

# KPMG Japan e-Tax News

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## Tax Update

### NATIONAL TAX AGENCY — UPDATE OF Q&As RELATED TO JAPANESE INCOME INCLUSION RULE

The National Tax Agency (hereinafter 'NTA') released the Q&As<sup>(\*)</sup> (Japanese only) related to the Japanese Income Inclusion Rule (hereinafter 'J-IIR'), which is equivalent to the IIR of the Global Minimum Tax in Pillar 2 agreed by the OECD/G20 Inclusive Framework on BEPS and which was established in the 2023 tax reform and amended in the 2024 tax reform, from the perspective of clarifying the J-IIR.

On 28 January, the NTA released the third edition of the Q&As (Japanese only) related to the J-IIR.

The 'Q15(2)' of the second edition of the Q&As explained that the OECD would publish jurisdictions to which the QDMTT safe harbor is applicable on its website where the laws and regulations related to domestic minimum top-up tax of the jurisdictions satisfy the standards required for the QDMTT safe harbor (e.g. QDMTT Accounting Standard and Consistency Standard). It was also explained that this website information would be useful as one of the methods to confirm whether those laws and regulations of the jurisdictions satisfy the standards required for a QDMTT safe harbor or not.

The 'Q15(2)' of the third edition of the Q&As reflected the contents of the documentation released by the OECD on 15 January, namely the ['Tax Challenges Arising from the Digitalisation of the Economy — Administrative Guidance on the Global Anti-Base Erosion Model Rules \(Pillar Two\), Central Record of Legislation with Transitional Qualified Status'](#), which provides a list (as of 13 January) of the names and effective dates of qualified laws and regulations related to the IIR, QDMTT and QDMTT safe harbor of jurisdictions that satisfy certain requirements set out by the OECD/G20 Inclusive Framework on BEPS.

<sup>(\*)</sup> We set out information concerning the original Q&As in the e-Tax News No.297 ['Q&As on Japanese Income Inclusion Rule'](#) issued on 26 December 2023 and No. 317 ['Update of Q&As on J-IIR'](#) issued on 17 September 2024.

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Further update of the Q&As is expected in the future, since the establishment of the measures equivalent to the UTPR and the QDMTT and amendment of the J-IIR were proposed under the 2025 tax reform.<sup>(\*)</sup>

<sup>(\*)</sup> We set out the outline of the proposals in the Tax Newsletter [‘Outline of the 2025 Tax Reform Proposals’](#) (issued on 26 December 2024).

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