



BROKERAGE COMMISSION AND SECURITIES TAXATION

COMMISSION RATE

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► COMMISSION RATE

Each securities firm may set its commission rate up to a ceiling designated by the FSC of 0.1425% of trading value

► SECURITIES TAXATION

1. Securities Transaction Tax

This tax is levied on the sale side of each transaction. The rate is 0.3% for stock trading and 0.1% for beneficiary certificates, ETF, warrants and TDRs. Corporate bonds and government bonds are exempted from this tax.

2. Taxation of Dividends

Dividends payable to residents are subject to income tax. A 30% withholding tax is levied on non-resident individual beneficiaries, and 25% on non-resident corporate beneficiaries. Tax incentive plans are available under the Statute for Investment by Foreign Nationals.

Stock dividends representing distribution of capital surplus or an asset revaluation surplus are not subject to income tax. Stock dividends representing distribution of earnings are subject to income tax payable upon receipt of dividends.

3. Taxation of Interest Income

Interest income is subject to either a 10% withholding tax for a resident beneficiary or 20% for a non-resident beneficiary. Interest income from short-term bills and bonds is subject to a 20% withholding tax for both resident and non-resident beneficiaries. Up to NT\$270,000 of interest income may be exempted from income tax, save for interest income from postal savings accounts and short-term commercial papers.

4. Capital Gains Tax

Effective from January 1, 1990, capital gains are exempted from tax.