

KPMG Japan e-Tax News



TAX UPDATE

JAPAN-TAIWAN TAX AGREEMENT – ENACTED

Japan has maintained its relationship with Taiwan on the basis of non-governmental, working-level relations through the Interchange Association (Japanese side) and the Association of East Asian Relations (Taiwanese side) and these associations signed the 'Agreement between the Interchange Association and the Association of East Asian Relations for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with respect to Taxes on Income' (Tax Agreement) on 26 November 2015. (Please see [KPMG e-Tax News No. 102](#), released on 26 November 2015, for the main points of the Tax Agreement.)

On 15 June 2016, the Interchange Association announced that the Tax Agreement entered into force on 13 June 2016.

The Tax Agreement will become applicable as follows:

In the case of Japan:

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| Taxes levied on the basis of a taxable year | Taxes for any taxable years beginning on or after 1 January 2017 |
| Taxes not levied on the basis of a taxable year | Taxes levied on or after 1 January 2017 |
| Provision for exchange of information | Information that relates to taxes for taxable years beginning, or taxes levied, on or after 1 January 2017 |

In the case of Taiwan:

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| Taxes withheld at source | Income payable on or after 1 January 2017 |
| Taxes on income which are not withheld at source | Income for any taxable year beginning on or after 1 January 2017 |
| Provision for exchange of information | Information that relates to taxes for taxable years beginning, or taxes levied, on or after 1 January 2017 |

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