

Taiwan Purchase Procedure

- Purchase or sell property
- Deposit
- Contract signing
- Required document
- Stamp, tax, hand over

Q1. Purchase or sell property

Post date : 2018-9-6



Real estate agent

Taiwan has the “Real Estate Brokerage Ordinance” regulating the real estate agent industry. Therefore, you may check if the agent is a legitimate operator and the salesperson obtain broker license.



Land administration agents

- When Taiwan purchase and sell property, it is common to find Land administration agents as as representative to sign contract and handle the subsequent transfer process. A qualified Land administration agents is approved by the national exam, and can hire two assistants to assist business. Therefore, should confirm the identity of Land administration agents, and the assistants also have.
- In general, the seller only need to pay contract fee and the cost of mortgage, which is about HKD 850.
- The signing fees usually is paid by the buyer, around HKD 5600.

Continue



Guarantee fee

- It is common in second hand buildings, and similar to the ESCROW system in Europe and US. The transaction will be deposited by buyer into third-party account, and tax or other necessary expenses have to be paid in this process. The transaction will be settled and transferred to sellers after property handover.
- The guarantee fee is 0.03% of volume and shared by buyer and seller.



About property under construction

- The secure trading mechanism of property under construction has 5 methods, include “Real estate development trust”, “Guarantee of price refund”, “Price trust”, “Inter-bank guarantee” and “Guild guarantee”. Usually, depending on what method construction company provide.

Continue



Real estate specification

- Houses sold by agencies are required to produce “Real estate specifications”, which include important information such as house size, the owner, the house status, surrounding environment, etc. Make sure to ask the agencies for details.
- If the information is inconsistent with the fact, the seller and the agency will bear the responsibility of compensation by law.



Agency fee

- According to the law, agency service fee should not exceed 6% of the total price. Usually, the buyer pays 2%, seller pays 4%. If there is a translation with the constructor, buyer no need to pay service fee.
- The amount of services fee should be negotiated before signing the contact to avoid disputes in the transaction.

Q2. Deposit

Post date : 2018-9-6



Deposit

- 100 million of Taiwan Dollars or 1% of total amount as deposit
- No interest fund if not yet signed contact
- Consider as part of the total amount after signing contract

**NEW
OFFER**

Offer book

- There is offer books to choose. Different from negotiation, there is no need to pay deposit or agency service fee. However, the seller may reluctant to negotiate because of the feeling of sincerity.

Continue



Deposit period

- Usually is 7-10 days, that can be specified at the deposit contract.
- Buyer has the right to withdraw before sign the deposit receipt or confirms the offer.



Contract review period

- In Taiwan, there is 5 days for reviewing, signatory can bring the contract and read the details for 5 days before signing
- Should be take noted that the “Real estate sale and purchase contract” signed by agency, buyer and seller are not entitled this review.

Q3. Contract signing

Post date : 2018-9-6



Prepare documents from buyer

- Passport, Permanent residence permit
- Stamp: Taiwan is still mainly use stamp, signature is just an affiliated way. A wooden note is about HKD 15 and can be used in many ways in Taiwan.
- Contract amount (10% of total amount): Can use bank issued cheque. Generally, if buyer is unable to carry enough money, a personal promissory note will be executed and kept by the local government. After the money is replenished, the personal promissory note will be retrieved from the landlord.

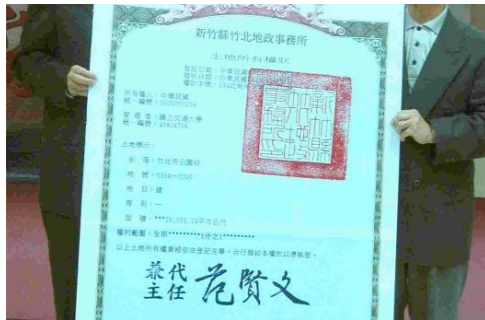


Prepare documents from seller

- Right: Printed by the Government to prove the property right, and there is lots of anti-counterfeiting measures
- Seal stamp: After the sellers' stamp has been registered at Government department, it becomes a "Print seal".
- Identity card: If you have the nationality of Republic of China, you will have an "identity card". For foreigners, you should provide passport or residence permit or other relevant documents.

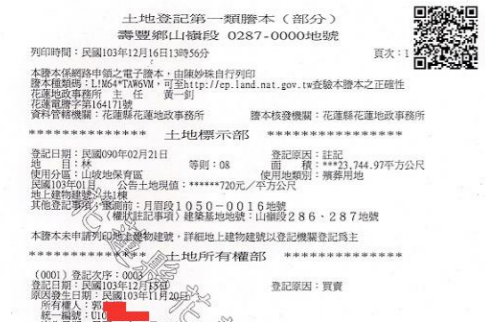
Q4. Required document

Post date : 2018-9-6



Certificate

- When the right is obtained, the government will issue a certificate to the right holder, which is "Ownership book and Book of Rights."
- There is lots of anti-counterfeiting measures, such as watermark, letterpress, etc.
- If the right holder lose the certificate, have to announced for 30 days upon reissue.



Copy

- The content in the certificate is listed the status at the time of printing. There may have different reasons on content changing in the future. A Qualified agency will apply to the land administration for the latest land and building materials for the parties to confirm the status of the property rights before signing the contract. If there is any inconsistency with the right, restriction of registration or other significant impact on the transaction, it should be recorded in the real estate specification or the contract of sale.

Q5. Stamp, tax, hand over

Post date : 2018-9-6



Using stamp, the items buyer should pay attention to:

- All documents submitted to government should use stamp. For taxation, should prepare stamp, passport and permanent residence permit.
- Confirm register: The signatory and register can be different people, but need to be confirmed during using stamp.
- If you need to change the register name, it may be deriving 1. Stamp tax cannot be refunded 2. Time delay and other issues
- Pay the advance fee to the agent and pay the second installment to the performance
- If you need a mortgage, you need to start negotiating with the bank



Using stamp, the items seller should pay attention to:

- Determine the application tax rate for land appreciation
- If need to change after your declare, then may not be changed and may be deriving
 1. Duty cannot be refunded
 2. Time delay and other issues

Continue



After paying taxes, buyer should pay attentions to:

- Use prepaid fees as taxes
- Pay the third payment to guarantee account
- If you need mortgage, you need to obtain the “Declaration of Mortgage Settlement”
- Buyer must open a promissory note which is contained 1) payable to seller 2) the same amount with mortgage
- Should confirm the house condition before the mortgage is approved or property hand over. If there is different with the specification, should await seller to finish and proceed to next stage.



After paying taxes, seller should pay attentions to:

- Use guarantee account to pay taxes. If the payment is insufficient, have to use own money to pay
- If there is not a empty house, should ready and tidy to handover.

Continue



Property handover, buyer should pay attention to:

- Received certificate
- Calculation housing tax, land taxes, electricity, water, gas, management fees
- Handling the land taxes (require residence permit, address)



Property handover, seller should pay attention to:

- Confirm the balance price and prompt the individual's remittance account
- Household should be moved out before property handover
- Should declare after finished all right transformation within 30 days