

National Tax Agency, Japan

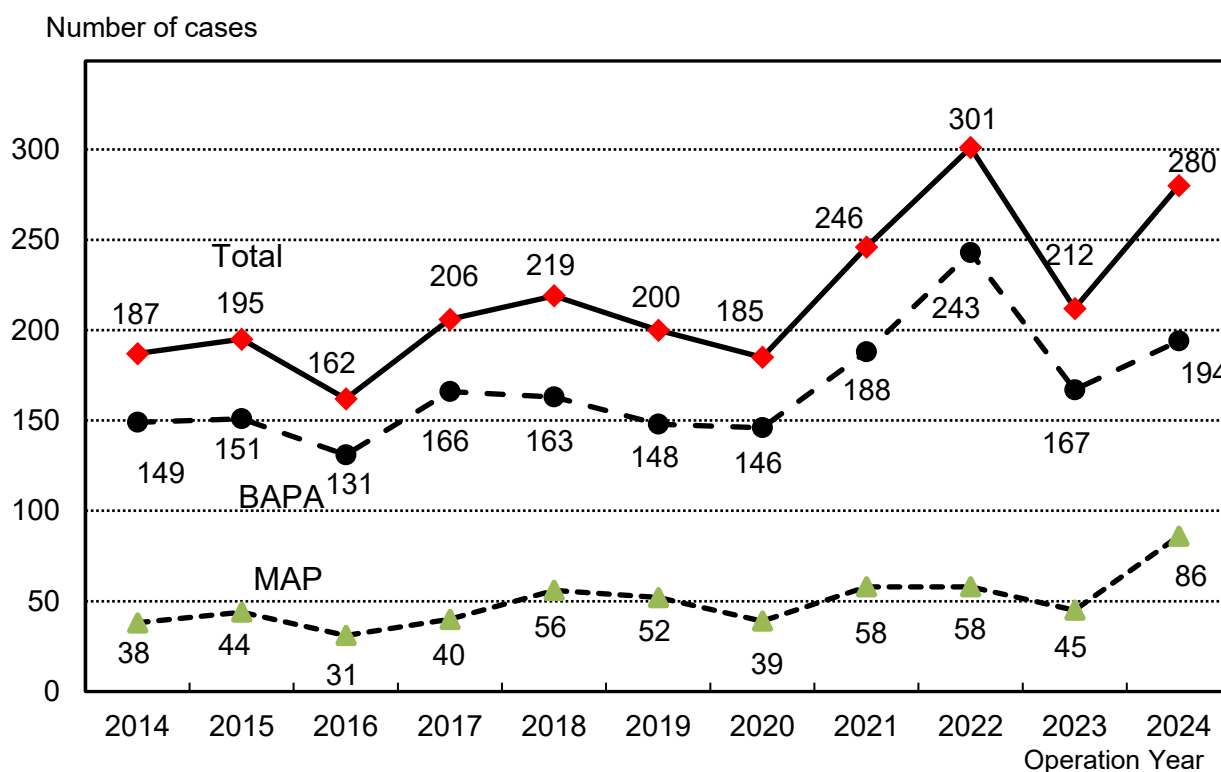
Mutual Agreement Procedures (MAP) and Bilateral Advance Pricing Arrangements (BAPA) Report 2025

The National Tax Agency (“NTA”), upon request from a taxpayer regarding international double taxation such as transfer pricing adjustments, enters into Mutual Agreement Procedure (“MAP”) with relevant foreign tax authorities under the provisions of applicable tax treaties to resolve such double taxation. The NTA also enters into Bilateral Advance Pricing Arrangements (“BAPA”) to ensure the taxpayers’ predictability and promote the proper and smooth administration of transfer pricing rule.

1. MAP/BAPA requests received

- During the 2024 operation year, the NTA received 280 requests, of which 194 were BAPA requests (69% of all requests) and 86 were MAP requests (31% of all requests).
(Note) Please see Attachment 1 for the detailed number of cases.

Chart 1: MAP/BAPA requests received



- (Notes)
- Each operation year runs from 1 July until 30 June in the following year.
 - The number of requests received is the sum of the number of requests that the NTA received from taxpayers and through foreign tax authorities.
 - MAP requests received include requests related to permanent establishments (PEs) or withholding taxes as well as transfer pricing adjustment.

National Tax Agency, Japan

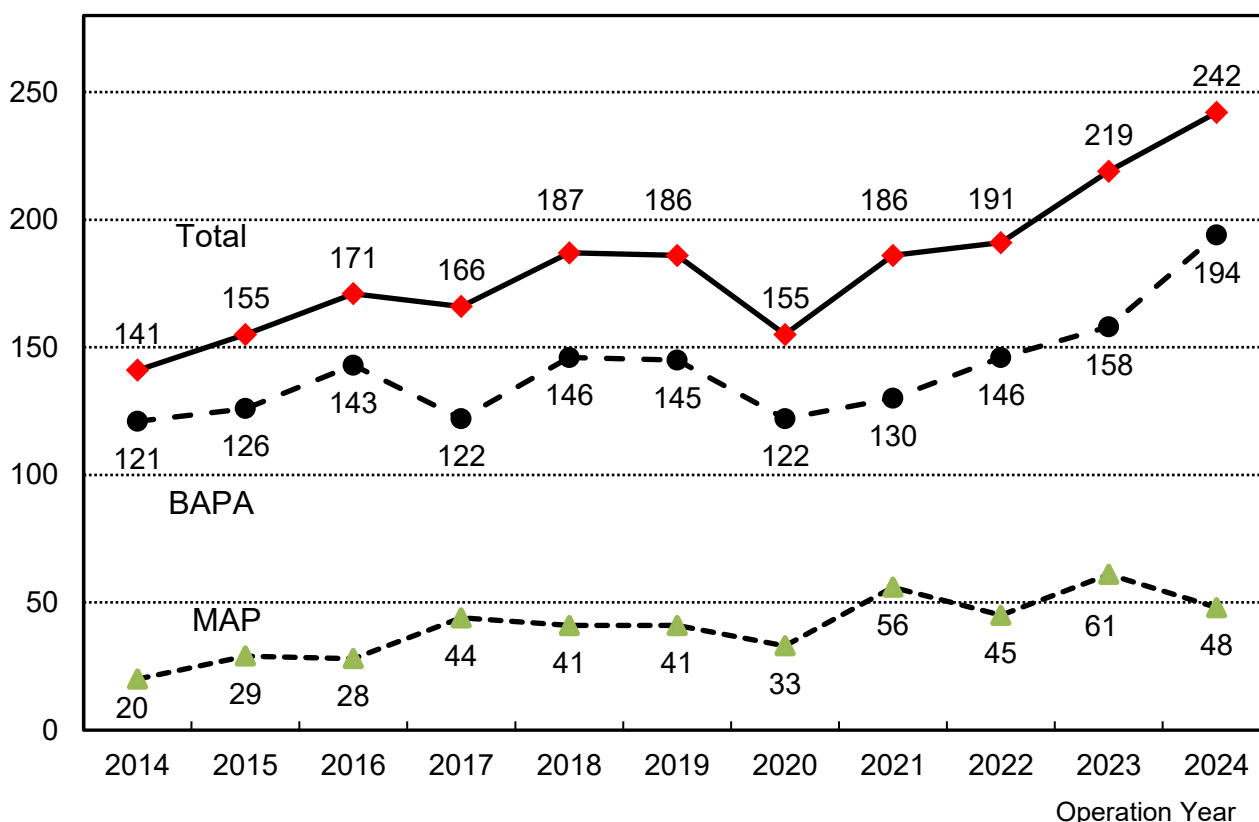
2. MAP/BAPA cases closed

2.1 The number of MAP/BAPA cases closed

- During the 2024 operation year, a total of 242 cases were closed, of which 194 were BAPA cases (80% of all cases closed) and 48 were MAP cases (20% of all cases closed).
(Note) Please see Attachment 1 for the detailed number of cases.

Chart 2: MAP/BAPA cases closed

Number of cases



2.2 Average time to close a MAP/BAPA case

- The overall average time to close all cases in the 2024 operation year was 39.6 months (31.8 months in the 2023 operation year).
- The average time to close a BAPA case was 42.4 months (35.8 months in the 2023 operation year) and the average time to close a MAP case was 28.5 months (21.5 months in the 2023 operation year).

National Tax Agency, Japan

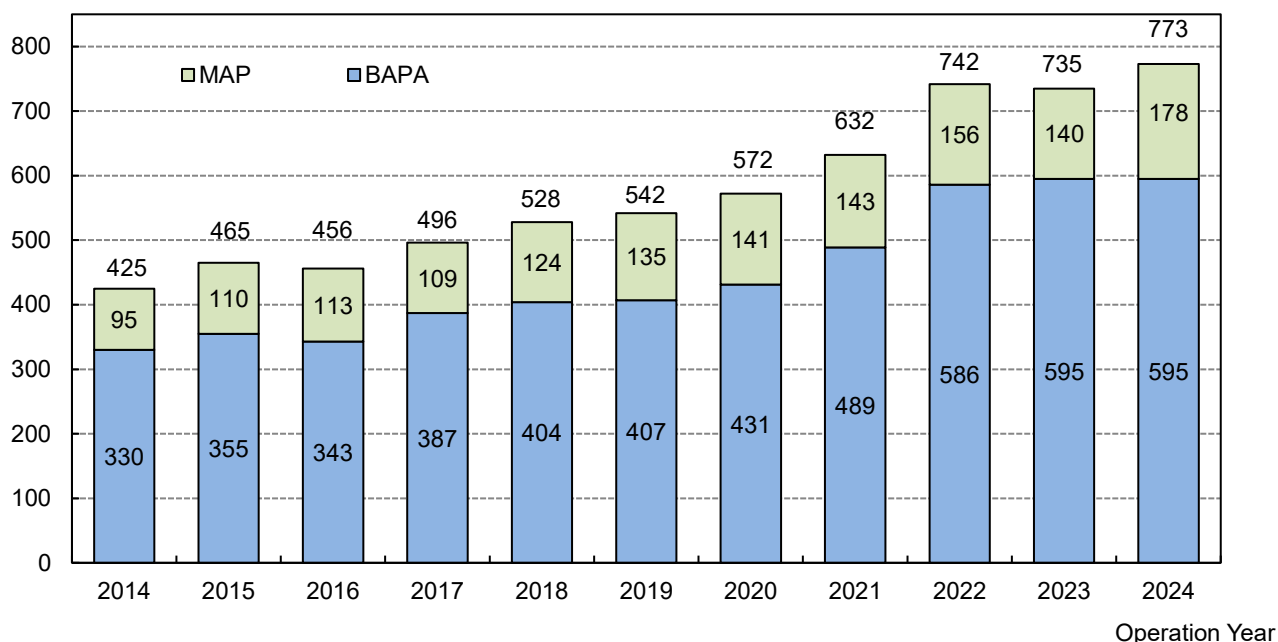
3. Year-End Inventory

3.1 The number of MAP/BAPA cases in the Year-End Inventory

- Since the number of requests received was larger than the number of cases closed, the number of cases in the inventory at the end of the 2024 operation year increased from the year before.
(Note) Please see Attachment 1 for the detailed number of cases.

Chart 3: Year-End Inventory

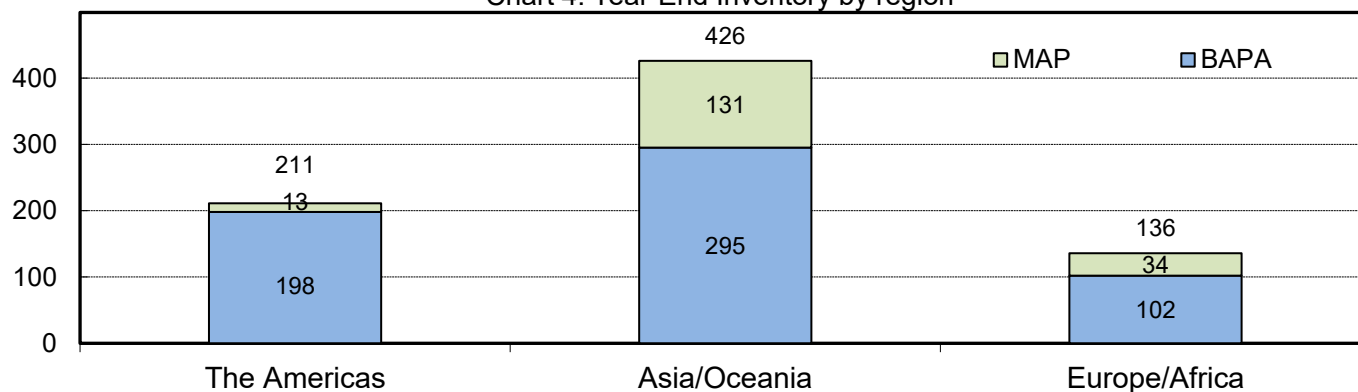
Number of cases



3.2 Region-by-region Inventory

- The number of cases with Asian/Oceanian countries/regions accounted for the largest part in the whole year-end inventory of the 2024 operation year.
- In the year-end inventory of the 2024 operation year, cases with the United States (25%) are the most, followed by India (15%), China (13%), Korea (12%), and Germany (5%).
(Note) Please see Attachment 2 for the list of countries and regions with which the NTA has inventory at the end of the 2024 operation year.

Chart 4: Year-End Inventory by region



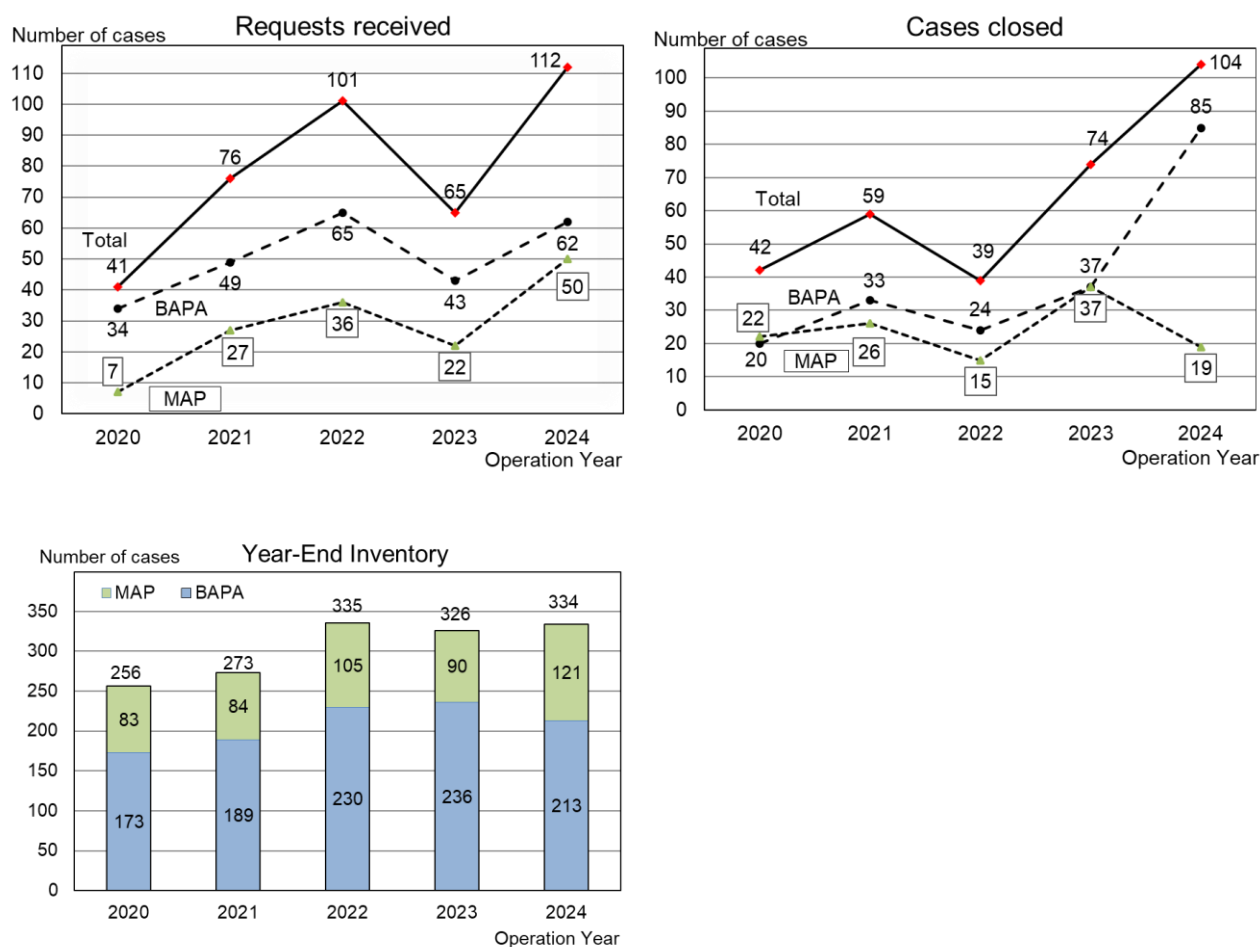
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4. Cases with non-OECD countries/regions

4.1 The number of MAP/BAPA cases

- In the 2024 operation year, as for the MAP/BAPA cases with non-OECD countries/regions, 112 requests were received and 104 cases were closed.
- The number of MAP/BAPA cases with non-OECD countries/regions in the year-end inventory was 334, accounting for 43% of all cases (773 cases).

Chart:5: MAP/BAPA cases with non-OECD countries/regions



4.2 Average time to close a case with non-OECD countries/regions

- The overall average time to close all cases with non-OECD countries/regions in the 2024 operation year was 49.0 months (42.2 months in the 2023 operation year).
- The average time to close a BAPA case with non-OECD countries/regions was 51.8 months (63.5 months in the 2023 operation year) and the average time to close a MAP case with non-OECD countries/regions was 36.3 months (20.8 months in the 2023 operation year).

National Tax Agency, Japan

(Attachment 1)

The detailed numbers of cases in the last three years

Operation Year		BAPA	Transfer Pricing Adjustment	Others	Total
2022	Requests Received	243	47	11	301
	Cases Closed	146	36	9	191
	Year-End Inventory	586	141	15	742
2023	Requests Received	167	36	9	212
	Cases Closed	158	53	8	219
	Year-End Inventory	595	124	16	735
2024	Requests Received	194	67	19	280
	Cases Closed	194	40	8	242
	Year-End Inventory	595	151	27	773

- (Notes)
1. Each operation year runs from 1 July until 30 June in the following year.
 2. The number of “Requests Received” is the sum of the number of requests that the NTA received from taxpayers and through foreign tax authorities.
 3. Requests for compensating adjustments or amendments with respect to previously agreed BAPAs are included in the “Requests Received” in the operation year when such requests were made.
 4. The number of “Cases Closed” includes cases in which requests are withdrawn by taxpayers as well as cases resolved through agreements with treaty partners.
 5. “Others” includes cases related to permanent establishments (PEs) or withholding taxes.

National Tax Agency, Japan

(Attachment 2)

Countries/regions with which the NTA has inventory at the end of the 2024 operation year

(Alphabetical order)

The Americas	Asia/Oceania	Europe/Africa	Total
(OECD countries)			
Canada Mexico United States	Australia Korea	Belgium Denmark Finland France Germany Hungary Ireland Italy Luxembourg Netherlands Poland Sweden Switzerland United Kingdom	19 countries
(Non-OECD countries/regions)			
	China Hong Kong India Indonesia Malaysia Singapore Taiwan Thailand Vietnam	Republic of South Africa Romania	11 countries / regions
3 countries	11 countries / regions	16 countries	30 countries / regions

National Tax Agency, Japan

(Reference)

Terminologies

Mutual Agreement Procedures (MAP) are a formalized set of procedures between treaty partners' tax authorities pursuant to the provisions of tax treaties. The NTA enters into MAP when taxpayers consider that international double taxation arises or will arise from transfer pricing adjustments or others, or when taxpayers request Bilateral Advance Pricing Arrangements (BAPAs).

An APA is an arrangement whereby, based on an application from a taxpayer, the tax authority confirms in advance a set of criteria such as methods, comparables, adjustments to it, and critical assumptions as to future events for the determination of the transfer pricing for transactions between the taxpayer and its foreign-related entity/entities over a fixed time. The tax authority will refrain from adjusting the transfer pricing set by the taxpayer if it files its tax return in accordance with the confirmed APA conditions for the years covered by the APA.