

Financial Audit Alert

Taiwan passed a significant amendment to the Company Act, which officially came into effect on 1 November 2018.

Starting from FY 2019, non-listed companies with paid-in capital of less than NT\$30 million, but with more than 100 employees or annual sales turnover reaching or exceeding NT\$100 million, are required to have their financial statements audited by a CPA firm.

Under the original provisions of Article 20 of the Company Act, companies with paid-in capital exceeding NT\$30 million were required to have their financial statements audited by a certified public accountant. However, effective 1 November 2018, the Ministry of Finance further stipulated that companies meeting the following conditions must also have their financial statements audited by a certified public accountant starting from FY 2019: non-listed companies with paid-in capital of less than NT\$30 million that employ more than 100 employees or have annual sales turnover reaching or exceeding NT\$100 million (MOF Jing Shang Zi No. 10702425340).

Any violation of the above provisions may result in the responsible person of the company being subject to a fine ranging from NT\$10,000 to NT\$50,000.

Your company may be required to conduct a financial audit (also known as a statutory

audit). We kindly recommend that you review these regulations carefully and, if applicable, contact us to discuss the timing and fees involved in conducting a financial audit. Should you have any questions, please feel free to contact us at any time.

Contact



Yuming Lo

Partner

T +886 2 2789-0887 ext. 1148

E yuming.lo@tw.gt.com

www.grantthornton.tw