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Introduction of the Social Security and Tax Number System (“My Number System”)

(1) Outline of the Social Security and Tax Number System

The social security and tax number system is the base of a more fair social security and tax system, and contributes to the people’s convenience and a higher efficiency of administration as infrastructure of information society.

Upon the introduction of the Social Security and Tax Number System, the NTA will act as an entity assigning corporate numbers and also as an entity utilizing individual and corporate numbers.



Mascot character for My Number
“Maina-chan”

～ Individual number (My Number) ～

From October 2015, a 12-digit individual number will be designated to anyone holding residential registration. The number will be notified by municipal offices that will send a notification card to the residential registration address. The use of individual numbers is limited to the procedures prescribed by law or municipal regulations, such as procedures in the fields of social security, taxes, and disaster measures.

～ Corporate numbers ～

From October 2015, a 13-digit corporate number will be designated to each corporation, such as stock companies. The number will be notified by the NTA that will send a written notice to the corporation’s registered location. The following three types of information on the corporation, etc., will, in principle, be publicly announced and available to anyone; (1) trade name or name, (2) location of headquarters or main office, and (3) corporate number.

(2) Actions as an entity assigning corporate numbers

～ Assigning corporate numbers ～

Corporate numbers will be assigned to (1) established registered corporations, such as stock companies, (2) national authorities, (3) local governments, or (4) among the corporations or associations without juridical personality, etc., other than those listed in (1) through (3), those obligated to file and pay corporation or consumption tax, or to withhold income tax from salaries, etc. The NTA will designate corporate numbers based on the registration information provided by the Ministry of Justice or other information without requiring any particular notification procedures, and will also send the number notifications.

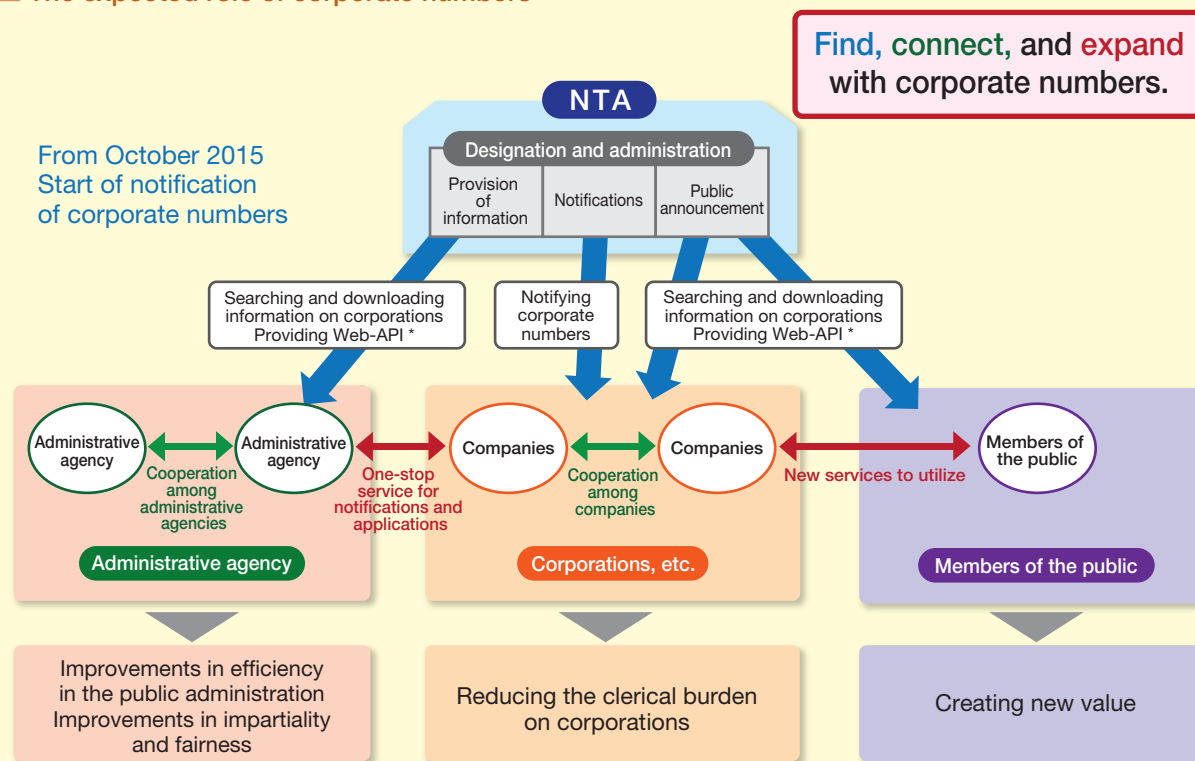
* A corporation or association without juridical personality other than those mentioned above can also receive a designated number by submitting a request to the NTA Commissioner if it meets certain requirements.

The NTA will announce the designated corporate numbers via the Internet. The Internet site will provide a function to search for a corporate number from a corporation’s trade name or location, and a function to download data so that the publicized information will be available for users’ secondary use.

～ Promoting the utilization of corporate numbers ～

Corporate numbers, unlike individual numbers, have no limit on their range of use, and it is important to utilize them in broad fields as a part of the social infrastructure. Cooperating with relevant ministries and agencies, the NTA is striving to explain the system under the slogan of “find, connect, and expand” and to encourage the utilization of the system by national and local administrative agencies and private organizations.

■ The expected role of corporate numbers



Find

A corporation's name and location can be found from its corporate number.

- A corporation's name and location can be easily confirmed by using the corporate number as the key.
- Its latest name and location will be available, and it will improve efficiency in registering and updating the information of business partners.

Connect

Companies become connected via their corporate numbers.

- Multiple departments or group companies manage the information of business partners by different codes. Adding corporate numbers will improve efficiency in compiling information on the said business partners and the name-based aggregation of this information.
- If administrative agencies are able to exchange among one another information about each corporation using corporate numbers, they will become able to identify a corporation, conduct name-based aggregation, and link information more efficiently.

Expand

New services utilizing corporate numbers will be expanded.

- If administrative agencies can provide a one-stop service for administrative procedures such as notifications and applications by sharing information utilizing corporate numbers, it will reduce the burden on corporations (companies).
- If the private sector develops an infrastructure to share information on corporations by utilizing corporate numbers, these corporations can improve the efficiency of their clerical work, such as reducing the volume of attached documents for transactions among corporations, and can also provide citizens with useful information on corporations.

* "Web-API" is the method of delivering data that enables users to obtain three types of publically available information (trade name, location, and corporate number) automatically by submitting from their own system via the Internet a simple request that specifies extraction conditions to the NTA's system.

(3) Actions as an entity utilizing individual and corporate numbers**～ Utilization in the national tax field ～**

Upon the introduction of the Social Security and Tax Number System, an individual or corporation will have to fill in numbers (individual or corporate numbers) of the submitting party and of the party who will receive the payment on statutory statements on the declaration form and statutory statements they submit to the tax authority.

When individual numbers are provided, it is necessary to confirm the identity of the individual to prevent identity fraud. Therefore, the NTA enact a notice that establishes specific procedures to confirm the identity of individuals in the national tax field.

～ Improving convenience for taxpayers ～

Taking the opportunity of the introduction of the Social Security and Tax Number System, the NTA is considering further improving convenience for taxpayers. Specifically, (1) attaching a certificate of residence can be omitted in a declaration procedure to receive, for instance, a housing loan tax credit, and (2) electronic filing can be centralized for the withholding record and the payment record of salaries/pensions, which are currently submitted to both the national and local governments.

In the FY2015 tax reform, the necessary revisions were made for the omission of attaching a certificate of residence.

～ Recognizing income properly and more efficiently ～

In the field of national taxes, as numbers will be required on documents such as declaration form and statutory statements, the NTA expects that name-based aggregation of statutory statements and matching with declaration form will become more accurate and efficient, and, in turn, income will be recognized more accurately. As a matter of course, it is difficult to recognize and verify some transactions, including information on business income and foreign assets and transactions, with statutory statements only. Therefore, we have to note that recognizing all income is difficult even with these numbers.

～ Conducting public relations activities ～


To facilitate the introduction of the Social Security and Tax Number System, the NTA is actively conducting public relations by publishing FAQs and other information regarding the Social Security and Tax Number system on its website and communicating to the relevant private sectors and industrial associations for the use of the numbers in the field of national taxes.

Latest information on the Social Security and Tax Number System and inquiries

- The Cabinet Secretariat website for the Social Security and Tax Number System:
<http://www.cas.go.jp/seisaku/bangoseido/index.html>
- My Number call center (Navigation Dial (0570 service):
NTT's Japan-wide call handling service) **0570-20-0291** (in English)

* Callers will be charged a fee for telephone calls via Navigation Dial. Inquiries can be made from 9:30 to 17:30 on weekdays (not available on Saturdays, Sundays, public holidays and New Year holidays).

Latest information on the Social Security and Tax Number System pertaining to national taxes (including corporate numbers)

Available by clicking  on the top page of the NTA website (in Japanese):
<http://www.nta.go.jp/mynumberinfo/index.htm>

As the latest information will be updated from time to time, please check the “News Corner” section.

To promote even greater convenience when using e-Tax, the NTA is preparing to implement the following measures:

(1) Introduction of a new identification method for e-Tax

When an individual taxpayer files an income tax return from home by e-Tax, his/her personal identification needs to be authenticated for each submission using a digital certificate stored on their Basic Resident Registration Card based on the Public Certification Service for Individuals and an IC card reader/writer (hereafter referred to as “a digital certificate, etc.”).

From January 2017, along with the conventional identification method, a new identification method that does not require a digital certificate, etc. will be implemented.

(2) Submission of attached documents in the form of image data in e-Tax

Even when tax returns or applications are filed by e-Tax, attached documents, such as a certificate of expropriation, capital relationship diagram, and a copy of the articles of incorporation need to be separately submitted by post or by other means.

From April 2016, the NTA plans to sequentially allow the submission of these attached documents in the form of image data.

(3) Provision of a function to convert data into a format acceptable to e-Tax

Even when a corporation tax return is filed by e-Tax, among the financial statements and statements classified by account titles prepared using accounting software, those not prepared in a data format compliant with e-Tax need to be separately submitted by mail or by other means.

From April 2016, the NTA plans to provide a function to convert these documents to data in a format compliant with e-Tax.

～ Promotion for optimization of operations and systems ～

In order to improve convenience for people and achieve more simple, efficient, reliable and transparent administrative operations by utilizing ICT in administrative areas and reviewing operations and systems, the “e-Government Establishment Plan” was decided in July 2003.

In addition, the “Declaration to be the World’s Most Advanced IT Nation” was decided on in June 2013 to enable Japan to be the society that utilizes IT at the most advanced level in the world. Based on this decision, the “Roadmap for official information system reform” and the “Investment plan for official information system” were decided on to reform information systems.

According to the basic principle of these plans, the NTA shall strive to advance information systems for national taxes, ensure security, reduce expenses, and improve convenience for taxpayers.

Ensuring stability and reliability of ICT system and information security

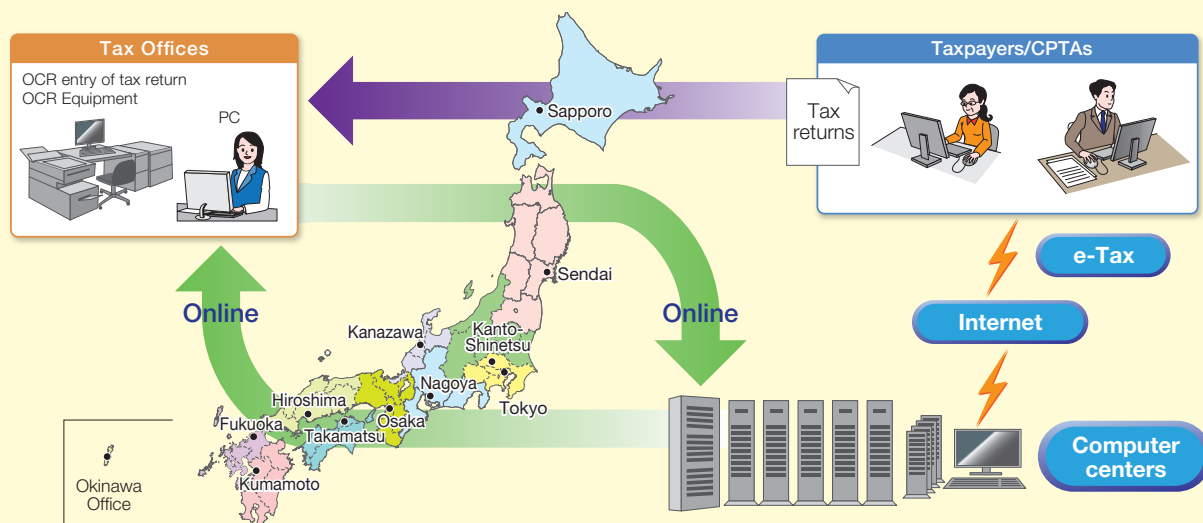
Because the national tax-related operations are closely connected to public rights and obligations, failure in its ICT system is likely to have a large impact on citizens and impair the credibility of tax administration. Therefore, the NTA is working to maintain stable operation of ICT systems by regularly updating ICT equipment.

Since the NTA holds and accumulates large amounts of taxpayer information, it takes great care for the prevention of its improper use and leakage. For instance, the NTA allows its officials to use only the necessary information for their work and conducts security audits regularly to ensure information security.

At the computer center which stores data for e-Tax and the KSK System, the NTA built an information security management system (ISMS)¹ which complies with international standards, and in 2007, obtained certification based on the ISMS compliance evaluation system (certification based on ISO/IEC27001: 2005 and JISQ27001: 2006)².

Kokuzei Sogo Kanri (KSK) System

The KSK System, which links all Regional Taxation Bureaus and Tax Offices, is a computer system to centrally manage national tax receivables etc. by inputting the data of past tax returns and tax payment, or a variety of other information. Moreover, this data is analyzed for use for tax examinations and the collection of delinquent tax. As such, the system also facilitates sophisticated and efficient administration.



¹ An Information Security Management System (ISMS) is an organizational initiative to implement the planning, operation, review and improvement which are required in order to maintain a situation of appropriate management for confidentiality and completeness and usability of information assets which should be protected.

² ISO/IEC27001:2005 is one of the standards created by the International Organization for Standardization. This became a global standard for information security management systems in October 2005. JISQ 27001:2006 is a Japanese domestic standard published in May 2006, corresponding to ISO/IEC27001.