

# KPMG Japan e-Tax News



## TAX UPDATE

### **AUTOMATIC EXCHANGE OF INFORMATION BASED ON THE COMMON REPORTING STANDARD (CRS) – ENGLISH LEAFLETS**

The National Tax Agency of Japan (NTA) released the following two leaflets on Automatic Exchange of Information based on the Common Reporting Standard (CRS) on 16 September 2016:

- [Introduction of Reporting System for Automatic Exchange of Information on Financial Accounts of Non-Residents \(PDF 128KB\)](#)
- [Transactions with Financial Institutions Beginning January 1st, 2017 \(PDF 54KB\)](#)

These are English versions of the Japanese leaflets released on 29 July on the page of "Automatic Exchange of Information based on the Common Reporting Standard (CRS)" of the NTA's website. (Note that although a Japanese booklet consisting of 43 Q&As was also released on the page, the English translation of the booklet has not been released.)

### **Overview of Common Reporting Standard (CRS)**

- The Common Reporting Standard (CRS) is an international standard to automatically exchange information on financial accounts of non-residents, which the OECD developed in order to address tax evasion and avoidance through offshore financial accounts.
- Tax administrations of each jurisdiction obtain information on financial accounts of non-residents (both individual and entity) from financial institutions located in each jurisdiction, and based on the provision for exchange of information set forth in bilateral tax agreements, etc., it will be automatically exchanged between the tax administrations of each jurisdiction.
- As of today, more than 100 countries, including Japan, have committed to exchange of information with each other under the CRS starting in 2017 or 2018.

## Overview of the System in Japan

- From the perspective of implementation of the exchange of information based on the CRS, a system for financial institutions to report relevant information to the competent tax offices was adopted under the 2015 tax reform.
- The system will come into force on 1 January 2017, and the first report shall be submitted by the reporting financial institutions by 30 April 2018.

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