Starting a Business

Submitted by: Chinese Taipei
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Foreword


The “Starting a Business” indicator was designated as a priority area for regulatory reforms in 2009.
The Council for Economic Planning and Development (CEPD) coordinated with the Department of Health (DOH), the Council of Labor Affairs (CLA) and the Ministry of Economic Affairs (MOEA).

After two years of effort, we finally obtained some fruitful results.

**The Ranking of Starting a Business (2009 - 2010)**

<table>
<thead>
<tr>
<th>Year</th>
<th>Ranking</th>
</tr>
</thead>
<tbody>
<tr>
<td>2009</td>
<td>119</td>
</tr>
<tr>
<td>2010</td>
<td>29</td>
</tr>
</tbody>
</table>
### The Ranking of Starting a Business (2009-2010)

<table>
<thead>
<tr>
<th></th>
<th>2009</th>
<th>2010</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ranking</td>
<td>119</td>
<td>29</td>
</tr>
<tr>
<td>Procedures</td>
<td>8 Procedures</td>
<td>6 Procedures</td>
</tr>
<tr>
<td>Time</td>
<td>42 days</td>
<td>23 days</td>
</tr>
</tbody>
</table>

### Comparison Sheet

<table>
<thead>
<tr>
<th>Procedure</th>
<th>2008 days</th>
<th>2009 days</th>
<th>2010 days</th>
</tr>
</thead>
<tbody>
<tr>
<td>1  Search the uniqueness of company name online; reserve company name and apply for MOEA approval</td>
<td>4</td>
<td>2</td>
<td>2</td>
</tr>
<tr>
<td>2  Make a company seal</td>
<td>1</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>3  Open a bank account and deposit the paid-in capital</td>
<td>1</td>
<td>1</td>
<td></td>
</tr>
<tr>
<td>4  Get a CPA audit report for the paid-in capital</td>
<td>3</td>
<td>3</td>
<td>2</td>
</tr>
</tbody>
</table>
### MOEA’s Work

**Apply for an Investigation and Reservation of Company Name and Business Scope**

Applying for company name is the first step in starting a business. If the company name is not approved, the remaining procedures for setting up a company cannot proceed. Therefore, it is important to apply for an investigation and reservation of the company name.
The MOEA builds an advanced information technology environment to help create business opportunities and enhance competitiveness in the 21st century.

Since 2007, the Department of Commerce, MOEA, has started offering on-line "e-Government Services" for the general public. All services relating to the application for an investigation and reservation of the company name and its business scope are therefore processed electronically.

The average number of days needed to approving the reservation of a company name and its business scope was three days in 2008, but it was shortened to just one day in 2010.

5 Stages of Investigation and Reservation of Company Name and Business Scope E-Service

- Investigation and Reservation of Company name On-line Application Service: Since 2007/11/1
- For bank and the public Reservation of Company Name and Business Scope On-line Inquiry System: Since 2008/2/1
- Simplify Investigation and Reservation of Company Name Process: Since 2008/5/1
- For Investigation and Reservation of Company name and Registration of Company On-line E-Receipt System: Since 2009/5/4
- For Investigation and Reservation of Company On-line E-Approved Form System: Since 2010/4/20
Procedures of Obtaining An E-Approved Form in the Reservation of Company Name

- Sending in your application for an investigation & reservation of a company name.
- Department of Commerce screening the application.
- Issuing approved content and electronic signature & document file by E-Mail.

The MOEA announced on March 4, 2008 that the processing of applications for an investigation and reservation of company name and business scope would take two days.

The MOEA announced on January 20, 2010 that the processing of applications for an investigation and reservation of company name and business scope would take one day.
Revised Regulations Governing Certification of Capital upon Registration Application of Company

According to the revision of Article 8 of the captioned regulations (Feb. 5, 2009), CPAs who can issue the certification from the date of the audited balance sheet and after the financial institutions’ closing time, the processing time needed for application for company incorporation can be shortened to one day.

The Procedure of Company Registration

The Department of Commerce amended the processing time needed for applications for company registration.
The MOEA announced on March 4, 2008 that applications for company registration would take three days to process.

The MOEA announced on January 20, 2010 that applications for company registration would take one day to process.

The Procedure of applying for business license and taxpayer identification number

The Chinese Taipei Cabinet announced on March 12, 2009 that the scheme for the implementation of the profit-seeking enterprise uniform certification system (business license) would expire on April 12, 2009.
The New Procedure Since April 13, 2009

1. When the company registration is approved, the applicant is issued a taxpayer’s identification number.
2. The MOEA sends out the company registration records to the tax authority.
3. Due to the administrative transformation, the “Starting a Business” item is cut short by seven days.

Reducing the Cost for Starting a Business

The MOEA announced on April 24, 2008 that the minimum amount of capital of a company limited by shares shall be NT$ 500 thousand; the minimum amount of capital of a limited company shall be NT$ 250 thousand.
Promulgated that the Article 100 and Article 156 of Company Act, amended to delete the regulations for the minimum amount of capital of a company limited by shares and limited company on Jan 16, 2008.

Present & Future Improvements planned for starting a business in 2010

Article 7 and Article 10 of Company Act are now being revised to allow delaying the submission of the CPA audit report until after -rather before- the company is registered.

The amendment bill is currently under review by the Legislature.
Two relevant working groups have been set up since July of 2010

**working groups I:**
Simplify documents needed for company registration

It’s main task is to review Regulations Governing Company Registration and Recognition; and revise and simplify the related procedures.

**working groups II:**
CPA’s Certification of capital upon receiving an application for company registration.

It’s main task is to review the Regulations Governing Certification of Capital upon Registration Application of Company; and revise and simplify the related procedures.
The End