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TAX UPDATE

JAPANESE GROUP RELIEF SYSTEM

1. Promulgation of Ministerial Ordinances (Local Tax)

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.

On 30 September 2020, the ministerial ordinances of local tax for the Japanese Group Relief System were promulgated in the official gazette No.203.

[Note]

<National tax>

The cabinet orders and the ministerial ordinances of national tax for the Japanese Group Relief System were promulgated on 26 June 2020 and 30 June 2020, respectively. (we set out the information about the cabinet orders in the e-Tax News No.201 '[Japanese Group Relief System - Cabinet Orders](#)' issued on 26 June 2020 and No.203 '[Japanese Group Relief System - Ministerial Ordinances](#)' issued on 30 June 2020.)

<Local tax>

The cabinet orders of local tax for the Japanese Group Relief System were promulgated on 4 September 2020. (we set out the information about the cabinet orders in the e-Tax News No.207 '[Japanese Group Relief System - Local Tax](#)' issued on 4 September 2020.)

2. National Tax Agency - Revision and Introduction of Application Forms, etc.

The National Tax Agency released the administrative guidance to revise the application forms, etc. for the Consolidated Tax Return Filing System on 29 September 2020. For example, the application form for approval of the Consolidated Tax Return Filing System is revised to be used as the application form for approval of the Japanese Group Relief System, where the first fiscal year for the approval begins on or after 1 April 2022.

A new notification form has also been introduced for the case where a company applying the Consolidated Tax Return Filing System does not wish to shift to the Japanese Group Relief System for fiscal years beginning on or after 1 April 2022.

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