

Ordinance for Enforcement of the Income Tax Act (Limited to the provisions related to nonresidents and foreign corporations)

(Ordinance of the Ministry of Finance No. 11 of March 31, 1965)

Part III Tax Liabilities of Nonresidents and Corporations Chapter I Tax Liabilities of Nonresidents

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

Article 66-2 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 291, paragraph (9), item (i) (Taxable Income of Nonresidents Who 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 and units of investment prescribed in Article 2, paragraph (14) (Definitions) of the Act on Investment Trusts and Investment Corporations; 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

(Filing of Returns, Payment, and Refunds)

Article 67 With regard to matters concerning the application of the provisions of Part II, Chapter V (Filing of Returns, Payment, and Refunds for Residents) of

the Act that are applied mutatis mutandis pursuant to Article 166 (Mutatis Mutandis Application to Nonresidents) of the Act, and the provisions of Part II, Chapter V (Filing of Returns, Payment, and Refunds for Residents) of the Order that are applied mutatis mutandis pursuant to Article 293 (Mutatis Mutandis Application to Nonresidents) of the Order, the provisions of Chapter III of the preceding Part (Filing of Returns, Payment, and Refunds for Residents) shall apply mutatis mutandis. In this case, the term "commenced operations" in Article 55, item (iv) (Matters to Be Entered in an Application Form for Approval for Filing a Blue Return) shall be deemed to be replaced with "commenced operations in Japan"; the term "a balance sheet and profit and loss statement" in Article 57, paragraph (1) (Record, etc. of Transactions for Filing a Blue Return) shall be deemed to be replaced with "a balance sheet and profit and loss statement (with regard to a taxpayer filing a blue return who is engaged in operations prescribed in Article 143 (Blue Return) both in and outside Japan, a balance sheet and profit and loss statement for his/her operations in Japan, in addition to a balance sheet and profit and loss statement for the entirety of his/her operations; hereinafter the same shall apply in this Section)"; and the term "commenced operations" in Article 60, paragraph (2) (Settlement) shall be deemed to be replaced with "commenced operations in Japan."

(Documents to Be Attached to Final Return Forms Filed by Nonresidents)
Article 68 The detailed statement specified by Ordinance of the Ministry of Finance prescribed in Article 120, paragraph (3), item (iii) (Documents to Be Attached to Final Return Forms) of the Act applied mutatis mutandis by replacing the terms pursuant to Article 166 (Mutatis Mutandis Application to Nonresidents) of the Act shall be a detailed statement, in which, in the case where the amount of revenue and expenses, or the amount of loss related to a business conducted both in and outside Japan by a nonresident prescribed in said item is allocated as the amount to be included in the amount of gross revenue and the amount of necessary expenses, in the calculation of the amount of real estate income, business income, timber income or miscellaneous income related to income from domestic sources prescribed in Article 165 (Calculation of Tax Base, Tax Amount, etc. of Income Tax in the Case of Comprehensive Taxation) of the Act for the year related to a return form prescribed in said paragraph, said amount of revenue and expenses, or the amount of loss, the basis of the calculation concerning the allocation, and any other matters for reference are entered.

(Matters to Be Entered in Return Forms Filed Where There Was No Withholding at the Source of Wages, etc.)

Article 69 Matters specified by Ordinance of the Ministry of Finance prescribed in Article 172, paragraph (1), item (iv) (Tax Payment by Self-Assessment Where There Was No Withholding at the Source of Wages, etc.) of the Act shall be as follows:

- (i) The name of a person who files a return form set forth in Article 172, paragraph (1) of the Act and his/her domicile or residence in Japan
- (ii) The name of a defrayer of wages or remuneration prescribed in Article 172, paragraph (1), item (i) of the Act (limited to wages or remuneration that is not subject to the provisions of Part IV, Chapter V (Withholding at the Source of Income of Nonresidents or Corporations) of the Act or Article 42, paragraph (1) (Special Provisions for Withholding at the Source of Remuneration, etc. for the Provision of the Services of Entertainers, etc. Paid by Tax-Exempt Entertainment Corporations, etc.) of the Act on Special Measures Concerning Taxation) and his/her domicile or residence or the location of the head office or principal office
- (iii) The day on which the person came to have domicile in Japan
- (iv) Any other matters for reference

(Matters to Be Entered in Return Forms for a Refund Due to Taxation on Retirement Income at the Taxpayer's Election)

Article 70 Matters specified by Ordinance of the Ministry of Finance prescribed in Article 173, paragraph (1), item (iv) (Refund Due to Taxation on Retirement Income at the Taxpayer's Election) of the Act shall be as follows:

- (i) The name of the person filing the return form set forth in Article 173, paragraph (1) of the Act and his/her domicile, and in the case where he/she has residence in Japan, said residence
- (ii) The basis of the calculation of the amount, out of the total amount of retirement allowance, etc. listed in Article 173, paragraph (1), item (i) of the Act, that falls under the portion set forth in Article 161, item (viii), (c) (Retirement Allowance, etc. Arising from Work Carried Out in the Capacity of a Resident) of the Act
- (iii) The name and location of a bank or a post office prescribed in Article 2, paragraph (2) (Definitions) of the Act on Japan Post Network Co., Ltd. (Act No. 100 of 2005) (limited to a post office that carries out bank agent services prescribed in Article 2, paragraph (14) (Definitions, etc.) of the Banking Act (Act No. 59 of 1981) as a business office of the Japan Post Network Co., Ltd., which holds post savings banks prescribed in Article 94 (Definitions) of the Postal Service Privatization Act (Act No. 97 of 2005) as member banks prescribed in Article 2, paragraph (16) of the Banking Act and conducts said bank agent services) that intends to receive the refund pursuant to the provisions of Article 173, paragraph (2) of the Act

(iv) Any other matters for reference

(Documents to Be Attached to Return Forms for a Refund Due to Taxation on Retirement Income at the Taxpayer's Election)

Article 71 (1) Matters specified by Ordinance of the Ministry of Finance prescribed in Article 297, paragraph (1) (Refund Due to Taxation on Retirement Income at the Taxpayer's Election) of the Order shall be the breakdown by defrayer of the amount of retirement allowance, etc. prescribed in Article 171 (Taxation on Retirement Income at the Taxpayer's Election) of the Act to be received within the year, for which income tax has been collected pursuant to the provisions of Article 212, paragraph (1) (Withholding Liability) of the Act, the day and place of the payment, the amount of the collected income tax, the name of defrayers, and their domicile or residence or the location of the head office or principal office.

(2) In the case where a copy of a record set forth in Article 225, paragraph (1), item (viii) (Report of Payment) of the Act concerning payment prescribed in said paragraph is attached to a return form prescribed in Article 173, paragraph (1) (Refund Due to Taxation on Retirement Income at the Taxpayer's Election) of the Act, the matters already entered in said copy of the record, out of the matters prescribed in the preceding paragraph, shall not be required to be entered in a detailed statement set forth in Article 297, paragraph (1) of the Order.

Chapter II Tax Liabilities of Corporations

Section 2 Tax Liabilities of Foreign Corporations

(Method of Public Notice, etc. for Special Provisions for Taxation on Income from Domestic Sources Received by Foreign Corporations That Have Permanent Establishments in Japan)

Article 72-5 (1) Public notice pursuant to the provisions of Article 180, paragraph (5) (Special Provisions for Taxation on Income from Domestic Sources Received by Foreign Corporations That Have Permanent Establishments in Japan) of the Act shall be given by publishing matters listed in the items of the following paragraph in the Official Gazette.

(2) Matters specified by Ordinance of the Ministry of Finance prescribed in Article 180, paragraph (5) of the Act shall be as follows:

- (i) The name of the person who has made the notification or who has received the notice prescribed in Article 180, paragraph (5) of the Act
- (ii) The name and location of an office, etc. of the person prescribed in the preceding item that is located in the place for tax payment prescribed in Article 305, paragraph (1), item (ii) (Procedures, etc. for Foreign

Corporations to Seek the Application of Special Provisions for Taxation) of the Order and the names of the representative and any other responsible persons thereof

(iii) The validity period set forth in Article 180, paragraph (6), item (i) of the Act

(Matters to Be Recorded with Regard to Trust Property under the Securities Investment Trust, etc. of a Foreign Trust Company)

Article 72-6 (1) Matters specified by Ordinance of the Ministry of Finance prescribed in Article 180-2, paragraph (1) (Special Provisions for Taxation on Interest, etc. on Trust Property) of the Act shall be as follows:

(i) The name of the foreign trust company prescribed in Article 180-2, paragraph (1) of the Act (referred to as the "foreign trust company" in item (i) of the following paragraph) and the location of the principal office located in Japan

(ii) The name and location of the business office with which a securities investment trust prescribed in Article 180-2, paragraph (1) of the Act has been entrusted, and the name of the settlor of the trust contract related to said securities investment trust

(iii) The date on which the statement was made pursuant to the provisions of Article 180-2, paragraph (1) of the Act

(2) Matters specified by Ordinance of the Ministry of Finance prescribed in Article 180-2, paragraph (2) of the Act shall be as follows:

(i) The name of the foreign trust company and the location of the principal office located in Japan

(ii) The name and location of the business office with which the retirement pension trust prescribed in Article 180-2, paragraph (2) of the Act has been entrusted, and the type of trust contract related to said retirement pension trust

(iii) The date on which the statement was made pursuant to the provisions of Article 180-2, paragraph (2) of the Act

Part IV Withholding at the Source

Chapter IV Withholding at the Source of Income of Nonresidents

(Method of Public Notice, etc. for Income from Domestic Sources Received by Nonresidents Who Are Exempted from Withholding at the Source)

Article 77-5 (1) Public notice pursuant to the provisions of Article 214, paragraph (5) (Income from Domestic Sources Received by Nonresidents Who Are Exempted from Withholding at the Source) of the Act shall be given by publishing matters listed in the items of the following paragraph in the Official

Gazette.

(2) Matters specified by Ordinance of the Ministry of Finance prescribed in Article 214, paragraph (5) of the Act shall be as follows:

- (i) The name of the person who has made the notification or who has received the notice prescribed in Article 214, paragraph (5) of the Act
- (ii) The name and location of the office, etc. of the person prescribed in the preceding item that is located in Japan and is prescribed in Article 331, paragraph (1), item (ii) (Procedures, etc. for Nonresidents to Be Exempted from Withholding at the Source) of the Order and the names of the representative and any other responsible persons thereof
- (iii) The validity period set forth in Article 214, paragraph (6), item (i) of the Act