



KPMG Japan e-Tax News

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TAX UPDATE

AMENDED JAPAN-SWITZERLAND TAX TREATY — ENACTED

On 1 November 2022, the Ministry of Finance of Japan announced that mutual notifications necessary for the entry into force of the 'Protocol Amending the Convention between Japan and Switzerland for the Avoidance of Double Taxation with respect to Taxes on Income' (Protocol) signed on 16 July 2021 were completed on 31 October 2022.

Accordingly, this Protocol will enter into force on 30 November 2022 (the thirtieth day after the date of completion of the mutual notifications), and in principle will be applicable as follows:

Japan	Taxes levied on the basis of a taxable year	Taxes for any taxable years beginning on or after 1 January 2023
	Taxes levied not on the basis of a taxable year	Taxes levied on or after 1 January 2023
Switzerland	Taxes withheld at source	Amounts paid or credited on or after 1 January 2023
	Other taxes	Taxable years beginning on or after 1 January 2023

Notwithstanding the above, the provision of Mutual Agreement Procedure (MAP) (paragraph 1 of Article 25) and the provisions concerning arbitration proceedings (paragraphs 5 through 12 of Article 25) as amended by the Protocol will be applicable as follows:

MAP	Effective from 30 November 2022, without regard to the date on which the taxes are levied or the taxable year to which the taxes relate.
Arbitration proceedings	Effective from 30 November 2022 with respect to: <ul style="list-style-type: none">Cases that are under consideration by the competent authorities of the Contracting States on 30 November 2022 (For such cases, no unresolved issues arising

	<p>therefrom will be submitted to arbitration earlier than 3 years after 30 November 2022.)</p> <ul style="list-style-type: none"> • Cases that come under consideration by the competent authorities of the Contracting States after 30 November 2022
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[Press release of the Ministry of Finance of Japan]

[Protocol Amending Tax Convention with Switzerland will Enter into Force](#)

This Protocol amends part of the current tax treaty, which entered into force in 1971 and was partly amended in 2011. Please see KPMG Japan Tax Newsletter '[Amended Japan-Switzerland Tax Treaty](#)' released on 2 August 2021, which sets out the main points of the Protocol.

Although the Governments of Japan and the Swiss Federal Council signed the 'Multilateral Convention to Implement Tax Treaty Related Measures to Prevent Base Erosion and Profit Shifting' (MLI), both governments did not choose the current tax treaty as a Covered Tax Agreement in the MLI. Accordingly, the MLI will not apply to either the current tax treaty or the Protocol, although some provisions of the Protocol are in line with the provisions of the MLI.

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