

# CUSTOMS VALUE DETERMINATION OF ONE-TIME TRANSFER PRICING IN A FISCAL YEAR

ESTABLISH A FRIENDLY BUSINESS ENVIRONMENT!

LAZY BAG-THE SYNOPSIS FOR ENTERPRISES

Customs Administration  
Ministry of Finance  
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The government should collect taxes according to the law.



In the free market, enterprises seek the maximum profits.




There is no contradiction between governmental taxes collection and multinational enterprises optimizing their profits.



# THE CONCEPT OF TRANSFER PRICING

What ? Price is determined  
by the free market, isn' t it?






Multinational enterprises have their own material supplying and commodity producing system; moreover, multinational enterprises can control affiliated enterprises globally by contracts or mergers and acquisitions.



Therefore, the headquarter of the multinational enterprises has ample room to make the price arrangements of the imported goods globally.



In order to coordinate the taxes of affiliated enterprises around the world and optimize the profits, the headquarter adjusts the price of imported materials and goods. The behavior of multinational enterprises above-mentioned is called “Transfer Pricing” .



# WHAT ARE THE MEASURES OF THE GOVERNMENT?

Where is the bread?  
(The M.O.F is baking...)



In order to optimize the commercial environment, the M.O.F has assigned the Taxation Administration and Customs Administration to harmonize internal taxes and customs duty. The new measure of M.O.F will let multinational enterprises adjust the costs and prices of the imported goods reasonably.

Internal taxes  
(on the basis of profits)

Harmonize ?

Customs Duty  
(on the basis of  
transaction value)



# HOW TO DEAL WITH THE CUSTOMS DECLARATION OF THE IMPORTED GOODS ?

Have a cup of coffee with the bread !  
(The customs administration is brewing.....)



The multinational enterprises should declare the information as follows on the Customs Declaration Form:

- 1 Relation between buyer and seller : Code 138(the buyer and seller are related, and the buyer wants to apply one-time transfer pricing in the fiscal year)
- 2 Duty Treatment : Code 65(duty estimated in advance)
- 3 Additional declaration : application for one-time transfer pricing in the fiscal year.

When the multinational enterprises submits the declaration form to the Customs, it should attach a Customs Value Declaration Form, a Proforma Invoice and an Application Form of providing deposit.

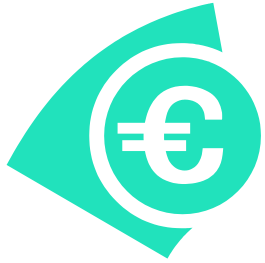
Smooth Customs Clearance!



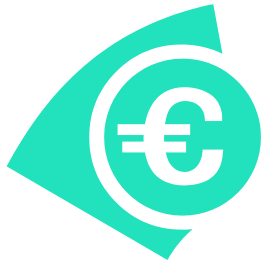
# HOW TO APPLY FOR CUSTOMS VALUE DETERMINATION OF ONE- TIME TRANSFER PRICING ?

Have a refill !





Within 1 month after the end of the fiscal year, multinational enterprise should submit commercial invoices and related transaction contracts or documents and fill out an application form for the determination of customs value to the customs.



The Customs Administration has set up service windows in Keelung Customs, Taipei Customs, Taichung Customs and Kaohsiung Customs. Welcome to contact them !

Effective Public Services !



WILL CUSTOMS INFORM  
THE DETERMINATION OF  
CUSTOMS VALUE?

Of course!

It is the government's duty to serve!





After receiving the application of the customs value determination of one-time transfer pricing of the imported goods, the Customs will determine the customs value of the said goods within 4 month.



The paid deposits will be offset by actual customs duty that shall be paid. Moreover, the Customs will refund the overpayment of the paid deposits, or notify the enterprises to make up the shortfall.



If the case is too complex to finish the process within 4 months, Customs will extend the scrutiny period of customs value determination for 2 month; The multinational enterprises are allowed to correct their profit-seeking enterprise income tax submitted to the taxation bureau, after the Customs determine the customs value of the imported goods.



Customs will notify the multinational enterprises of the extended scrutiny period and the final determination.

# Transparent Customs Services !



IT IS OUR HONOR TO  
SERVE YOU !

## Customs Administration Ministry of Finance

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