



## TAX UPDATE

### OFFICIAL ANNOUNCEMENT FROM NATIONAL TAX AGENCY

#### 1. COVID-19 - Update of FAQs

The National Tax Agency updated or released the following four FAQs (Japanese only for the first three FAQs) relating to COVID-19 on 29 May 2020.

- FAQ about the tax treatments for the tax filing and tax payment procedures, etc. relating to COVID-19
  - (1) Some Q&As are updated to remind taxpayers that (a) the postmarked date on postal or correspondence items is treated as the filing date of the tax return and its payment due date, where tax returns are filed by mail or corresponding delivery, and that (b) the procedures required for the grace system are different from the procedures required for the individual extension.
  - (2) Two Q&As are added to introduce alternative procedures for the application of treaty protection on withholding taxes until the reduction of the impact of COVID-19, where a withholding obligator cannot submit an original application form for income tax convention or a tax residency certificate to the tax office by its filing due date due to the effect of COVID-19.
- FAQ about the procedures for extension of filing and payment due dates for corporation tax, local corporation tax, consumption tax and withholding income tax by individual application

The same update as (1) in the above 'FAQ about the tax treatments for the tax filing and tax payment procedures, etc. relating to COVID-19' is reflected in Q4 about the procedures required for the individual extension.

- FAQ about the procedures for extension of filing and payment due dates for inheritance tax by individual application

The same update as (1) in the above 'FAQ about the tax treatments for the tax filing and tax payment procedures, etc. relating to COVID-19' is reflected in Q4 about the procedures required for the individual extension.

- [FAQ about Grace System for National Tax Payment](#) (PDF 520.43KB)

This FAQ was released on the English page ['For taxpayers who face difficulty paying their national tax due to the influence of the novel coronavirus disease \(COVID-19\)'](#) on 15 May 2020.

Note that Q11 about the treatment of the certificate of national tax payment, where the special grace system is applied, and Q12 about the notification of the approval for the application of the special grace system were added to the Japanese FAQ on 29 May 2020 and have not been reflected into the above link of the English FAQ.

## **2. 2020 tax reform - Q&A about Japanese Group Relief System**

By virtue of the 2020 tax reform, the Consolidated Tax Return Filing System was revised fundamentally to the Japanese Group Relief System, which will be applicable for fiscal years beginning on or after 1 April 2022.

The National Tax Agency released a Q&A (Japanese only, consisting of 43 questions) about the tax treatments, etc. of the Japanese Group Relief System on 3 June 2020 under the reformed tax laws which came into force on 1 April 2020.

Note that the Q&A will be updated from time to time after the promulgation of the cabinet orders and ministerial ordinances, etc. relating to the Japanese Group Relief System.

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