trade Secrets Act offers legal protection for methods, techniques, processes, formulas, programs, designs and other information of economic value that may be used during a company's production, sales or operations. Trade secrets do not require an application to receive protection.	Indefinite.
Integrated Circuit Layout	The Integrated Circuit Layout Protection Act protects circuit designs for the purposes of promoting technological development and innovation. Registered designs may consist of novel 2D or 3D drawings. Applications must be submitted within two years of the first commercial exploitation.	10 years from the filing date of the application or the date of first commercial exploitation, whichever is earlier.

Violation of IP and enforcement options:

Despite relatively strong IP protections, violations can occur. Businesses looking to litigate IP violations and seek enforcement have different options. Businesses are usually encouraged to handle disputes through settlement or mediation. Otherwise, IP violation cases will be heard in Taiwan's dedicated IP Tribunal. Copyright and trademark infringement cases are considered criminal matters in Taiwan, whereas patent violations are tried as civil cases.

Businesses should keep up-to-date records of all IP documentation and consult local IP experts. IP Australia is also a helpful resource for businesses.

4.2. Customs duties

Import duties and tariffs

Taiwan has been a member of the WTO since 2002 and complies with several international trade agreements. Its tariff schedule is based on the Harmonized Commodity Description and Coding System of the Customs Cooperation Council. From 2023, average tariff rates were 4.13 per cent for industrial products and 15.06 per cent for agricultural products.

Australia and Taiwan engage in regular trade-related consultations such as the Bilateral Economic Consultations, the Joint Energy and Minerals, Trade and Investment Cooperation and the Agricultural Working Group to improve trade and investment in specified areas.

To find the tariff rates for specific goods and services from Australia, refer to Austrade's [Tariff finder tool](#).

Calculations and payments

As a member of the WTO, Taiwan follows the Valuation Agreement on imported goods. Import duties are calculated by multiplying the good's dutiable value by the import duty rate. Taiwan uses the Customs Cooperation Council Nomenclature to classify goods and set rates.

Other taxes and charges

For imported goods, Taiwan's value-added tax (VAT) of 5 per cent is generally charged to buyers of goods or services by the seller. Sellers then deduct input VAT paid on purchases from output VAT and remit the balance to the Ministry of Finance.

Taiwan levies a commodity tax (excise duty) on certain goods, either at the time of factory dispatch or importation. Rates vary from 8 to 30 per cent as follows:

Commodity	Tax rate (%)
Rubber tyres	10-15
Beverages	8-15
Cement	NTD 280-600 (AUD 13-29) per tonne
Plate glass	10
Oil and gas	NTD 110-6,830 (AUD 5-326) per kilolitre or NTD 690 (AUD 33) per tonne
Electrical appliances	10-20
Vehicles	15-30

Export duties

Taiwan does not levy export duties. However, exporters must follow certain procedures ranging from a simple export application to a full examination of cargo and document review, depending on the goods being exported. Requirements can be found through [Taipei Customs](#).

Import and export regulations

Taipei Customs, an agency of the Ministry of Finance (MOF), is responsible for the clearance of international cargo transported in and out of Taiwan. The Office of Trade Negotiations oversees the negotiation of international trade agreements and trade policy formulation. The tax authorities of the MOF are also involved in import/export proceedings for the purposes of VAT and commodity tax collection.

Certain imports and exports are subject to restrictions for health, safety, environmental or security reasons. These include some animals and animal products, vaping devices, nicotine and some chemicals. A full list of controlled items is available from Taiwan's [International Trade Administration](#).

To facilitate international trade, Taiwan uses [CPT Single Window](#), an online portal for importers and exporters to declare goods, submit required documents and engage with different trade-related agencies in one place.



4.3. Taxation

The National Taxation Bureau of Taipei oversees a comprehensive tax regime including income taxes for individuals and businesses, stamp duties and withholding taxes, as well as taxes on property, certain commodities and securities.

This section provides an overview of the taxes Australian businesses can expect to face when operating in Taiwan. Not all applicable taxes are covered in this guide and the information provided is of a general nature. Businesses should seek professional tax advice for understanding the taxes specific to their activities.

Table 1: Overview of Taiwan's taxes for businesses

Tax	Tax rate (%)
Corporate income tax	20
Capital gains tax	0
Withholding	
Dividends	10-15
Interest	10
Royalties	12.5

Corporate Income Tax (CIT)

Non-resident companies are taxed on the portion of business income generated from Taiwanese activities. If a non-resident company does not have a fixed presence in Taiwan, they will be subject to withholding taxes on their Taiwanese income. Australia and Taiwan have a tax treaty which allows Australian businesses to pay withholding taxes at the rates listed in [Table 1](#).

Non-resident companies with a fixed business presence in Taiwan are treated like resident companies and are subject to a 20 per cent corporate tax rate. Businesses may be subject to an additional 5 per cent profit retention tax if their current earnings are not distributed by the end of the financial year. Branch offices are exempt from the profit retention tax.

Taiwan offers a range of tax incentives for businesses, including tax credits for research and development activities and investments in technology, as well as profit tax exemptions for businesses with sufficiently high levels of investment in property, machinery, software and other technology. More information regarding these incentives is available in [Section 3.2](#).



Personal income tax

In general, foreigners are taxed on personal income at the same rates as residents of Taiwan once they have resided in Taiwan for more than 183 days (see [Table 2](#)). If a foreigner spends less than 90 days in Taiwan, they pay a flat 18 per cent withholding tax on any wages earned from Taiwanese-registered businesses. If a foreigner spends more than 90 days but less than 183 days in Taiwan, they must pay a flat 18 per cent withholding tax on taxable salary income, regardless of where it was paid.

Indirect taxes

Business taxes: All goods and services in Taiwan are subject to value-added tax (VAT) of 5 per cent. Some businesses are also subject to the gross business receipts tax (GBRT) at the following rates:

- 5 per cent for financial institutions and insurance brokers
- 2 per cent for investment firms, securities traders, short-term commercial paper enterprises and pawnshops
- 1 per cent for reinsurance businesses.

Property taxes: In Taiwan, land and buildings are taxed on their officially assessed value. Buildings used for non-residential purposes are taxed at a rate between 1.5 and 5 per cent. Sellers of land are subject to the land value increment tax (LVIT), which is levied on the officially assessed value of the land during the period of ownership. LVIT rates range from 20 to 40 per cent. An additional deed tax of 2 to 6 per cent is levied on the sale, exchange, inheritance, partition or acquisition of immovable property.

Securities transaction tax: All securities transactions are subject to a 0.3 per cent tax on the value of proceeds from the sale of domestic shares. Transactions involving corporate and financial bonds issued by Taiwanese companies are exempt from this tax.

Luxury tax: Several categories of luxury goods are subject to Taiwan's 10 per cent luxury tax. These include vehicles, private jets and helicopters valued over NTD 3 million (AUD 139,733), yachts longer than 30.48 metres, preserved wildlife products worth more than NTD 500,000 (AUD 23,289).

Table 2: Personal income tax rates

Annual taxable income	Tax rate (%)	Gross Tax Payable (NTD)
First NTD 590,000 (AUD 27,481) Next NTD 740,000 (AUD 34,487)	5 12	29,500 88,800
First NTD 1,330,000 (AUD 61,948) Next 1,330,000 (AUD 61,948)	- 20	118,300 266,000
First 2,660,000 (AUD 123,897) Next 2,320,000 (AUD 108,061)	- 30	384,300 696,000
First 4,980,000 (AUD 231,957) More than 4,980,000 (AUD 231,957)	- 40	1,080,300



4.4. Audit and accountancy

Auditing and accountancy play a vital role in enhancing transparency and accountability in a business, especially one engaged in a foreign market. It increases business performance by identifying risks and highlighting areas for improvement.

Accounting standards

Local and foreign businesses are required to comply with Taiwan's accounting standards. For public companies, Taiwan mandates the use of International Financial Reporting Standards (IFRS). Private companies may choose between IFRS, and the local Enterprise Accounting Standards developed by the Accounting Research and Development Foundation (ARDF).

Although the Australian Accounting Standards are also based on IFRS, Australian businesses with Taiwanese operations should review the differences between jurisdictions to ensure their records are compliant with local authorities.

Financial reporting in Taiwan is overseen by the Ministry of Economic Affairs (MOEA) while accounting standards are managed and developed by the ARDF.

Statutory audits

Taiwan's Company Act mandates that companies must have their annual financial statements audited by a certified public accountant (CPA) in Taiwan if they are publicly listed or if they have:

- more than NTD 30 million (AUD 1.4 million) in equity; or
- more than NTD 100 million (AUD 4.7 million) in net operating revenue; or
- more than 100 employees

Audits in Taiwan are conducted under the Republic of China Generally Accepted Auditing Standards which align with the International Standards on Auditing.

Books and records

Financial records should generally be kept in NTD. If records are kept in a foreign currency for day-to-day business needs, they should be translated into the local currency for year-end financial reporting and filings. Companies typically use 31 December as their financial year end, but with approval, may choose to use an alternate date.

Records should be submitted in Chinese. All accounting records should be retained for at least five years. Companies are required to keep all financial statements for at least ten years.

Quality control

Audits in Taiwan are overseen by the Financial Supervisory Committee (FSC). Under the Certified Public Accountant Act, the FSC is certified to regulate statutory audits in Taiwan, perform quality assurance investigations and take disciplinary actions against CPAs or CPA firms if they are found guilty of misconduct or endangering the public interest.

The FSC is also responsible for licensing CPAs in Taiwan and providing ongoing professional development. The FSC is a member of the International Forum of Independent Audit Regulators.



4.5. Employing workers

Doing business in Taiwan will often require employing local and foreign workers. Understanding Taiwan's labour market regulations, recruitment methods and local management styles is crucial to building and supporting an effective team.

Labour market

Skill level: Taiwan has a highly skilled workforce. Over 80 per cent of workers continue on to complete post-secondary education and Taiwanese students consistently outperform the OECD average on international standardised tests. Since 2009, the Taiwanese education system has tailored its curriculum to train workers for specific industries such as healthcare, technology, logistics and innovation. Although labour force participation is high by international standards, Taiwan experiences labour shortages, particularly among mid-level workers.

Employment contracts: Both domestic and foreign workers may be employed under fixed and non-fixed term contracts. Once an employment contract is agreed upon by both parties, employers must maintain a worker record card indicating employee name, sex, address, birth date, place of origin, educational background, national identification card number, employment start date, wage, labour insurance information, medical records and other significant information.

Minimum wage: Taiwan's Ministry of Labor (MOL) sets minimums for both hourly and monthly wages. From 2024, the monthly minimum wage is NTD 27,470 (AUD 1,280). The hourly minimum wage is NTD 183 (AUD 8.52).

Human resources and employment law: The Labor Standards Act is the main employment law in Taiwan. Overseen by the MOL, it regulates employment contracts, standards and conditions for all employees under contract with an employer.

Working hours: In general, regular work hours must not exceed eight hours per day or 40 hours per week. However, employers may engage with labour unions or employee associations to adjust regular working hours by redistributing the equivalent hours of two working days over a two-week period, as long as each day is not extended by more than two hours. Employers may also redistribute regular working hours over an eight-week period. In either case, the total hours worked in a single week may not exceed 48.

Holidays: After six months of continuous employment, workers are entitled to paid annual leave. The table below summarises the amount of leave guaranteed to employees based on their tenure. In practice, many employers offer more than the minimum required leave.

Years of service	Days of leave
6 months	3
1	7
2	10
3	14
5	15
10+	15, plus one additional day for every additional year worked, with a maximum of 30 days

Overtime: Employers are required to pay overtime if working hours exceed those stated above. Total working hours shall not exceed 12 per day and overtime hours are capped at 46 per month. The rate of pay depends on the amount of overtime worked.

Type of overtime	Basic overtime pay
Less than 2 hours worked on a regular working day	133% of regular hourly rate
Between 2 and 4 hours worked on a regular working day	166% of regular hourly rate
More than 4 hours, only allowed in case of an emergency and with approval of the labour union	200% of regular hourly rate

Sick leave: Medical leave is covered under the MOL's Regulations of Leave-Taking Workers. If an employee is not hospitalised, up to 30 days of leave are permitted. In cases of more severe illness requiring hospitalisation, up to one year of leave is permitted. For the first 30 days, workers are entitled to 50 per cent of their regular wage.

Social, health and unemployment insurance contributions: Employees and employers make compulsory contributions to three Taiwanese social security programs including the Labor Insurance Program (LIP), National Health Insurance Program (NHIP) and the Labor Pension Program (LPP). The Taiwanese authorities make additional contributions to individual accounts based on income level and disability status. Foreign workers are not entitled to the LPP.



Contribution amounts are summarised as follows.

Program	Contribution Amount	
	By employee (% of wage)	By employer (% of wage)
Labor Insurance Program	2.1	7.35
National Health Insurance Program	5.7	0
Labor Pension Program	Up to 6 (voluntary)	6 or more

Ending employment: Employers may terminate contracts with notice if they experience serious business hardships or if workers are unable to perform their duties. In general, employers may not terminate employment contracts without advanced notice unless employees have misrepresented themselves or violated the terms of their contract, are violent or destructive, become incarcerated, or are absent without notice for more than three consecutive days, or six days in any month.

Employees may terminate contracts without notice when employers are found to have misrepresented themselves or fail to compensate the employee properly, where the work or working conditions are hazardous to employee health or if the employer breaches the terms of the contract. For all other terminations with advanced notice, required notice periods are as follows.

Length of service	Notice period
3 months to 1 year	10 days
1 to 3 years	20 days
More than 3 years	30 days

Severance pay: For contracts terminated by the employer without advanced notice, employers must pay the employee's wages for the advanced notice period. In cases of termination with notice, severance pay is based on the length of employment, summarised as follows.

Length of service	Severance pay
Less than 1 year	1/12 of wages paid during employment
More than 1 year	1 month of wages for every year of employment

Recruiting staff

Online advertising: Online job advertisements are an effective way to access talent in Taiwan. Internet use is widespread and many employers recruit online to increase the likelihood of finding skilled workers. Several job advertisements websites may be useful in Taiwan.

- 104 is the oldest and largest online job board in Taiwan. It's the top choice for many employers and entrepreneurs. Navigating the website is likely to require some familiarity with Chinese.
- LinkedIn provides valuable intelligence when searching for employees with a particular skillset. Many employers and recruitment agencies use the platform to target potential candidates and communicate with them. LinkedIn is a popular platform for English speakers.
- CakeResume is another widely used recruitment platform in Taiwan.

Executive search: When looking to hire for executive and senior roles, an executive search firm can facilitate more tailored searches. As a hub for advanced technology firms in the region, several global firms such as Boyden, Keller, Korn Ferry and Michael Page have offices in Taiwan. HRnetOne is a top regional firm in Asia that specialises in recruitment for a wide range of industries.

Work permits: Foreigners are eligible for work permits in Taiwan if they are performing specialised or technical work, managing a foreign company, teaching, or are employed in athletics or performing arts. Taiwan offers some professionals an Employment Gold Card, which includes a work permit, residence visa, Alien Residence Certificate and re-entry permit. Short-term permits may be available for contracted foreigners performing other types of work. Taiwan also issues work permits for self-employed entrepreneurs to pursue innovative work or new business development. Work permit applications are overseen by Taiwan's **Workforce Development Agency**. More information about living and working in Taiwan is available from **Talent Taiwan**.



4.6. Banking

In most cases, foreign companies establishing commercial operations in Taiwan will require a local bank account. Foreign companies may keep accounts denominated in Taiwan dollars (NTD) or other foreign currencies.

Financial institutions in Taiwan are designated as commercial banks, foreign banks, banks for a special purpose or as investment and trust companies.

Australian banks in Taiwan

ANZ has been operating in Taiwan for over 40 years. They offer a range of corporate and institutional banking services.

Foreign exchange controls

Taiwan imposes no foreign exchange controls on trading activities, investment transactions or insurance payments. With approval from the Taiwanese authorities, repatriation of capital is also unlimited.

Remittances both inward and outward require approval from the Central Bank if they exceed NTD 5 million (AUD 232,889) for individuals or NTD 50 million (AUD 2.3 million for businesses.

Table 3: Financial institutions in Taiwan

Institution	Details
Commercial bank	Commercial banks are classified as those whose primary purpose is to accept deposits and extend short- and medium-term loans.
Foreign banks	Financial institutions organised under the laws of a foreign country with registered branches in Taiwan are considered foreign banks. All payments made or received by a foreign bank must be in local currency, unless otherwise approved by the Central Bank. Otherwise, foreign banks are generally regulated as commercial banks.
Banks for a special purpose	Special purpose banks may be established with the permission of the Central Bank to issue medium- and long-term credit for specific purposes such as industrial development, agriculture, trade, small- and medium-sized business loans, real estate loans and credit for local activities.
Investment and trust company	Financial institutions are established for the purpose of managing funds, operating trust properties, acting as an investment intermediary or performing special-purpose investments in capital markets. Investment and trust companies are permitted to engage in a range of investment activities such as loan provision, bond issuance, underwriting and trading, will execution and financial consulting services.





5. Appendices



Understanding the relationship between economics, politics and administration can give businesses an edge when entering a new market. This chapter provides general information on political and legal structures, relevant administrative agencies, key economic zones and the bilateral relationship with Australia.



5.1. Taiwan information

Politics and administration

Taiwan's administration is separated into five branches, or Yuans. The Executive Yuan formulates and implements policy while the Legislative Yuan enacts legislation and examines official public operations. The Judicial Yuan oversees the court system. The Examination Yuan manages the civil service, and the Control Yuan is responsible for administrative audits and impeachment of public officials.

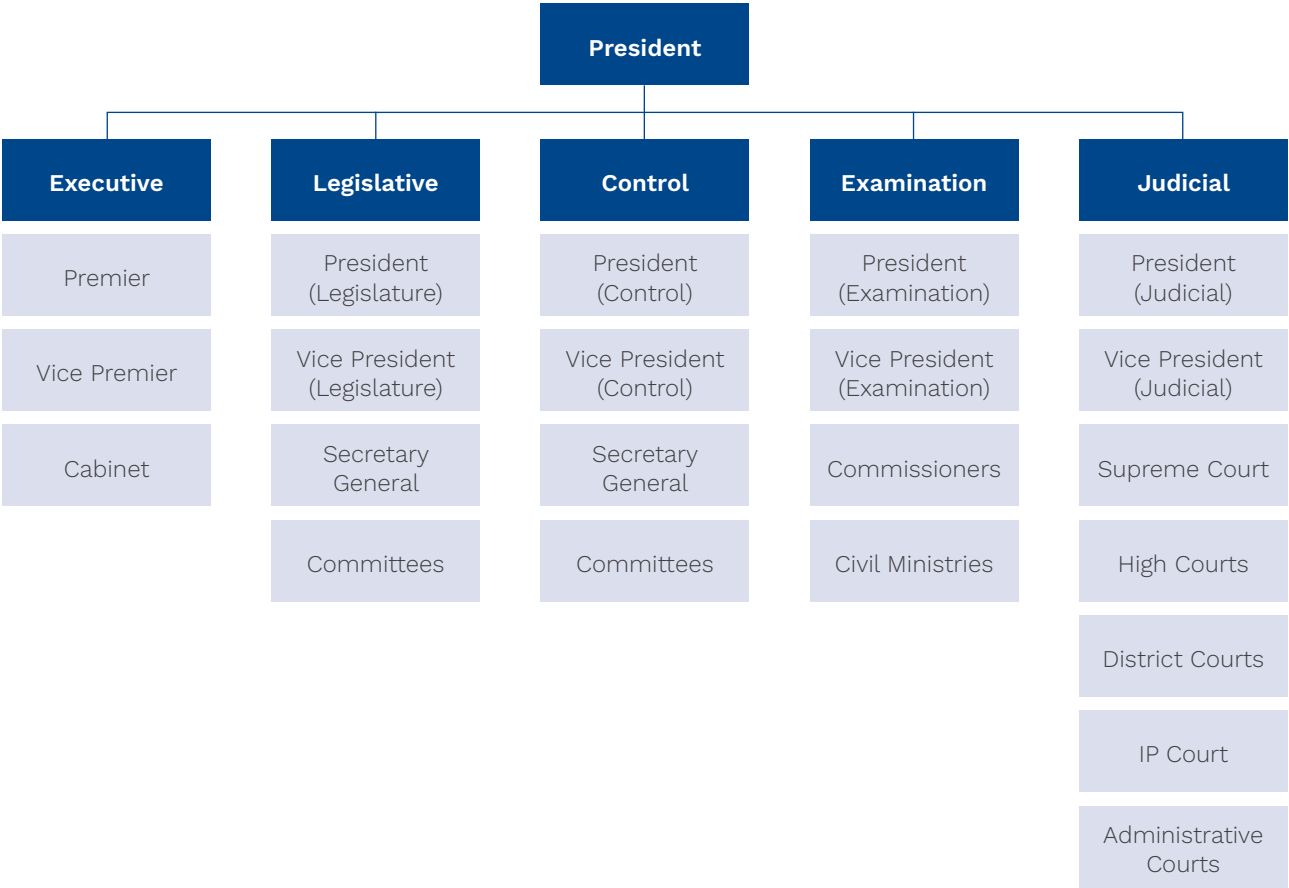
The President is elected to oversee the five administrative branches. The Premier is appointed by the President to head the Executive Yuan. The 113 parliamentary seats of the Legislative Yuan are voted on by citizens in defined constituencies.

Taiwan's electoral system is generally governed in a democratic, fair and transparent manner by the non-partisan Central Election Commission. Although Taiwan has strong protections in place to preserve freedom of expression and the right to protest, information and media interference from mainland China can pose a threat, particularly in private media publications.

Legal system

In Taiwan's Judicial Yuan, 15 members are appointed by the President to the Council of Grand Justices, which oversees the judicial system. The Council has the power to conduct judicial review. Beneath the Council are the Supreme Court, the High Courts and the District Courts. Cases are typically heard in District Courts before moving up to High Courts and if necessary, the Supreme Court. Taiwan also has separate courts for administrative matters and for Intellectual Property litigation.

Taiwan’s administrative and judicial structure



Key agencies

Key agencies and industry associations will need to be consulted throughout the process of setting up a business in Taiwan. Some of these agencies can also be useful for providing advice and initiating contacts.

The main agencies and their areas of authority relating to foreign businesses are:

Agency	Responsibilities
Ministry of Economic Affairs (MOEA)	MOEA is responsible for policies related to economic growth, industrial development and trade. Foreign companies can consult MOEA for insights into Taiwan's economic environment, as well as guidance on regulations, trade incentives and sector-specific support.
InvesTaiwan	InvesTaiwan, a subsidiary of MOEA, is the primary agency for foreign direct investment facilitation. It offers foreign businesses advice on where to locate, how to navigate regulations and what investment incentives are available.
National Science and Technology Council (NSTC)	NSTC facilitates technological advancement and research funding. Foreign companies involved in technology, biotechnology or scientific research can collaborate with NSTC to access research grants and other opportunities.
Central Bank of the Republic of China (Taiwan)	Taiwan's Central Bank manages monetary policy, currency stability, and financial regulations. It provides investors with insight into Taiwan's economic indicators, currency exchange guidelines and policy information that may impact business activities.
Ministry of Labor (MOL)	The MOL oversees Taiwan's labour policies and workplace regulations. Foreign businesses can consult with the MOL to understand local employment laws, obtain guidance on hiring practices and ensure compliance with workplace safety and welfare standards.
Ministry of Digital Affairs (MoDA)	MoDA supports Taiwan's digital transformation, cybersecurity and technology infrastructure. Foreign businesses can connect with MoDA for insights into Taiwan's digital landscape, receive assistance with digital initiatives or review compliance requirements in cybersecurity and data privacy.
Ministry of Finance (MOF)	MOF oversees Taiwan's fiscal policy, tax administration, and budget planning. It also manages state assets, supervises financial markets and seeks to ensure economic stability through financial governance.
National Taxation Bureau of Taipei (NTBT)	NTBT administers and enforces tax laws in the Taipei region. Foreign businesses will interact with NTBT for guidance on corporate tax obligations, reporting standards, compliance and to submit annual tax filings.
Taipei Customs	Under the MOF, Taipei Customs manages import and export procedures, enforces regulations, and ensures compliance with trade laws. Foreign businesses can rely on Taipei Customs for guidance on tariffs, customs documentation and import/export procedures.
Talent Taiwan	Under the National Development Council, Talent Taiwan provides information and resources regarding visas, work permits, bank accounts and offers help navigating administrative immigration procedures.



Free trade zones

Taiwan has seven free trade zones (FTZs). These zones allow businesses to engage in a variety of shipping, receiving, distribution, storage, maintenance, testing, packaging, servicing and e-commerce activities. All FTZs are located around a seaport or airport to facilitate the movement of goods in and out of Taiwan.

All goods moving through and between FTZs are exempt from review and inspection. Import and export reports must still be filed with Taipei Customs. More information about FTZs in Taiwan is available from [Taipei Customs](#) and [InvesTaiwan](#).

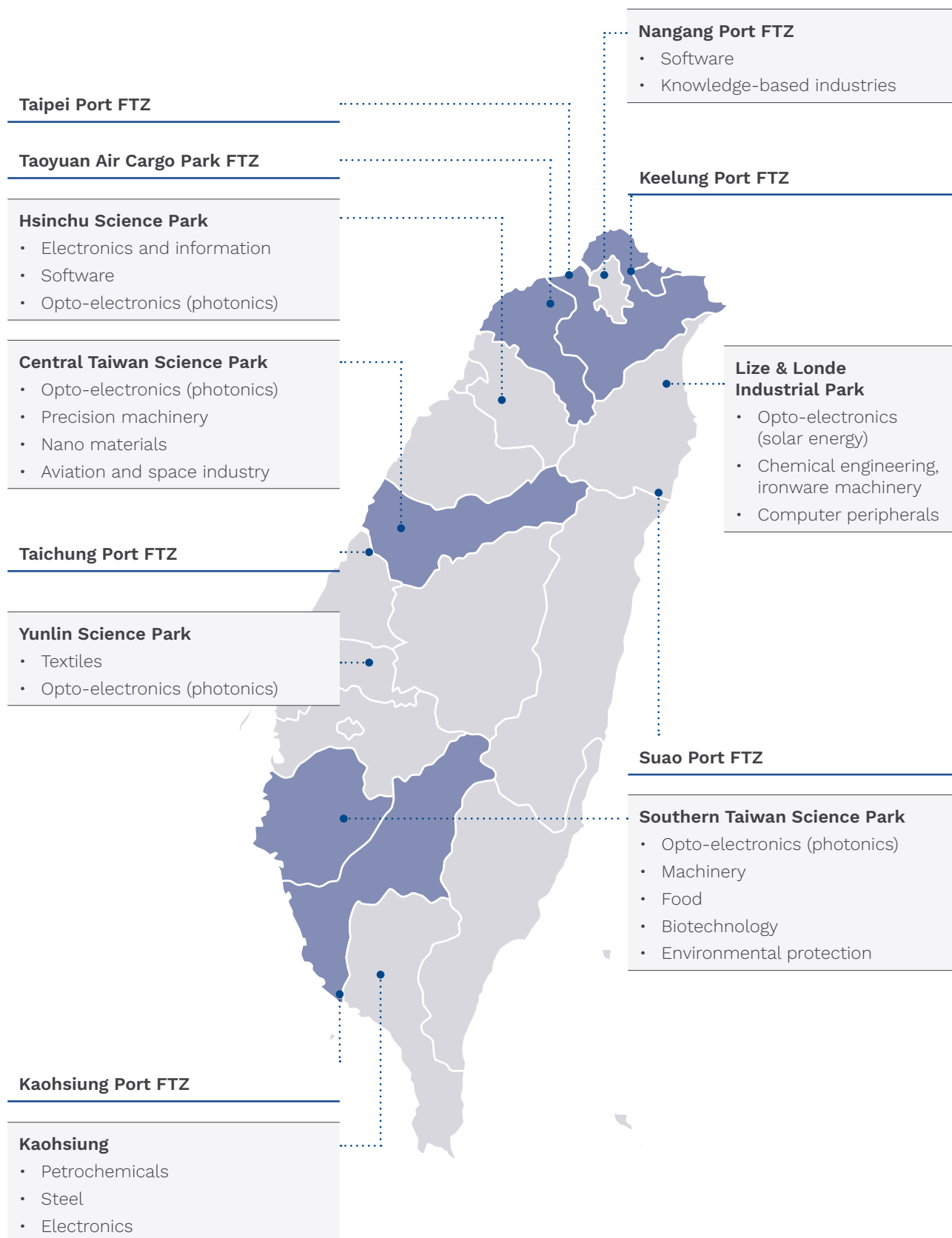
FTZ	Annual industrial rent per 1000m ² (AUD)
Keelung Port FTZ	31,920
Taipei Port FTZ	38,000
Taoyuan Air Cargo Park FTZ	66,880
Taichung Port FTZ	30,400
Kaohsiung Port FTZ	30,400
Suao Port FTZ	31,920
Anping FTZ	38,000

Taiwan-Australia bilateral relationship

Under the one-China policy, the Australian Government engages with Taiwanese authorities on an unofficial basis to support the development of economic and cultural relations. Australia supports Taiwan's participation in international organisations and shares an interest in an open, stable and economically prosperous Indo-Pacific region.

Australia and Taiwan maintain a strong relationship through trade, investment, education, tourism and people-to-people linkages. Australian and Taiwanese officials maintain regular contact through a range of two-way visits and meetings to discuss continuing bilateral trade, investment, employment and educational opportunities. Further information on the relationship is available from [DFAT](#).

FTZ and Industrial Zones



Source: compiled by CEPD, MOTC

5.2. Useful contacts and support resources

Government organisations

Australian Department of Foreign Affairs and Trade (DFAT)

DFAT manages Australia's international network, including in Taiwan. Australia has a representative office in **Taipei**.

Australian Trade and Investment Commission (Austrade)

Austrade is the Australian Government agency responsible for facilitating international trade and investment. Austrade can provide advice on the market, potential in-market partners and export marketing services. Austrade has an office in **Taipei**.

Export Finance Australia (EFA)

EFA provides information, support and export finance solutions to Australian businesses looking to expand overseas.

Business and industry associations

ANZCham Taiwan

The Australia New Zealand Chamber of Commerce in Taiwan represents and promotes Australian and New Zealand businesses operating in Taiwan. ANZCham coordinates a regular program of business seminars, networking and social functions for the business community in Taiwan.

Australia-Taiwan Business Council

The Australia-Taiwan Business Council promotes bilateral trade and investment opportunities between Australia and Taiwan. In addition to networking and cultural awareness programs, it offers research services for Australian businesses looking to enter the market.

Export Council of Australia

The Export Council of Australia is the peak industry body for the Australian export community.

State government agencies

The **Queensland** state government and **Investment NSW** have representative offices in Taipei.

Programs and support

Go Global Toolkit

Information, tools and support to grow your business globally through a range of digital for every stage of the export journey.

Export Market Development Grants (EMDG)

Austrade seeks to help small to medium Australian enterprises grow their exports in international markets through their EMDG grant program.

Industry Growth Program

The Industry Growth Program supports innovative SMEs undertaking commercialisation or growth projects in the National Reconstruction Fund priority areas.

State or territory government trade and investment agencies may also run programs and provide support to businesses looking to expand into international markets. Please consult your relevant state or territory agency for more information.



5.3. References

A select list of sources used in the development of this publication are included below.

Asia-Pacific PPP Association
 Atlantic Council
 Australian Department of Climate Change, Energy, the Environment and Water
 Australian Department of Foreign Affairs and Trade
 Australian Trade and Investment Commission (Austrade)
 Bloomberg
 BTI Project
 Canadian Global Affairs Institute
 Culture Atlas
 DLA Piper
 Ember Energy
 Encyclopaedia Britannica
 Euromonitor
 FitchRatings
 GlobalData
 Global Legal Group
 Greenpeace
 Heritage Foundation
 IMF
 Institute for Security & Development Policy
 International Federation of Accountants
 International Financial Reporting Standards
 International Forum of Independent Audit Regulators
 International Social Security Association
 National Center on Education and the Economy
 New Zealand Trade & Enterprise
 PwC
 Reuters
 Transparency International
 S&P Global
 US Chamber of Commerce
 US Department of State
 US International Trade Administration
 Taiwan authorities (various sources)
 Transparency International
 We Are Social
 World Bank

5.4. A note on currency

All money amounts are in Australian dollars unless otherwise indicated.

Exchange rate used is the historical rate for the previous twelve months.

AUD 1 = USD 0.6563

AUD 1 = NTD 21.4695

1 NTD = AUD 0.0466

5.5. Acknowledgements

Asialink Business gratefully acknowledges the assistance and information from the following organisations and individuals in the production of this Doing Business Guide:

Austrade

Department of Foreign Affairs and Trade

Trade and Investment Queensland

ANZCham Taiwan

Glenn Lio

Andy Jiang

Asialink Business is supported by the Australian Government's Department of Industry, Science and Resources and the University of Melbourne.

5.6. Disclaimer

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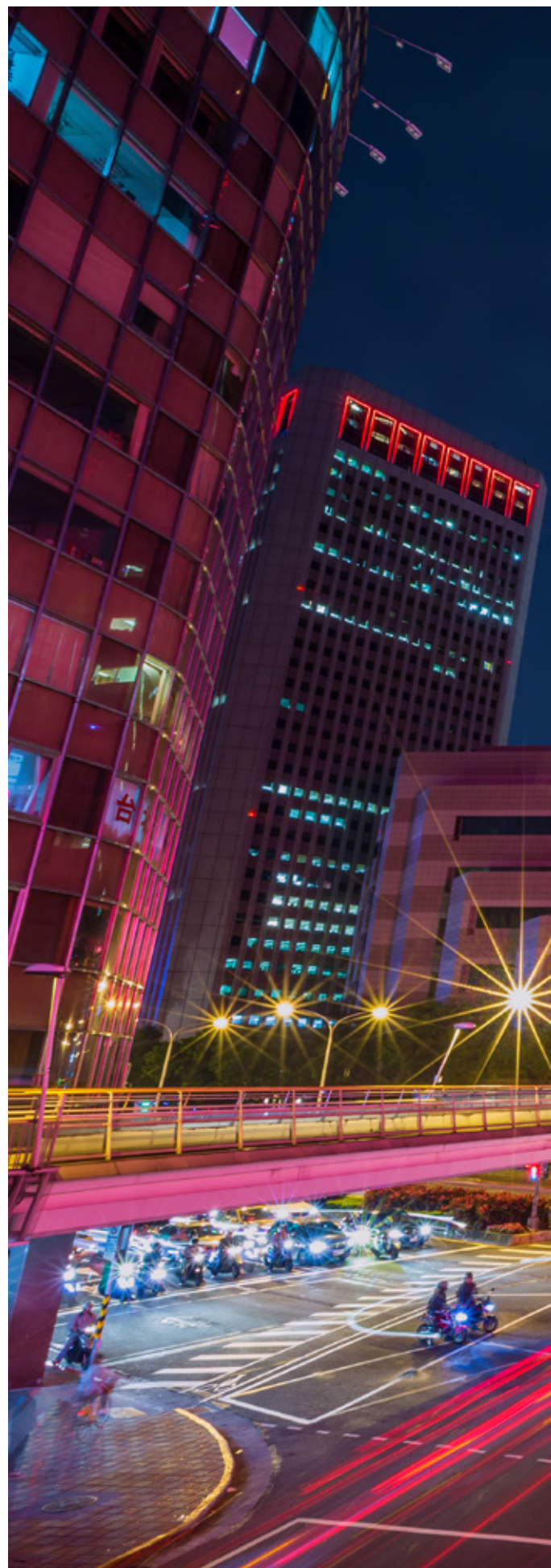
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Asialink Business is supported by the Department of Industry, Science and Resources and the University of Melbourne





