

Filing Instructions

- A. **Which tax households are required to complete the “Statement of the Shareholding of an Individual and of His/Her Related Parties” and its attachment?**
If the individual and his/her related parties directly or indirectly hold 50% or more of the shares or capital of an affiliated enterprise (see Number 1 to 6 of Instruction E) in a low-tax country or jurisdiction (hereinafter referred to as a “low-tax jurisdiction”) (see Instruction B), or have control over it, the said affiliated enterprise is a controlled foreign company (CFC). Any member of the tax household (including the taxpayer, his/her spouse and dependents included in a joint annual income tax return) who directly or indirectly holds one or more CFC(s), shall file this Statement and its attachment separately.
- B. **Low-tax Jurisdiction:** Please refer to Paragraphs 1 and 2 of Article 4 of the Regulations Governing Application of Calculating Income from Controlled Foreign Company for Individual (hereinafter referred to as “CFC Regulations”); the reference list prescribed in Paragraph 1 is announced on the website of the Taxation Administration, Ministry of Finance at <https://www.dot.gov.tw>.
- C. **Tax Identification Number or Other Identification Number (FC2, FC6)** refers to any number used by tax authorities in the country (or jurisdiction) of the related parties to identify the specific enterprise or individual. For example, in the Republic of China (R.O.C.), the Tax Identification Number for an individual is his/her National ID Number; for a profit-seeking enterprise, it is its Business Administration Number.
- D. **Country Code (FC3₂, FC7₂)** is a 2-digit alphabetic code designated to each country or jurisdiction. Please refer to the country code tables available on the National Taxation Bureaus' websites.
- E. **Relationship Code(s) Between the Member and the Related Party (FC8):** If a member of the tax household has any of the following relations or situations with a domestic or foreign profit-seeking enterprise, an individual, or an educational, cultural, public welfare, or charitable organization or institution, they are mutually related parties. Please fill in the specified number listed below:
1. The member directly or indirectly holds 20% or more of the total issued voting shares or total capital of a profit-seeking enterprise.
 2. The member holds the highest percentage of the total issued voting shares or total capital of a profit-seeking enterprise, and such percentage reaches 10% or more.
 3. The aggregate number of directors of a given profit-seeking enterprise appointed by another profit-seeking enterprise, in which the member directly or indirectly holds over 50% of the total issued voting shares or total capital of the latter enterprise, is amounting to half or more of the total number of directors of the former enterprise.
 4. The member, his/her spouse or relatives within the second degree of kinship being the chairman, general manager, or the equivalent or superior of the profit-seeking enterprise.
 5. The member and a profit-seeking enterprise are parties to the same trust relation as the settlor, trustee, or beneficiary, where the trust property consists of shares or capital of an affiliated enterprise located in a low-tax jurisdiction. However, if the trustee is a trust enterprise licensed by the competent authority in its jurisdiction, such a trustee is regarded as a non-affiliated enterprise.
 6. Other sufficient evidence that demonstrates the said member has control over or the ability to participate in the decision-making of the personnel, finance, business operations, or management policies of a profit-seeking enterprise.
 7. Spouse and relatives within the second degree of kinship of the member.
 8. The relatives or family members included in the member’s annual income tax return as the same tax household for the current year.
 9. Persons in the same trust relation with the member as the settlor, trustee, or beneficiary, where the trust property consisted of shares or capital of an affiliated enterprise in a low-tax jurisdiction, including the settlor, trustee, or beneficiary himself/herself, his/her spouses and relatives within the second degree of kinship.
 10. A foundation has received donations from the member amounting to 1/3 or more of its total funds in its balance sheet.
 11. The aggregate number of directors represented by the member and the member’s spouse or relatives within the second degree of kinship which reaches one half or more of the total number of directors of the foundation.
 12. The directors, supervisors, general manager or its equivalent or superior, vice general managers, assistant general managers, and department heads under the direct supervision of the general manager of the affiliated enterprises provided by Numbers 1 to 6.
 13. The spouses of the directors, supervisors, general manager, or its equivalent or superior of the affiliated enterprises provided by Numbers 1 to 6.
 14. The relatives within the second degree of kinship of the chairman of the board, or general manager or its equivalent or superior of the affiliated enterprises provided by Numbers 1 to 6.
 15. Other partners and their spouses of a partnership where the member or his/her spouse serves as a partner.
 16. Other circumstances whereby the member has substantive control over the finance, economic, or investment decisions of another individual or an educational, cultural, public welfare, or charitable organization or institution.
- F. **Direct and Indirect Holding Ratio of the Affiliated Enterprise in a Low-Tax Jurisdiction by the Member (FC10)** refers to the aggregated direct or indirect holding ratio of the shares or capital of an affiliated enterprise in a low-tax jurisdiction by the member of the tax household and his/her related parties, as of December 31 of the current year; the said holding ratio shall be determined by aggregating the holding ratios calculated based on the following methods. However, if the said member and his/her related parties have inappropriately circumvented the constituent elements by the share transfer or other arrangements before or on December 31 of the current year, the tax authority may determine the holding ratios of the shares or capital of the affiliated enterprise in a low-tax jurisdiction in accordance with the highest aggregated holding ratio on any given day of the current year, to be calculated according to the following methods.
- (A) Where the member directly holds the shares or capital of the said affiliated enterprise in a low-tax jurisdiction, the member’s holding ratio shall be aggregated into the said calculation.
 - (B) Where, through a domestic or foreign affiliated enterprise, the member indirectly holds the shares or capital of an affiliated enterprise in a low-tax jurisdiction, and the member’s holding ratio of the shares or capital of such domestic or foreign affiliated enterprise is over 50%, or the member has control over such domestic or foreign affiliated enterprise, the holding ratios of the shares or capital of the said affiliated enterprise in the low-tax jurisdiction, directly and indirectly held by such domestic or foreign affiliated enterprise, shall be aggregated into the said calculation; if the member holds no more than 50% of the shares or capital of such domestic or foreign affiliated enterprise, the holding ratio of each layer of such domestic and foreign affiliated enterprise shall be multiplied and then aggregated into the said calculation.
 - (C) For a related party or a nominal party who meets the following criteria, its direct and indirect holding ratios of the shares or capital of the said affiliated enterprise in a low-tax jurisdiction shall be aggregated into the said calculation in accordance with the methods prescribed in (A) and (B):
 - (a) An affiliated enterprise as defined in Subparagraphs 3 to 5 of Paragraph 2 of Article 3 of the CFC Regulations.
 - (b) A related party as defined in Subparagraphs 1 to 10 of Paragraph 3 of Article 3 of the CFC Regulations.
 - (c) The individual that inappropriately circumvents the constituent elements of Items (a) and (b) by the share transfer or other arrangements under another's name.
 - (D) For the member and his/her related parties, while calculating the direct or indirect holding ratio of the shares or capital of an affiliated enterprise in a low-tax jurisdiction in accordance with the methods prescribed in (A) to (C), the higher figure shall be used in case of any duplicate calculations.
- G. **Substantive Control (FC11)** refers to that the member of the tax household and his/her related parties have control over the personnel, finance, or business operations of the affiliated enterprise in a low-tax jurisdiction.
- H. **A controlled foreign company (CFC) of the Member (FC12)** refers to that, for any member of the tax household and his/her related parties directly or indirectly holding 50% or more of the shares or capital of a foreign affiliated enterprise in a low-tax jurisdiction on December 31 of the current year, or having control over such a foreign affiliated enterprise, the said foreign affiliated enterprise is a controlled foreign company (CFC).
- I. **The member, either alone or together with his/her spouse and relatives within the second degree of kinship, directly holds 10% or more of the shares or capital of the CFC as of December 31, 2023 (FC13)** refers to the aggregated direct holding ratio of the shares or capital of a CFC by the member (FC4), either alone or together with his/her spouse and relatives within the second degree of kinship, reaches 10% or more, as of December 31, 2023. This applies regardless of whether the said spouse and relatives are residents of the R.O.C. or included in the member’s tax household for the current year.