

Ordinance for Enforcement of the Corporation Tax Act (Limited to the provisions related to foreign corporations)

(Ordinance of the Ministry of Finance No. 12 of March 31, 1965)

Part III Corporation Tax of Foreign Corporations

Chapter I Corporation Tax on Income for Each Business Year

(Scope of Shares Similar to Listed Shares of Real Estate-Related Corporations)

Article 60-3 Shares specified by Ordinance of the Ministry of Finance as being similar to shares or capital contributions listed on a financial instruments exchange prescribed in Article 187, paragraph (9), item (i) (Taxable Income of Foreign Corporations That Have No Permanent Establishments) of the Order shall be as follows:

- (i) Shares registered as issues registered for over-the-counter trading (meaning shares (including capital contributions; hereinafter the same shall apply in this Article) that an authorized financial instruments firms association prescribed in Article 2, paragraph (13) (Definitions) of the Financial Instruments and Exchange Act (referred to as an "authorized financial instruments firms association" in the following item) has registered, in accordance with the rules it has defined, as shares whose sales prices for over-the-counter trading shall be made public and for which materials concerning the issuing corporation thereof shall be open to the public)
- (ii) Shares of over-the-counter managed issues (meaning shares which have been delisted from a financial instruments exchange prescribed in Article 2, paragraph (16) of the Financial Instruments and Exchange Act or whose registration as issues registered for over-the-counter trading prescribed in the preceding item has been canceled, and which have been designated by an authorized financial instruments firms association in accordance with the rules it has defined)
- (iii) Shares traded on a foreign financial instruments market prescribed in Article 2, paragraph (8), item (iii), (b) of the Financial Instruments and Exchange Act

(Matters to Be Entered in Documents to Be Submitted Upon Receipt of the Parent Corporation's Domestically-Managed Shares)

Article 60-4 (1) Matters specified by Ordinance of the Ministry of Finance prescribed in Article 188, paragraph (5) (Calculation of the Amount of a Foreign Corporation's Income Categorized as Income from Domestic Sources) of

the Order shall be the following matters regarding the parent corporation's domestically-managed shares (meaning the parent corporation's domestically-managed shares as prescribed in paragraph (7) of said Article; hereinafter the same shall apply in this Article) that the foreign corporation has received:

- (i) The name of the foreign corporation that has received the delivery of the shares, its place for tax payment, the name of its representative, and the name of the person responsible for the operation or management of its business in Japan or its assets in Japan
 - (ii) Whether it was a merger, split-off-type company split, or share exchange that caused the delivery
 - (iii) The day on which the foreign corporation received the delivery of the shares
 - (iv) The name of the issue of the parent corporation's domestically-managed shares that the foreign corporation has received, and the number thereof (for capital contributions, the amount thereof; hereinafter the same shall apply in this Article)
 - (v) The name of the issue of the parent corporation's domestically-managed shares that the foreign corporation holds as of the end of the business year containing the day on which it received the delivery of the shares, and the number thereof
 - (vi) Other matters for reference
- (2) Matters specified by Ordinance of the Ministry of Finance prescribed in Article 188, paragraph (6) of the Order shall be the following matters regarding the parent corporation's domestically-managed shares whose number has increased or decreased:
- (i) The name of the foreign corporation that held the parent corporation's domestically-managed shares whose number has increased or decreased, its place for tax payment, the name of its representative, and the name of a person responsible for the operation or management of its business in Japan or its assets in Japan
 - (ii) The name of the issue of the parent corporation's domestically-managed shares whose number has increased or decreased and the number thereof, the date of the increase or decrease, and the fact that caused the increase or decrease
 - (iii) The name of the issue of the parent corporation's domestically-managed shares that the foreign corporation holds as of the end of the business year containing the date of the increase or decrease, and the number thereof
 - (iv) Other matters for reference
- (Filing of Returns, Payment, and Refunds for Corporation Tax on Income for Each Business Year)

Article 61 (1) With regard to matters concerning the application of the provisions of Part II, Chapter I, Section 3 (Filing of Returns, Payment, and Refunds of Corporation Tax on a Domestic Corporation's Income for Each Business Year) of the Act that are applied mutatis mutandis pursuant to Article 145, paragraph (1) (Mutatis Mutandis Application to Foreign Corporations) of the Act, the provisions of Chapter I, Section 3 of the preceding Part (Filing of Returns, Payment, and Refunds of Corporation Tax on a Domestic Corporation's Income for Each Business Year) shall apply mutatis mutandis. In this case, the term "The name of its representative" in Article 31, paragraph (1), item (ii) (Matters to Be Entered in an Interim Return Form), Article 32, paragraph (1), item (ii) (Matters to Be Entered in an Interim Return Form in the Case of the Provisional Settlement of Accounts), Article 34, paragraph (1), item (ii) (Matters to Be Entered in Final Return Form), Article 36, item (ii) (Matters to Be Entered in an Application Form for Extending the Due Date for Filing a Final Return Form), Article 36-2, item (ii) (Matters to Be Entered in an Application Form for Special Provisions for Extending the Due Date for Filing a Final Return Form), Article 36-3, item (ii) (Matters to Be Entered in a Written Notice for Canceling Special Provisions for Extending the Due Date for Filing a Final Return Form), and Article 36-4, item (ii) (Matters to Be Entered in Claim Form for a Refund by Carrying Back Losses) shall be deemed to be replaced with "The name of its representative and the name of the person responsible for the operation or management of its business in Japan or its assets in Japan"; and the term "statement classified by items of accounts" in Article 33, item (ii) (Documents to Be Attached to Interim Return Form in the Case of Provisional Settlement of Accounts) and Article 35, item (iii) (Documents to Be Attached to a Final Return Form) shall be deemed to be replaced with "statement classified by items of accounts (limited to the part concerning the calculation of the amount of income categorized as income from domestic sources prescribed in Article 142 (Calculation of the Amount of Income Categorized as Income from Domestic Sources) of the Act)."

(2) An interim return form or final return form that a foreign corporation files, which states matters listed in the items of Article 72, paragraph (1) (Matters to Be Entered in Interim Return Form in the Case of Provisional Settlement of Accounts, etc.) of the Act as applied mutatis mutandis pursuant to Article 145, paragraph (1) of the Act, shall be attached with the following documents (in the case where the following documents are created as an electromagnetic record (meaning a record made by an electronic method, a magnetic method, or any other method not recognizable to human senses, which is used for information processing by computer; hereinafter the same shall apply in this paragraph) or where an electromagnetic record containing information to be entered in the following documents has been created in lieu of creation of such documents,

documents stating the details of the information contained in the electromagnetic record), in addition to documents prescribed in Article 72, paragraph (2) or Article 74, paragraph (2) (Documents to Be Attached to Final Return Form) of the Act as applied mutatis mutandis pursuant to Article 145, paragraph (1) of the Act and in Article 33 or Article 35 as applied mutatis mutandis pursuant to the preceding paragraph; provided, however, that in the case where a foreign corporation files an interim return form under Article 72, paragraph (1) of the Act as applied mutatis mutandis pursuant to Article 145, paragraph (1) of the Act, documents listed in item (ii) are not required to be attached:

- (i) The balance sheet and profit and loss statement for the business year concerning the foreign corporation's business in Japan or assets in Japan, and a statement classified by items of accounts pertaining to these documents
- (ii) Documents concerning the outline of the foreign corporation's business in Japan
- (iii) In the case where the amount of revenue and expenses, or the amount of loss related to the foreign corporation's business conducted both in and outside Japan is allocated as the amount to be included in gross profits and the amount of deductible expenses in the calculation of the amount of income categorized as income from domestic sources prescribed in Article 142 of the Act for said business year, the statement showing said amount of revenue and expenses, or the amount of loss, the basis of the calculation concerning the allocation thereof, and other matters for reference

Chapter II Corporation Tax on Retirement Pension Funds

(Matters to Be Entered in Interim Return Forms and Final Return Forms Pertaining to Retirement Pension Funds)

Article 61-2 The provisions of Article 40 (Matters to Be Entered in Interim Return Forms for Retirement Pension Funds) and Article 41 (Matters to Be Entered in Final Return Forms for Retirement Pension Funds) shall apply mutatis mutandis to the case of applying the provisions of Part II, Chapter II, Section 3 (Filing of Returns and Payment of a Domestic Corporation's Corporation Tax on Retirement Pension Funds) of the Act as applied mutatis mutandis pursuant to Article 145-5 (Filing of Returns and Payment) of the Act. In this case, the term "The name of its representative" in Article 40, paragraph (1), item (ii) and Article 41, paragraph (1), item (ii) shall be deemed to be replaced with "The name of its representative and the name of the person responsible for the operation or management of its business in Japan or its assets in Japan."

Chapter III Blue Returns

(Blue Returns)

Article 62 With regard to matters concerning the application of the provisions of Part II, Chapter IV (Blue Returns for Domestic Corporations) of the Act as applied mutatis mutandis pursuant to Article 146, paragraph (1) (Mutatis Mutandis Application to Foreign Corporations) of the Act, the provisions of Chapter IV of the preceding Part (Blue Returns for Domestic Corporations) shall apply mutatis mutandis. In this case, the terms listed in the middle column of the following table in the provisions listed in the left-hand column of said table shall be deemed to be replaced with the terms listed in the right-hand column of said table, respectively.

Article 52, item (ii) (Matters to Be Entered in an Application Form for Approval for Filing a Blue Return)	The name of its representative	The name of its representative and the name of the person responsible for the operation or management of its business in Japan or its assets in Japan
Article 52, item (vi)	the day on which an ordinary corporation or cooperative, etc., which is a domestic corporation, was established	the day on which an ordinary corporation that falls within the categories of foreign corporations listed in Article 141, items (i) to (iii) (Tax Base of Corporation Tax in the Case of Foreign Corporations) of the Act came to fall under any of the categories of foreign corporations listed in these items, the day on which an ordinary corporation which falls under the category of foreign corporation listed in Article 141, item (iv) commenced a business prescribed in Article 138, item (ii) (Consideration for Business of Providing Personal Services) of the Act in Japan, or the day on which such ordinary corporation earned income from domestic sources listed in Article 141, item (iv) of the Act other than the consideration listed in Article 138, item (ii) of the Act,

	commenced a for-profit business	earned income from domestic sources listed in the items of Article 141 of the Act for the category of foreign corporation listed in the relevant item, which has arisen from a for-profit business
Article 53 (Settlement of Corporations Filing Blue Returns)	its assets	its assets related to income categorized as income from domestic sources prescribed in Article 142 (Calculation of the Amount of Income Categorized as Income from Domestic Sources) of the Act (hereinafter referred to as "income categorized as income from domestic sources" in this Chapter)
Article 54 (Books Concerning Transactions and Matters to Be Entered)	all transactions	all transactions affecting income categorized as income from domestic sources
Article 57 (Balance Sheet and Profit and Loss Statements)	a balance sheet and a profit and loss statement	a balance sheet and a profit and loss statement for its business in Japan or its assets in Japan (for a corporation filing a blue return that conducts a business both in and outside Japan, said balance sheet and profit and loss statement and a balance sheet and a profit and loss statement for the entirety of said business)
Article 59, paragraph (1) (Arrangement and Preservation of Books and Documents)	(for documents listed in item (iii), at said place for tax payment or the location of its office, place of business, or other equivalent places within the jurisdiction where Acts pertaining to transactions set forth in said item are effective)	(for documents listed in item (iii), which should reasonably be preserved at the location of its office, place of business, or other equivalent place (hereinafter referred to as its "office, etc." in this paragraph) for transactions set forth in said item, in light of the content and actual conditions of the business that the corporation filing a blue return conducts, at said location of its office, etc. for the transactions). In this case, with regard to books and documents listed in item (i) or item (ii) that are deemed to be difficult to preserve at its place for tax payment with due grounds, by preserving copies thereof at its place for tax payment, the corporation shall be deemed to preserve said books and documents at its place for tax payment.

Article 59, paragraph (1), item (i)	assets	assets related to income categorized as income from domestic sources
Article 59, paragraph (1), item (ii)	balance sheet, and profit and loss statement	balance sheet and profit and loss statements for its business in Japan or its assets in Japan (for a corporation filing a blue return that conducts a business both in and outside Japan, said balance sheet and profit and loss statement and a balance sheet and a profit and loss statement for the entirety of said business)
	other documents prepared for the settlement	any other documents prepared for the settlement that affect income categorized as income from domestic sources
Article 59, paragraph (1), item (iii)	transactions	all transactions affecting income categorized as income from domestic sources
Article 60, item (ii) (Matters to Be Entered in a Written Notice for Cancellation of a Blue Return)	The name of its representative	The name of its representative and the name of the person responsible for the operation or management of its business in Japan or its assets in Japan