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Tax Update

National Tax Agency – Publication of Q&A on Consumption Tax Treatment for Cross-Border Electronic Commerce

By virtue of the 2026 tax reform, the consumption tax treatment for cross-border electronic commerce (hereinafter, 'e-commerce') transactions conducted on or after 1 April 2028 was amended (for an overview of the amendments, please refer to the KPMG Japan Tax Newsletter 'Outline of the 2026 Tax Reform Proposals' (PDF 614KB) released on 25 December 2025).

In response to the amendments, on 15 July 2026, the National Tax Agency ('NTA') released the following Q&A on its webpage 'Consumption Tax Treatment for Cross-Border E-Commerce' (Japanese only) which serves as a central source of information on the consumption tax implications of cross-border e-commerce transactions:

- **Q&A on Consumption Tax Treatment for Cross-Border E-Commerce**

This Q&A consists of a total of 62 questions and answers explaining the amendment of the consumption tax treatment related to the transfer of low-value imported goods, the registration system for specified low-value asset sellers, and platform taxation for transfer of assets. For example, the following points are clarified:

[Amendment of consumption tax treatment related to the transfer of low-value imported goods]

- For transfers of assets that are shipped from outside Japan to Japan by a business operator through mail order sales, where the consideration for each asset is JPY10,000 (excluding tax) or less (hereinafter the 'Transfer of Specified Low-Value Assets'), such transfers are deemed to be conducted in Japan and are subject to consumption tax. Where products are sold in foreign currency, whether the consideration is JPY10,000 or less is determined based on the amount converted into Japanese yen.
  As for the method of yen conversion, for example, it would be acceptable to convert the amount into Japanese yen using the exchange rate in effect at the time of sale (the date on which the order is confirmed). Nevertheless, as products subject to consumption tax are required to be displayed to customers on a tax-inclusive basis (i.e.,

including Japanese consumption tax), it is necessary to determine, by the time the price is displayed, whether the consideration is JPY10,000 or less after conversion into Japanese yen. Accordingly, where the product order screen displays the amount converted into Japanese yen for reference purposes, it is acceptable to use that amount to determine whether the consideration is JPY10,000 or less, provided that the exchange rate used for the conversion is reasonable and consistently applied.

[Registration System for Specified Low-Value Asset Sellers]

- The registration system for specified low-value asset sellers will be introduced on 1 April 2028. However, under the transitional measures prior to the commencement of the system, a registration application may be submitted from 1 October 2027, and registration may be obtained. The application form is scheduled to be released on the NTA webpage in or after April 2027.
- Where a specified low-value asset seller conducts the Transfer of Specified Low-Value Assets, it is required to notify the importer, etc. of its registration number, etc. by stating or recording such information on the purchase orders, etc. related to the shipment of those assets. For this purpose, the 'purchase orders, etc.' specifically refer to documents that state the item name, quantity and price of goods required to be submitted in the import declaration and that are prepared in the country of export of the goods (purchase order = import invoice), or other documents relating to the shipment of the Specified Low-Value Assets from which the registration number, etc. of the specified low-value asset seller can be confirmed.

[Platform Taxation for Transfer of Assets]

- Platform taxation for transfer of assets will be introduced on 1 April 2028. Under the transitional measures prior to the commencement of the system, platform operators are required to calculate the total amount of asset transfers subject to platform taxation during the period from 1 January 2027 to 31 March 2027 on the assumption that platform taxation applies from 1 January 2027. Where the amount obtained by multiplying that total by 4 exceeds JPY5 billion, the platform operator must submit a 'notification of designation as a type II platform operator' to the NTA by 30 June 2027. The forms for various notifications related to type II platform operators, including this notification of designation, are scheduled to be released on the NTA webpage in or after August 2026.
- A type II platform operator designated by the NTA is required to immediately notify the business operators, who conduct the transfers of assets subject to platform taxation, of the fact that platform taxation will be applied and the date of application, regardless of the form or way of notification. However, if such information is provided only on the website of the type II platform operator or in the terms and conditions for use of the digital platform provided by the type II

platform operator, it does not satisfy the requirement of a ‘notification’ to the business operator.

- As the transfers of assets subject to platform taxation are treated as having been provided by the type II platform operator, if the type II platform operator is a registered supplier under the Invoicing System, the type II platform operator is required to issue tax-qualified invoices upon request from the counterparty to the transfer of assets.

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