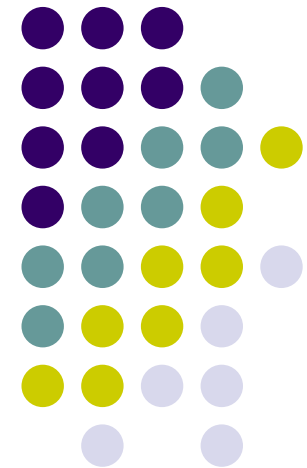


Taxation Systems on Taiwan Outward Investment in China

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Many Questions

- Responses of the Taiwanese enterprises to the tax system.
- Options:
 - Location of the Headquarters (Taiwan, China or Third Country?)
 - Direct Investment or Indirect Investment
 - Use of the profits earned in China (Return to Taiwan, Reinvesting in China?)

Questions: Present



1. Are there some direct investment to China?
2. Are there many cases in which the headquarters locate in China to avoid the Taiwanese tax?
 - Will the change in the Chinese law (on “Nonresident enterprise”) affect the behavior of the Taiwanese enterprises?
3. Are there many cases in which the headquarters locate in third countries to avoid the Taiwanese tax?



Questions: Future

1. Will the tax agreement with China be engaged in the near future?
2. What kind of tax agreement will be most realistic and beneficial for Taiwan.
3. What kind of change in regulations will be realistic most beneficial for Taiwan.