

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)

The information contained herein is of a general nature and is not intended to address the circumstances of any particular individual or entity. Although we endeavor to provide accurate and timely information, there can be no guarantee that such information is accurate as of the date it is received or that it will continue to be accurate in the future. No one should act on such information without appropriate professional advice after a thorough examination of the particular situation.

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