



Japan's Consumption Tax at 10%

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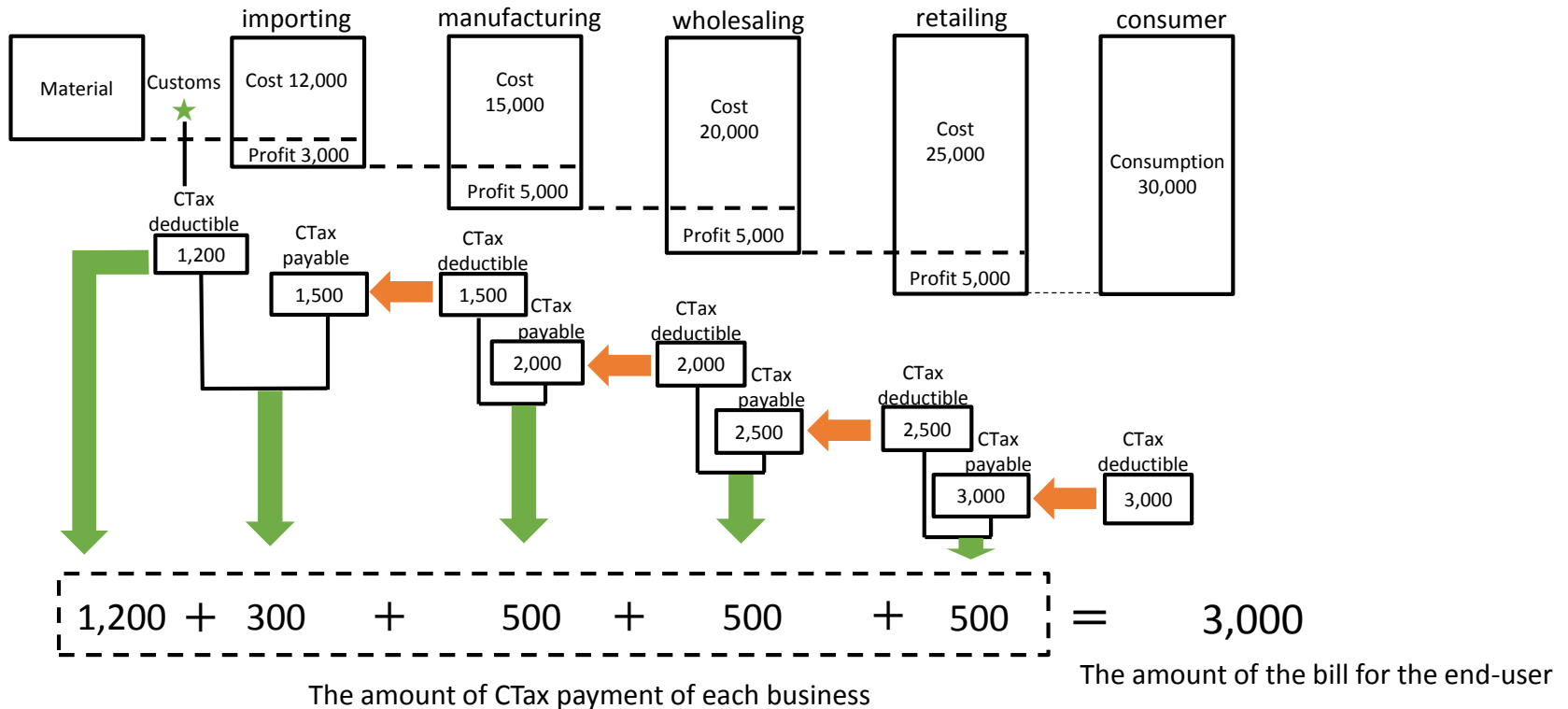
Japan's Consumption Tax at 10%

Impact on your business

Structure of C Tax

Multiple tax rates
10% or 8%

From October 1st 2019



Multiple Consumption Tax Rate

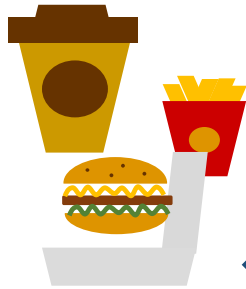
8%

REDUCED TAX RATE

FOODS AND DRINKS

NEWSPAPERS

Foods & Drinks



Take out

Newspaper

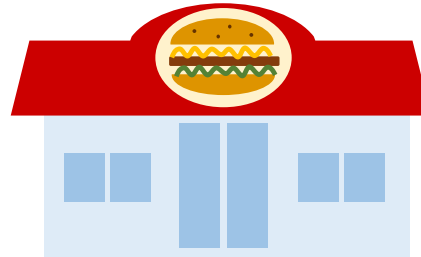
STANDARD TAX RATE

10%

RESTAURANT

ALCOHOL

OTHERS



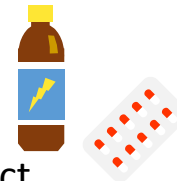
Restaurant



Beer

Wine

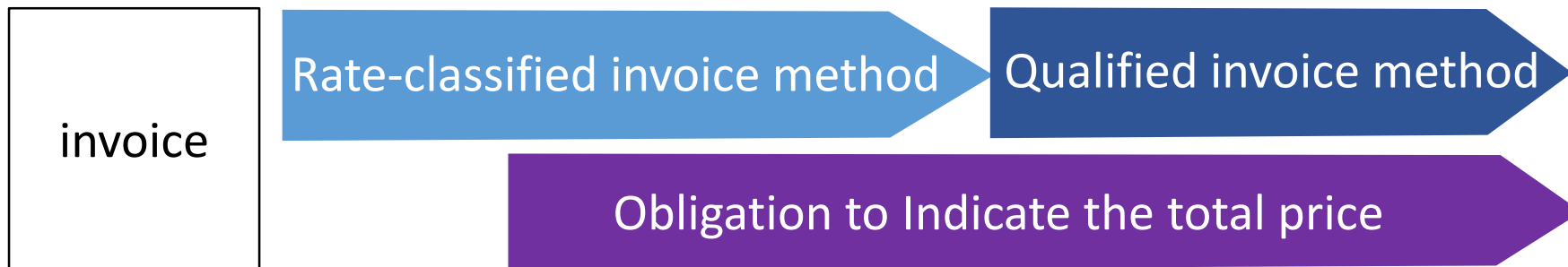
Pharmaceutical/
medicated product



Water

Timeline for qualified invoice system

The multiple consumption tax rate system started.



Taxable sales

1

- (i) the sales or lease of an asset or the supply of services in **Japan**
- (ii) when carried out as part of a **business**
- (iii) with compensation

2

Imported goods into Japan
Removing the imported goods from bounded warehouse.



Non-residents without a fixed place of business in Japan must appoint a tax representative to handle tax administration

The main non-taxable transaction : **Ctax does not apply to the following items**

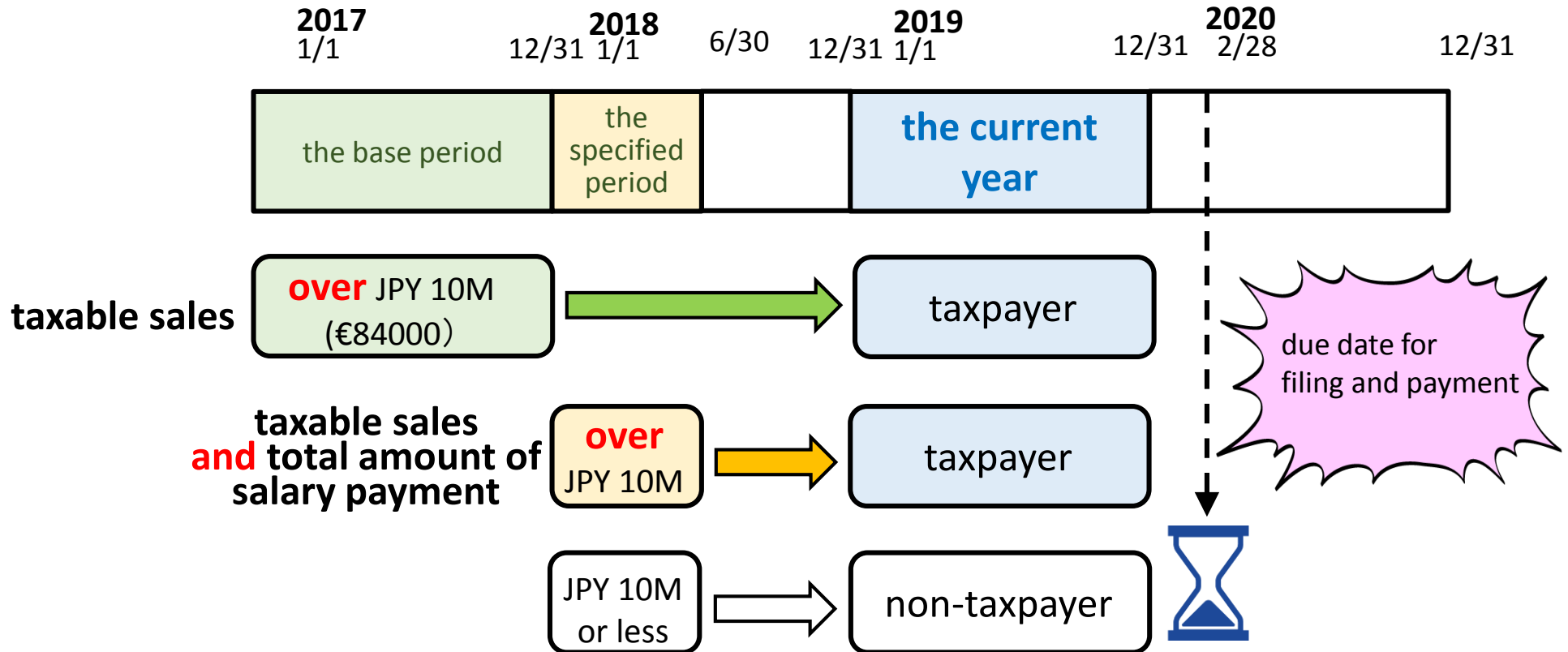
- 📎 sales or leases of **land**
- 📎 sales of securities
- 📎 financial transaction conducted in Japan
- 📎 insurance premiums
- 📎 services carried out by the central/local government
- 📎 services performed in an international context
- 📎 medical care
- 📎 social welfare activities
- 📎 education
- 📎 rental of housing
- 📎 exported goods and services
- 📎 goods purchased from tax-free shopping for non-residents



Filing and payments

- 📌 Filing and payments annually.
- 📌 Due within 2 months of the end of a corporation's fiscal year.
For individuals , due by March 31 of the year following the end of calendar year.
- 📌 The interim return is required depending on the amount paid as CTax for the previous year.
(The interim payments are required at the semi-annual basis , quarterly basis or monthly basis.)

Filing and payments ~taxpayer





Filing and payments ~taxpayer



Newly established companies



Its paid-in capital at the beginning of the fiscal year is JPY 10M or more



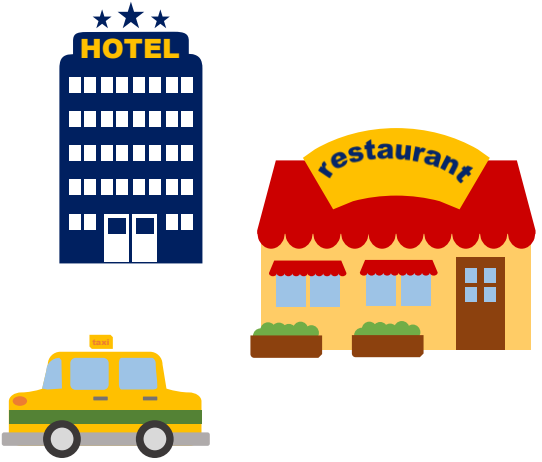
taxpayer status



Election of the taxpayer status

Can EU companies who do business in JAPAN get a Ctax refund?

Business trip in Japan



No tax refund

Tax payer status

Appointment of tax representative

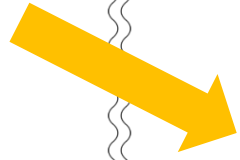
EU company

EU A

JAPAN

B

Japanese domestic business



selling

Ctax is levied.

Tax payment



EU A

JAPAN

B



buying

CTax is levied.

Tax refund

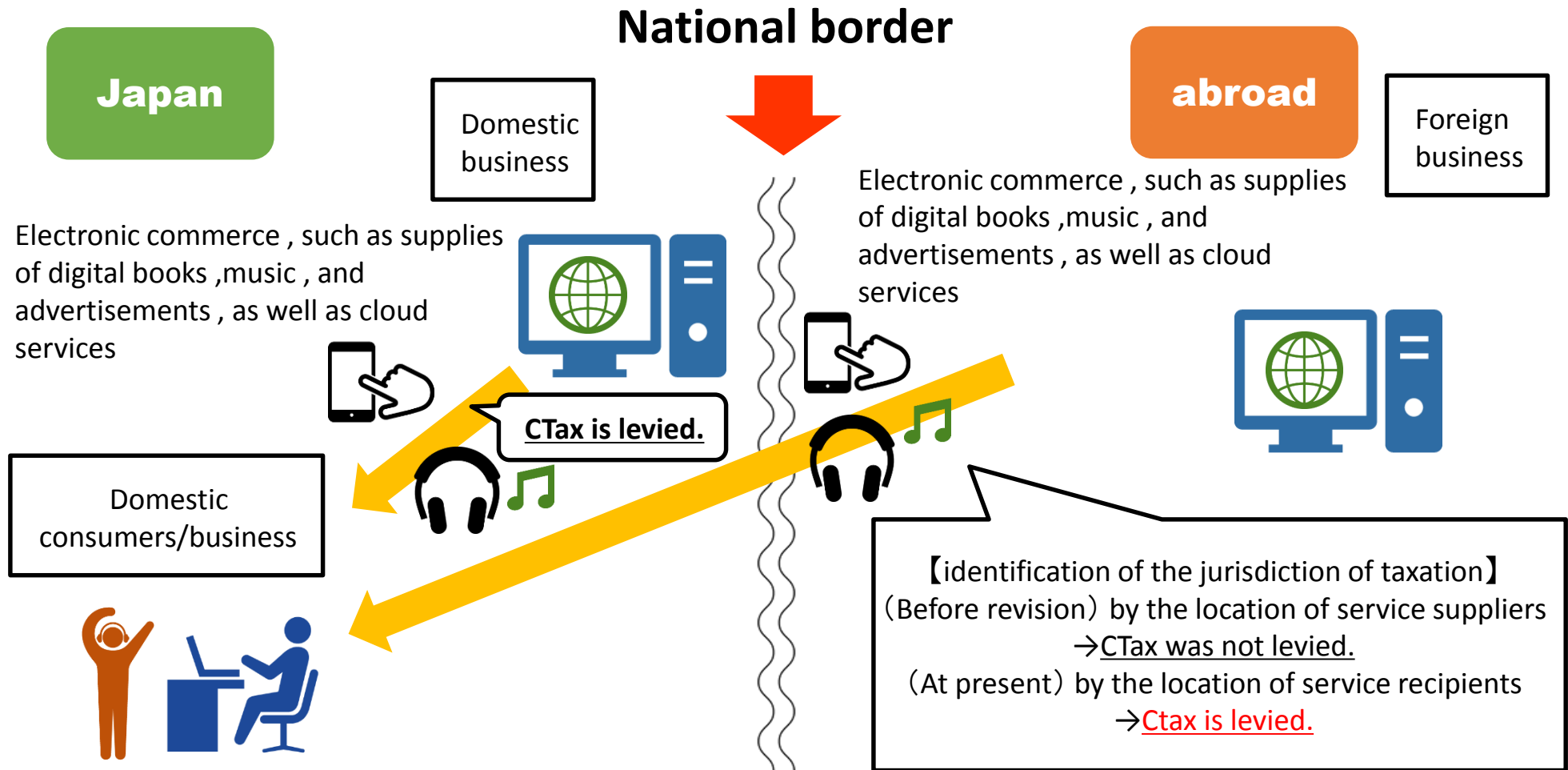


C



Export

Ctax on cross-border supplies of services





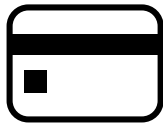
Useful information

Cashless payment

~national program to promote it~

Credit card/ Debit card

Plastic card

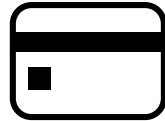


VISA
MASTER
JCB
American Express
Diners Club

etc...

E-money

Plastic card Smartphone



Suica
Pasma
Edy
WAON
nanaco
QUICPay
iD

etc...

QR/ Barcode

Smartphone

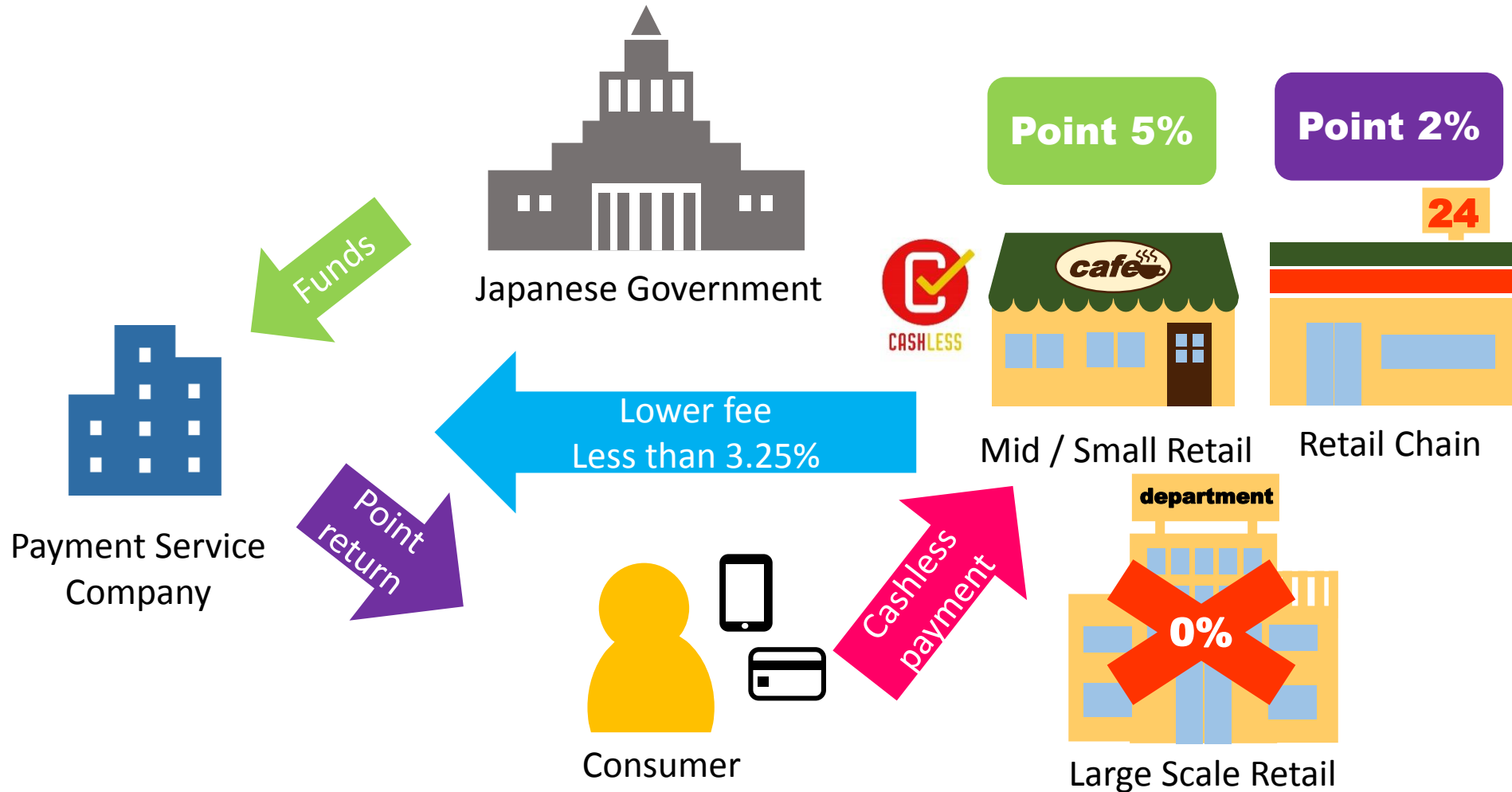


Paypay
LINE pay
Origami pay
Rakuten pay
D pay (docomo)
au pay

etc...

Useful information

Cashless payment point return campaign





Question and Answer session



EU-Japan Centre
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Thank you for your attention!

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<http://www.eu-japan.eu/taxes-accounting>

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