

## **Provisional Regulations on Stamp Duty**

(Adopted at the 63rd Executive Meeting of the GAC of the Central People's Government on December 15, 1950, and promulgated by the GAC on December 19)

### **Chapter I General Provisions**

Article 1 All documents drawn up or used for commercial, property, or other transactions within the territory of the Republic of China shall, unless otherwise provided for, be subject to stamp duty in accordance with this Act.

Article 2 The taxpayer of stamp tax is the person who issues the document, receives the document or uses the document. In accordance with the tax rate table of this Regulation, a tax stamp (hereinafter referred to as the stamp) shall be affixed to the document.

Article 3 Stamp revenue stamps shall be produced under the supervision of the State Administration of Taxation of the Ministry of Finance of the Central People's Government and distributed to local taxation authorities for sale; local taxation authorities may also entrust banks, post offices, cooperatives or industrial and commercial businesses to sell them on their behalf.

Article 4 The following documents are exempt from stamp duty:

1. Land certificates issued after the rural land reform;
2. Copies or transcripts of various stamped vouchers;
3. A copy of the payment request or verification of the amount;
4. Passenger tickets and baggage checks for buses, ships, and airplanes.

### **Chapter II Tax Rate**

Article 5: Documents subject to stamp duty may be subject to a stamp duty rate based on a percentage of the value of the document or a fixed amount per document, depending on their nature. The tax rates for a proportional stamp duty rate are 1/10,000, 0.3/10,000, and 0.3/10,000; the tax amounts for a fixed amount stamp duty rate are NT\$200, NT\$500, NT\$2,000, and NT\$5,000.

Article 6: All vouchers requiring a stamp as described in the preceding article, with a value of less than NT\$15,000, shall be exempt from the stamp, except for movie, theater, and various entertainment tickets. Custom-made stamps for vouchers with a value of less than NT\$150,000 shall be subject to a NT\$200 stamp.

Article 7 The documents subject to stamp duty and the applicable tax rates shall be in accordance with the provisions of the attached table.

### **Chapter III Tax Payment**

Article 8 Whenever commercial, property rights, or other activities occur, the taxpayer shall prepare written vouchers in accordance with the items listed in the Appendix to Article 7 of these Regulations and affix sufficient stamps before delivery or use.

To simplify the stamping procedures, taxpayers may apply to the local tax authorities for approval to pay stamp duty according to their duties.

Article 9 If the same certificate is required to be written in two or more copies, with each related party holding one copy, each copy must be fully stamped.

Article 10: A voucher that has expired shall still be stamped if the parties concerned agree to continue using it, or if a copy or transcript is used as the original.

Article 11 If the same voucher has two or more types of tax, if the tax amount is the same, the tax rate shall be affixed according to one tax rate; if the tax amounts are different, the tax rate with the higher tax rate shall be affixed.

Article 12 Where a voucher which has been stamped is modified and continues to be used due to a change in facts, the stamps shall still be reimbursed if the changed part requires additional stamps.

Article 13: If the amount stated on a voucher is not in Renminbi (e.g., in Northeast China and Xinjiang before the currency system was unified), the voucher shall be converted into Renminbi at the government-prescribed exchange rate. If the amount is not stated, the voucher shall be assessed at the local market price based on the original item name and quantity.

Article 14: If a voucher issued before the implementation of this Act continues to be used but has no stamps or insufficient stamps, the person responsible for affixing the stamps shall make up for the difference within a specified period. If the location of the person responsible for affixing the stamps is unknown, the user or holder of the voucher may make up for the difference.

Article 15 Each stamp tax stamp affixed shall be cancelled by a stamp or signature at the seam between it and the voucher paper.

A stamp tax stamp that has been affixed may not be removed and reused.

#### **Chapter 4 Inspection**

Article 16: Stamp duty inspections shall be conducted by tax authorities at all levels. Where necessary, they may request assistance from local people's governments or public security agencies. Inspectors dispatched by tax authorities must produce supporting documentation when performing their duties.

Article 17: Inspection of stamp duty shall be conducted during the business hours of the inspected party at its place of business or at a place designated by the tax authorities. The inspected party may not refuse the inspection.

Article 18: Inspectors who discover documents that are not stamped in accordance with the provisions of this Regulation shall report them to the local tax authorities and shall not handle them without authorization.

#### **Chapter V Penalties**

Article 19 Anyone who violates the provisions of Articles 8 to 14 of this Act shall be fined not more than twenty times the amount of tax evaded.

Article 20 Anyone who violates the provisions of Article 15 of this Act shall be fined not more than thirty times the amount of the reused portion, and not more than ten times the amount of the uncanceled portion.

Article 21 If a person who is punished is dissatisfied with the punishment imposed by the tax authorities, he or she may request a review within five days or appeal to the higher-level tax authorities.

Article 22: Any person who refuses inspection, refuses to accept penalties, or forges tax stamps shall be referred to the People's Court for prosecution. If, during the trial of a case, the People's Court discovers that a document has not been stamped in accordance with the provisions of this Act, in addition to the penalties imposed in accordance with this Act, the person shall be ordered to pay the stamp duty.

Article 23 When the People's Court examines a case and discovers that a document has not been stamped in accordance with the provisions of this Regulation, in addition to the penalty imposed in accordance with this Regulation, it shall also order the person to pay the stamp duty.

Article 24 Anyone who fails to write a certificate or affix a stamp in accordance with the provisions of this Regulation may report it. After investigation and handling, the reporter may be rewarded with 20% to 30% of the fine.

#### **Chapter VI Supplementary Provisions**

Article 25 The detailed rules for the implementation of this Act shall be separately formulated by the Ministry of Finance of the Central People's Government.

Article 26 After the promulgation of this Act, all separate regulations concerning stamp duty in various regions shall be abolished.

Article 27 This Regulation shall come into force on the date of promulgation.