

# UBS Custody *News*

**Priority: Medium – Market: Taiwan**

## Increase in the withholding tax rate on dividends

**The Taiwanese dividend withholding tax rate has increased from 20% to 21% as of January 1, 2018.**

### Background

In September 2017 the Taiwanese Ministry of Finance proposed in a draft income tax bill. Although it is still in the process of being reviewed by the Legislative Committee, a press release was published, outlining that the withholding tax rate increase on dividends is in effect starting from January 1, 2018.

### Impact

According to this press release, the Taiwanese dividend withholding tax rate has increased from 20% to 21% effective January 1, 2018.

Taiwanese withholding tax is withheld at source on dividends paid to FINI (Foreign Institutional Investors), FIDI (Foreign Individual Investors) and China mainland investors. Due to current Taiwanese regulations, investors domiciled in Taiwan are not allowed to invest in Taiwanese securities through UBS.

The withholding tax rate on interest remains unchanged.

### Entry into force

The increase in the Taiwanese dividend withholding tax rate applies to income paid as of January 1, 2018.

Sources: *Standard Chartered Bank, Citibank N.A., HSBC*

Should you have any questions, please contact your UBS Custody Relationship or Client Service Manager.

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