



JURISDICTIONAL PROFILE: **Chinese Taipei**

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This Profile provides information about the application of IFRS® Accounting Standards (Standards) in Chinese Taipei. The Standards are developed and issued in the public interest by the International Accounting Standards Board (IASB). The IASB is the standard-setting body of the IFRS Foundation (Foundation), an independent, private sector, not-for-profit organisation.

The Foundation has prepared this Profile based on information from various sources. The starting point was the answers provided by standard-setting and other bodies in response to surveys the Foundation conducted on the application of the Standards around the world. The Foundation drafted the profile and invited the respondents to the survey. The Foundation also invited others (including regulators and international audit firms) to review the drafts. Their comments are reflected in this Profile.

The purpose of the Foundation's Jurisdictional Profiles is to illustrate only the extent of implementation of the Standards across the globe. The Profiles do not reflect the intellectual property licensing status of the Standards within any given jurisdiction. The Standards are protected by copyright and are subject to licensing arrangements agreed upon within their jurisdiction. For further information, please contact [permissions@ifrs.org](mailto:permissions@ifrs.org).

Profile last updated: 16 August 2024

**RELEVANT JURISDICTIONAL AUTHORITY**

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| Organisation             | Accounting Research and Development Foundation (ARDF).   |
| Role of the organisation | The ARDF is the standard-setter for accounting, auditing and valuation in Chinese Taipei. All IFRS Accounting Standards and related IFRIC® Interpretations (Interpretations) are translated into traditional Chinese by the ARDF and reviewed by its Taiwan Financial Reporting Committee, then endorsed by the Financial Supervisory Commission (FSC), a government agency. |
| Website                  | <a href="http://www.ardf.org.tw">www.ardf.org.tw</a>   |
| Email contact            | <a href="mailto:margaret@ardf.org.tw">margaret@ardf.org.tw</a>   |

## COMMITMENT TO GLOBAL FINANCIAL REPORTING STANDARDS

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| Has the jurisdiction made a public commitment in support of moving towards a single set of high quality global accounting standards?   | Yes.   |
| Has the jurisdiction made a public commitment towards IFRS Accounting Standards as that single set of high quality global accounting standards?  | Yes.   |
| What is the jurisdiction's status of adoption?   | Chinese Taipei has adopted IFRS Accounting Standards for all or some companies.  |
| Additional comments provided on the adoption status?   | <p>Chinese Taipei has adopted an endorsement approach since 2017 so that newly issued IFRS Accounting Standards will be endorsed by the FSC on a Standard-by-Standard basis. They will then be applicable to the preparation of financial statements for all public companies.</p> <p>Please see the FSC website: I.Roadmap toward IFRSs Adoption in Taiwan-Securities and Futures Bureau, Financial Supervisory Commission, R.O.C. (sfb.gov.tw)</p> |
| If the jurisdiction has NOT made a public statement supporting the move towards a single set of accounting standards and/or towards IFRS Accounting Standards as that set of standards, explain the jurisdiction's general position towards the adoption of IFRS Accounting Standards in the jurisdiction. | Not applicable.  |

## EXTENT OF IFRS APPLICATION

*For DOMESTIC companies whose debt or equity securities trade in a public market in the jurisdiction:*

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| Are all or some domestic companies whose securities trade in a public market either required or permitted to use IFRS Accounting Standards in their consolidated financial statements? | Yes.   |
| If YES, are IFRS Accounting Standards REQUIRED or PERMITTED?   | Domestic companies have a choice of using: (a) IFRS Accounting Standards as endorsed by the FSC; or (b) with the approval of the FSC, IFRS Accounting Standards as issued by the IASB. |
| Does that apply to ALL domestic companies whose securities trade in a public market, or only SOME? If some, which ones?  | All.   |
| Are IFRS Accounting Standards also required or permitted for more than the consolidated financial statements of companies whose securities trade in a public market?                   | Yes.   |

For instance, are IFRS Accounting Standards required or permitted in separate company financial statements of companies whose securities trade in a public market?

All IFRS Accounting Standards as endorsed by the FSC, including IAS 27. However, IAS 27 is not adopted by domestic companies when preparing their separate financial statements.

For instance, are IFRS Accounting Standards required or permitted for companies whose securities do not trade in a public market?

Non-public companies in Chinese Taipei are subject to the administration of the Ministry of Economic Affairs. The Ministry of Economic Affairs has announced that non-public companies in Chinese Taipei can choose to apply either IFRS Accounting Standards as endorsed by the FSC, or the local accounting standards developed by the ADRF.

If the jurisdiction currently does NOT require or permit the use of IFRS Accounting Standards for domestic companies whose securities trade in a public market, are there any plans to permit or require IFRS Accounting Standards for such companies in the future?

Not applicable.

*For FOREIGN companies whose debt or equity securities trade in a public market in the jurisdiction:*

Are all or some foreign companies whose securities trade in a public market either REQUIRED or PERMITTED to use IFRS Accounting Standards in their consolidated financial statements?

Yes.

If YES, are IFRS Accounting Standards REQUIRED or PERMITTED in such cases?

Permitted. Currently, foreign companies whose securities trade in a public market may prepare their financial statements under IFRS Accounting Standards as endorsed by the FSC, IFRS Accounting Standards or US GAAP. However, a reconciliation from IFRS Accounting Standards, or from US GAAP to IFRS Accounting Standards as endorsed by the FSC, is required to assist users of financial statements in performing comparisons and analyses.

Does that apply to ALL foreign companies whose securities trade in a public market, or only SOME? If some, which ones?

All.

## IFRS ENDORSEMENT

Which IFRS Accounting Standards are required or permitted for domestic companies?

IFRS Accounting Standards as endorsed by the FSC. (Or, with the approval of the FSC, IFRS Accounting Standards as issued by the IASB.)

IFRS Accounting Standards as endorsed by the FSC differ from IFRS Accounting Standards as issued by the IASB because some options have been eliminated and the mandatory effective date of IFRS 17 has been deferred beyond the effective date adopted by the IASB.

The auditor's report and/or the basis of presentation footnote states that financial statements have been prepared in conformity with:

For those entities that use IFRS Accounting Standards as endorsed by the FSC, the auditor's report will refer to IFRS Accounting Standards as endorsed by the FSC. For those entities that use IFRS Accounting Standards as issued by the IASB, the auditor's report will refer to IFRS Accounting Standards.

Does the auditor's report and/or the basis of preparation footnote allow for 'dual reporting' (conformity with both IFRS Accounting Standards and the jurisdiction's GAAP)?

No.

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| Are IFRS Accounting Standards incorporated into law or regulations?  | Yes.  |
| If yes, how does that process work?  | According to paragraph 2 of article 3 of the Regulations Governing the Preparation of Financial Reports by Securities Issuers, the GAAP described in the regulations means IFRS Standards, IAS Standards, IFRIC Interpretations, and Standing Interpretations Committee Interpretations (SIC <sup>®</sup> Interpretations) as endorsed by the FSC.  |
| If no, how do IFRS Accounting Standards become a requirement in the jurisdiction?  | Not applicable.   |
| Does the jurisdiction have a formal process for the 'endorsement' or 'adoption' of new or amended IFRS Accounting Standards (including Interpretations) in place?    | Yes.  |
| If yes, what is the process?   | All IFRS Accounting Standards as issued by the IASB, including Interpretations, are translated into traditional Chinese by the ARDF and reviewed by its Taiwan Financial Reporting Committee. Those translations are then assessed and endorsed by the FSC.   |
| If no, how do new or amended IFRS Accounting Standards become a requirement in the jurisdiction?   | Not applicable.   |
| Has the jurisdiction eliminated any accounting policy options permitted by IFRS Accounting Standards and/or made any modifications to any IFRS Accounting Standards? | Yes, some options have been eliminated and the mandatory effective date of IFRS 17 has been deferred beyond the effective date adopted by the IASB.   |
| If yes, what are the changes?  | The options to revalue property, plant and equipment (IAS 16 <i>Property, Plant and Equipment</i> ), intangible assets (IAS 38 <i>Intangible Assets</i> ) and exploration and evaluation assets (IFRS 6 <i>Exploration for and Evaluation of Mineral Resources</i> ) through other comprehensive income have been eliminated.<br><br>Further, some conditions are imposed on using the deemed cost exemption described in IFRS 1 <i>First-time Adoption of International Financial Reporting Standards</i> .<br><br>The effective date of IFRS 17 was deferred to 1 January 2026. |
| Other comments regarding the use of IFRS Accounting Standards in the jurisdiction?   | None.   |

## TRANSLATION OF IFRS ACCOUNTING STANDARDS

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| Are IFRS Accounting Standards translated into the local language?   | Yes, IFRS Accounting Standards are translated into traditional Chinese, the local language in Chinese Taipei.   |
| If they are translated, what is the translation process? In particular, does this process ensure an ongoing translation of the latest updates to IFRS Accounting Standards? | The translation of IFRS Accounting Standards into traditional Chinese is done by the ARDF and reviewed by its Taiwan Financial Reporting Committee (TFRC), which is constituted by IFRS Accounting Standards experts in Chinese Taipei. The TFRC operates under procedures agreed with the IFRS Foundation. The chairman of the TFRC serves as coordinator of the translation project. The TFRC is responsible for the translation of the complete set of IFRS Accounting Standards into traditional Chinese. |

The TFRC translated the key terms in IFRS Accounting Standards. Then a translation of the text of the IFRS Accounting Standards as a whole was prepared by the technical staff of the ARDF. To ensure consistency, that translation was done in accordance with the predetermined translation of the key terms.

The TFRC reviewed the ARDF staff's draft translations and proposed revisions. A revised draft of each IFRS Accounting Standard was then prepared and reviewed by the TFRC. Following those reviews, the TFRC agreed on a final translation that was released for public consultation.

When a new or amended IFRS Accounting Standard is issued by the IASB, the translators from the technical staff of the ARDF prepare an initial draft of the traditional Chinese translation that goes through a process similar to the one described above.

Translations are completed before the effective dates of the new or amended IFRS Accounting Standard.

The translations, after they have been endorsed by the FSC, will be published on the Securities and Futures Bureau website.

## APPLICATION OF THE IFRS FOR SMEs ACCOUNTING STANDARD

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| Has the jurisdiction adopted the <i>IFRS for SMEs</i> Accounting Standard for at least some SMEs?                                      | No.  |
| If no, is the adoption of the <i>IFRS for SMEs</i> Accounting Standard under consideration?  | No.  |
| Did the jurisdiction make any modifications to the <i>IFRS for SMEs</i> Accounting Standard?   | Not applicable.  |
| If the jurisdiction has made any modifications, what are those modifications?  | Not applicable.  |
| Which SMEs use the <i>IFRS for SMEs</i> Accounting Standard in the jurisdiction, and are they required or permitted to do so?          | Not applicable.  |
| For those SMEs that are not required to use the <i>IFRS for SMEs</i> Accounting Standard, what other accounting framework do they use? | Non-public companies in Chinese Taipei are subject to the administration of the Ministry of Economic Affairs. The Ministry of Economic Affairs has announced that non-public companies in Chinese Taipei can choose to apply either IFRS Accounting Standards as endorsed by the FSC, or the local accounting standards developed by the ADRF. |
| Other comments regarding use of the <i>IFRS for SMEs</i> Accounting Standard?  | None.  |