

# Work permit application for foreign professionals in Taiwan

## Understanding Taiwan's Labor Regulations

In general, employers can choose between three methods to apply for work permits for foreign employees. Grant Thornton Taiwan specialists can guide you and work with you to complete all the steps related to your work permit application, visa, and alien residence certificate in an efficient manner.

### Introduction

In most cases, a foreign national can work in Taiwan only if he or she has obtained a work permit in accordance with the regulations outlined in the Employment Services Act. A foreigner with legal permanent resident status in Taiwan either through marriage to a Taiwanese citizen who is a registered permanent resident or through some other means, can legally work in Taiwan without applying for a work permit employment gold card.

In general, employers can choose between three methods to apply for work permits for foreign employees:

#### Method 1:

Employment relationship - A business entity registered in Taiwan enters into an employment contract with a foreigner, subject to meeting a list of conditions outlined below.

#### Method 2:

Contractual relationship - A foreign company sends a technical worker to Taiwan to fulfill an

obligation under a signed contract (e.g. a contract for construction, sales, or technical cooperation).

#### Method 3:

Employment Gold Card - For foreign professionals who meet qualifications, this employment gold card provides a four-in-one work permit, resident visa, Alien Resident Certificate, and re-entry permit (including personal work permit, can freely change work). Qualifying professionals also receive a tax break of having income assessed on only half of their salary above NT\$ 3 Million for their first five years in Taiwan.

### 1. Employment relationship approach

An employer may apply for a work permit for a maximum period of 3 years. The employer may apply for an extension 4 months prior to the work permit's expiration date. When the original work permit is granted for a period of less than 6 months, the employer may apply for an extension when two-thirds (2/3) of the original granted period has passed.

## Applying for a work permit for a foreign manager

Foreign managers include the following classes of employees:

- Foreigners appointed to managerial positions
- Overseas Chinese or foreigners invested in a Taiwanese entity
- Overseas Chinese or foreigners engaged in managerial work for a Taiwan branch office or representative office of a Mainland Chinese company

Employers seeking to obtain a work permit for a foreign manager must satisfy one of the following conditions:

- 1 If the employer is a local company or a Taiwan branch of a foreign- or Mainland Chinese-owned company that has been established for less than 1 year, the employer must have either NTD 500,000 in paid-in capital, turnover in excess of NTD 3 million, actual import and export revenue exceeding USD 500,000, or commissions exceeding USD 200,000.
- 2 If the employer is a local company or a Taiwan branch of a foreign- or Mainland Chinese-owned company that has been established for 1 year or longer, the employer's turnover, actual import and export revenue, and commission either in the most recent year or averaged over the past 3 years, must exceed NTD 3 million, USD 500,000, and USD 200,000 respectively.
- 3 If the employer is a representative office (RO) that has been established in Taiwan for more than 1 year, it must present proof that it has delivered "good business results" (an RO established in Taiwan for less than one year is exempt from this requirement).
- 4 Where an employer fails to satisfy any of the above three conditions, the government may

still approve its application for a work permit for a foreign manager if the employer is deemed to have made significant contributions to the economic development of Taiwan or otherwise meets a special circumstance approved by the proper government authority.

When applying for a work permit for foreign management personnel, the employer must submit each of the following:

- A copy of the most recent year's corporate income tax return (not required if the company has been established for less than one year)
- A copy of the company responsible person's ID card/passport, company registration certificate/business registration, and any applicable business permit, as well as a copy of a letter of foreign investment approval issued by a competent authority
- A copy of the employment contract

**Note:** In order to qualify for a work permit under the above conditions, the manager's name must be registered in the "Managers" section of the Taiwan entity's official statutory record.

In addition to the above, any business entity applying for an expatriate work permit for managerial personnel must satisfy one of the following conditions:

- 1 At least one-third of the Taiwanese entity is owned by overseas Chinese or foreigners, and the foreign employee is registered as a manager of the entity.
- 2 The foreign employee is registered as the branch manager for a Taiwan branch office of a foreign company.
- 3 The foreign employee is registered as the representative of a representative office that has been approved by the proper government authority.

- 4 The foreign employee is registered as the branch manager of a Taiwan branch office of a Mainland Chinese company.
  - 5 The foreign employee is registered as the representative of a representative office of a Mainland Chinese company.
- Additionally, the foreign managerial personnel must provide the following:
- A copy of the manager's passport
  - 2 passport photos
  - (if the manager previously worked for another employer in Taiwan) copies of the employment termination certificate issued by the previous employer, the original work permit approval letter, withholding tax certificates, and the income tax statement from the previous year
- 3 If the employer is a representative office of a foreign or Mainland Chinese company, it must present proof that it has delivered "good business results."
  - 4 The employer possesses research and development centers or business operation headquarters that have been approved by the proper government authority.
  - 5 Where an employer fails to satisfy any of the above three conditions, the government may still approve its application for a work permit for a foreign employee if the employer is deemed to have made significant contributions to the economic development of Taiwan or satisfies special circumstances approved by the proper government authority.

### **Applying for a work permit for a foreign employee**

Employers seeking a work permit for a foreign employee (not the registered manager) must satisfy one of the following conditions:

- 1 If the employer is a local company or Taiwan branch of a foreign- or Mainland Chinese-owned company that has been established for less than 1 year, the employer must have either NTD 5 million in paid-in capital, turnover in excess of NTD 10 million, actual import and export revenue exceeding USD 1 million, or commissions exceeding USD 400,000.
- 2 If the employer is a local company or a Taiwan branch of a foreign- or Mainland Chinese-owned company that has been established for 1 year or more, the employer's turnover, actual import and export revenue, and commission either in the most recent year or averaged over the past 3 years, must exceed NTD 10 million, USD 1 million, USD 400,000 respectively.

When applying for a work permit for a foreign employee, the employer must submit the following documentation:

- A copy of the most recent year's corporate income tax return (not required if the company has been established for less than a year)
- A copy of the company responsible person's ID card/passport, company registration certificate/business registration, and any special business permit, as well as a copy of the letter of foreign investment approval issued by the relevant government authority
- A copy of the employment contract with the foreign employee

Foreign employees undertaking "special professions or technical assignments" must meet one of the following conditions:

- Acquire certification or operation qualifications through the procedures specified in the Examinations of Specific Profession and Technician Guidelines
- Obtain a master's degree or above from a university in the ROC or acquire a bachelor's degree in a foreign country and have more

than 2 years experience working in the specific field. Those who graduate from the world's top 1,500 universities are exempt from the two-year work experience requirement.

- Be employed in a multinational company for more than 1 year
- Receive professional training (or be self-taught) in the specific field, and have demonstrated outstanding performance in more than 5 years of related work experience

The above work experience requirements do not apply to foreigners or overseas Chinese who graduated from a public or private university in Taiwan during or after the 2011 school year and earn a minimum salary of NTD 37,619 per month.

Other foreigners who work in one of the "special professions" or on a "technical assignment" shall receive a monthly average salary of no less than NTD 47,971. If the foreign employee earns less than the minimum salary level, he or she is deemed insufficiently skilled to qualify for a work permit.

The foreign employee must provide the following documents:

- A copy of the foreign employee's education diploma (authentication by a designated Taiwan embassy or consular division is required for certain countries)
- A copy of a certificate of work experience (authentication by a designated Taiwan embassy or consular division is required for certain countries).
- A copy of the foreign employee's passport
- 2 passport photos
- If the employee previously worked for another employer in Taiwan, he/she must also provide copies of the employment termination certificate issued by the previous employer, the original work permit approval letter, withholding tax certificates, and income tax statement from the previous fiscal year

## 2. Contractual relationship approach

When the cumulative work period of a foreign national who has been assigned to Taiwan to fulfilling an obligation under a signed construction, sale, or technical cooperation contract will exceed 90 days, he/she must meet one of the following criteria:

- Acquire certification or operation qualifications through the procedures specified in the Examinations of Specific Profession and Technician Guidelines
- Have obtained a master's degree or above from a university in the ROC or in a foreign country or have acquired a bachelor's degree and more than 2 years working experience in the specific field
- Have received professional training or taught oneself in the specific field and demonstrated outstanding performance in more than 5 years of related work experience

The aforementioned cumulative work period covers the total work period within 1 year prior to the application date, plus the work period of the application.

Required documents for applying for a work permit based on a contractual relationship include the following:

- A copy of the Taiwanese company responsible person's ID card/passport, company registration certificate/business registration, and any special business permit
- A copy of the contract (construction, sales, technical cooperation, or other agreement) signed between the Taiwanese company and the foreign company
- An assignment letter issued by the foreign company designating its foreign employee to work in Taiwan
- A copy of the foreign employee's education diploma (authentication by a designated

Taiwan embassy or consular division is required for certain countries. This document is not required for those whose work duration is less than 90 days). Those who graduate from the world's top 500 universities are exempt from the two year work experience requirement.

- A copy of the foreign employee's certificate of work experience (authentication by a designated Taiwan embassy or consular division is required for certain countries. This document is not required for those whose work duration is less than 90 days)
- A copy of the foreign employee's passport
- 2 passport photos of the foreign employee

### 3. Employment Gold Card

For foreign professionals who meet qualifications, this employment gold card provides the following benefits:

- The gold card is also known as the "4 in 1" visa since it provides a resident visa, Alien Resident Certificate (ARC), multiple entry permit, and an open work permit.
- If submitted by an individual, the gold card becomes an open work permit, so the expatriate can freely change work. However, if the work permit is submitted by an employer, the employee cannot freely change work. An open work permit is typically viewed as the most attractive benefit as the holders of the cards are not obliged to be attached to any one organization and can remain in Taiwan while changing jobs.
- Tax break of having income assessed on only half of salary above NT\$ 3 Million for the first five years as a tax resident in Taiwan.
- Foreign source income is exempted from Alternative Minimum Tax for their first five years as a tax resident in Taiwan.
- Work permit duration can be valid for up to 3 years if submitted by an individual, or 5 years if submitted by an employer. After this time

period expires the individual may apply for an extension.

- Spouses, minor children, and other qualifying dependents may also obtain resident visas.
- The expatriate may join Taiwan's National Health Insurance Program. If he/she does not have a Taiwan employer, then he/she and dependents must wait six months to join the program.
- The expatriate and their spouse's lineal ascendants can obtain a family visit visa for a 6-month stay extendable to a maximum 1-year stay
- Professionals who meet the requirements for the employment gold card will not be subject to the NTD 5 million dollar paid-in capital requirement for new companies to sponsor their work permit in Taiwan.
- Professionals who obtain the employment gold card or special professional visa and their qualifying dependents will be eligible to apply for permanent residency after three years of residing in Taiwan for an average of 183 days per year. For those who received a PhD. from a Taiwan university, the eligibility time for permanent residency can be further shortened to two years.

#### Qualifying criteria summary for foreign special professionals:

In accordance with Article 8 of the Act for the Recruitment and Employment of Foreign Professionals, foreigners or Hong Kong/Macau residents, who are professionals who have applied to work in Taiwan, must be certified by the competent authority of the central government to be working in one of the following fields of profession. These fields are summarized as follows:

- Science & Technology (National Science and Technology Council)
- Economy (Ministry of Economic Affairs)
- Education (Ministry of Education)
- Culture & Arts (Ministry of Culture)

- Sport (Ministry of Education)
- Finance (Financial Supervisory Commission)
- Law (Ministry of Justice)
- Architecture (The Construction and Planning Agency, Ministry of the Interior)
- National Defense (Ministry of National Defense)
- Digital (Ministry of Digital Affairs)
- Special cases that, with consultation, are recognized by the National Development Council

Required documents for applying for an Employment Gold Card include a color-scanned e-file of the following documents:

- Passport with at least 6 months validity remaining
- 2-inch hatless facial color photo taken within 6 months
- Documents of eligibility for Foreign Special Professionals announced by the central competent authorities
- Other documents required for the work permit, resident visa, alien residency certificate, and re-entry permit applications.
- Those applying under Foreign Special Professionals from Hong Kong/Macao are not required to obtain an affidavit, police record certificate, or a health certificate

Specific Professional Talent from foreign countries or Hong Kong/Macao who has been recommended by the competent authority of the central government must submit the above-mentioned documents in written format.

## Processing time

In addition to the above general requirements, certain application forms need to be signed and other administrative matters must be attended to before the work permit is issued.

If the qualification and document requirements of both the employer and the foreign employee are met, the employer will receive the work permit within 7-10 working days of the application submission.

If the qualifications and document requirements are met, the Employment Gold Card will take roughly 30 working days for processing and approval. After approval, the candidate must verify their passport at the relevant government entity, after which they can claim their card at the NIA service center or ROC overseas mission.

## Early employment termination

If the foreign employee is unjustifiably absent from his/her work and contact is lost for 3 consecutive days or the employment is terminated early, the employer shall notify the relevant government authority in writing within three days to avoid a fine of NTD 30,000 to NTD 150,000.

## Updating Alien Residency Certificate

In the event that a foreign national changes his/her residential address or employer, he/she shall apply to update his or her Alien Residency Certificate (also known as ARC) within 15 days, including for any dependents. If the 15 days expire, a penalty of 2,000 NT will be imposed for first-time offenders, or 5,000 NT for second-time offenders. There is no fine imposed for minors under 14 years old.

## Penalties for non-compliance

Employers who hire a foreign employee without obtaining the proper approval are subject to a fine ranging from NTD 150,000 to NTD 750,000. If an employer commits a repeat violation within five years, the employer will be sentenced to imprisonment for no more than three years and/or a fine of no more than NTD 1.2 million.

Foreign employees who work in Taiwan without approval will be fined between NTD 30,000 and NTD 150,000 and will be ordered to leave the country within a prescribed timeframe.

## 4. Digital Nomad Visitor Visa

The Digital Nomad Visa is specifically designed for digital nomads, offering a convenient entry and stay solution. This visa is applicable to professionals employed by foreign companies or those who work from home.

The visa allows for an initial stay of up to six (6) months, and may be extended in increments of six (6) months, for a maximum cumulative stay of up to two (2) years.

Applicants from visa-exempt countries who meet one of the following conditions are eligible to apply:

- Proof of having obtained a digital nomad visa issued by another country.
- Seasoned digital nomads: Aged 30 or above, with an annual income of at least 40,000 USD in the past two years.
- Young digital nomads: Aged 20 to 29, with an annual income of at least 20,000 USD in the past two years.

Applicants are required to submit the following documents to demonstrate their eligibility:

- Proof of engagement in remote work (digital work) that meets the income criteria.
- ROC visa application form.
- A foreign passport valid for at least six (6) months.
- Proof of bank account balance for the last six (6) months.
- Proof of international health insurance.
- Any other documents as may be requested.

### ■ Procedures

**Applicants outside of the ROC:** Applicants residing outside of Taiwan must submit their visa applications to an ROC overseas mission. The mission will forward the application materials to the National Development Council (NDC) to review the applicants' qualifications. Afterwards the NDC will send the results back to the overseas mission for further processing.

**Applicants within the ROC:** Applicants who are already in Taiwan under a visa-exempt status or a non-extendable visitor visa (such as for social visits, tourism, or business purposes) must submit their Digital Nomad Visa applications to the Bureau of Consular Affairs (BOCA) or one of the Ministry of Foreign Affairs regional offices at least ten (10) working days prior to the expiration of their current visa. The application materials will be forwarded to the NDC for qualification review. Once reviewed, the results will be sent back to BOCA or the relevant MOFA office for further evaluation.

## Recommendation

Grant Thornton Taiwan specialists can guide you and work with you to complete all the steps related to your work permit application, visa, and alien residence certificate in an efficient manner.

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