



KPMG Japan e-Tax News

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TAX UPDATE

FINANCIAL SERVICES AGENCY — RELEASE OF CHECK SHEETS AND CALCULATION SHEETS RELATED TO CARRIED INTEREST

As set out in the e-tax News No.229 '[Tax Treatment of Carried Interest](#)' issued on 26 April 2021, the Financial Services Agency (FSA) launched an English webpage '[Tax Treatments of Carried Interest](#)' and released an English translation of the [Notice](#) (PDF 465.0KB) of the tax treatment of so-called Carried Interest partnership profit distributions received by individual fund managers in relation to a partnership agreement that stipulates the distribution of partnership profits in excess of their interest holding ratio from the partnership business managed by the fund managers as its partners.

On 11 May 2021, for convenience of fund managers, the FSA released the following sheets (Japanese only) that should be enclosed when fund managers receiving Carried Interest file their individual income tax returns:

- Check sheets to ensure that the conditions for Carried Interest (described in the [Notice](#) (PDF 465.0KB)) are satisfied
- Calculation sheets to describe the information about the fund manager, partnership and documents for profit distribution and the breakdown of income for Carried Interest (e.g. categories of income and amounts of gross revenue/cost)

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