

Overview of the system

► Revision of the taxation on transfers of imported cargoes of a small amount (P2)

From among the asset transfers where each business sends the goods from a location outside Japan to a location in Japan by using the mail order method, those transfers of ¥10,000 or less (excluding tax) in the consideration amount per one asset item (hereinafter “transfers of specified low-value assets”) became taxable for consumption tax, as they are now regarded as asset transfers implemented in Japan, per the revision.

► Registration system for registered sellers of specified low-value goods (P3)

If a business implements transfers of specified low-value assets or tries to perform so; or if a business uses other entity to receive the taxable goods in relation to the transfers of specified low-value assets from the bonded area, the operator can get registered with the District Director of the competent tax office. After the registration, such business is called a registered seller of specified low-value goods.

From among the cargoes received from the bonded area, if certain taxable goods are proven to have come from the transfers of specified low-value assets carried out by a registered seller of specified low-value goods, consumption tax will be exempted when the goods are received by the importer from the bonded area.

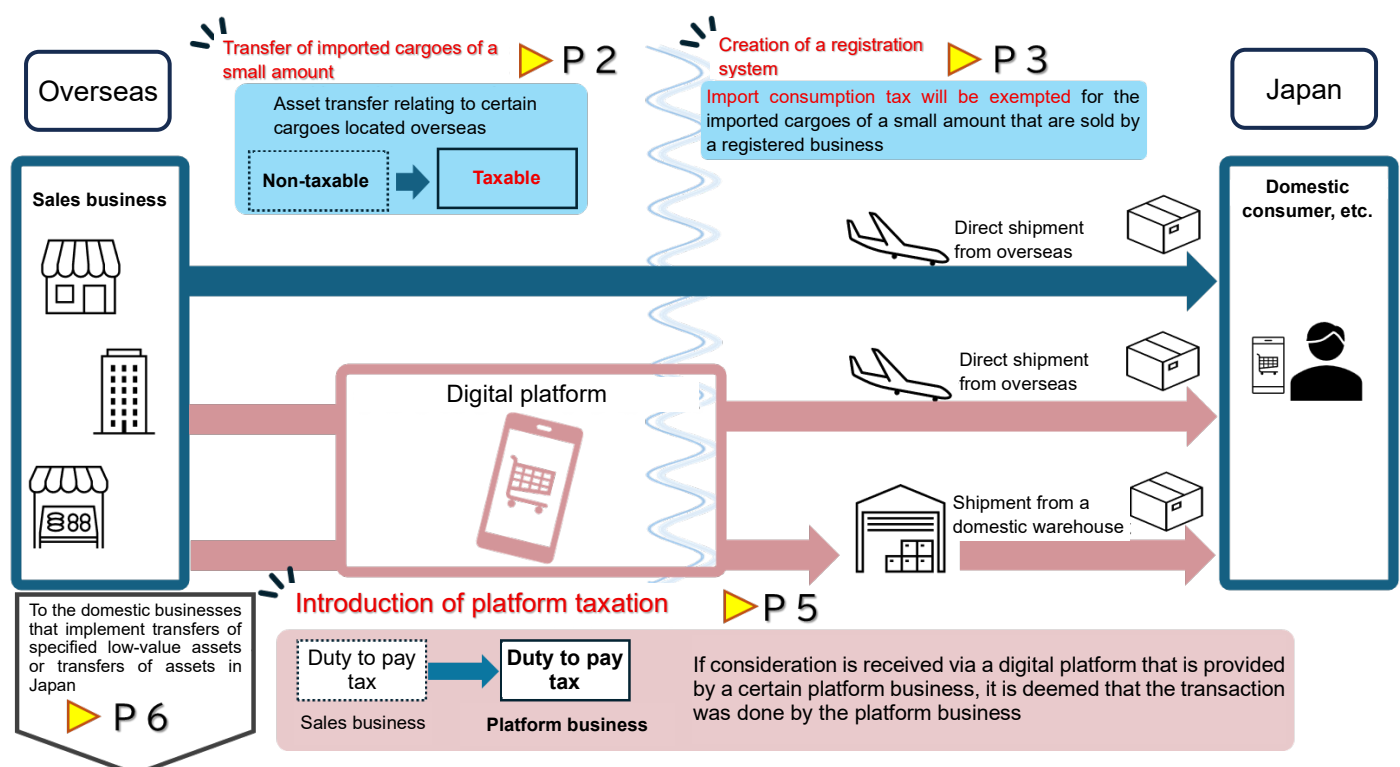
► About platform taxation (P5)

Among the businesses that provide a digital platform such as an online marketplace, certain platform businesses that satisfy specific requirements and are designated by the Commissioner of the NTA are called the designated category 2 platform businesses.

From among certain asset transfers carried out via the digital platform provided by a designated category 2 platform business, in the cases where the consideration amounts are received via the designated category 2 platform business, it is deemed that the designated category 2 platform business did those asset transfers, so it is now set that the operator will need to perform consumption tax declaration and payment (platform taxation).

【Timing to start the application】

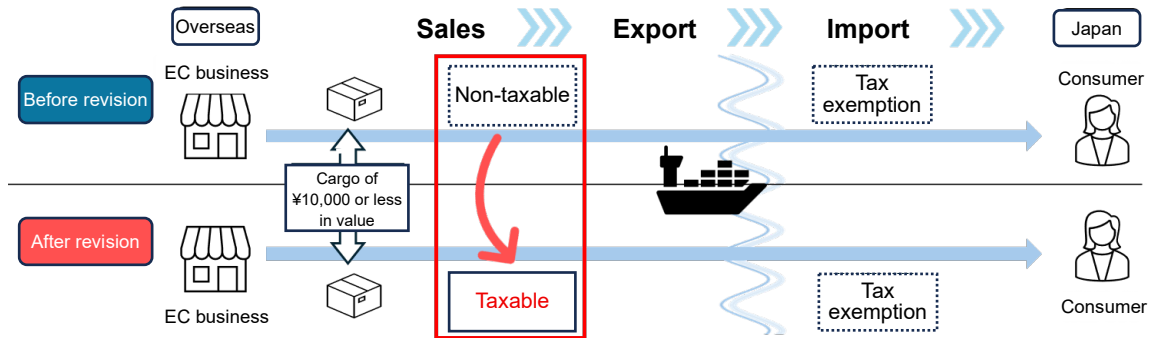
This will be applied to the asset transfers to be implemented on **April 1, 2028, onwards**



Revision of the taxation on transfers of imported cargoes of a small amount

Overview

Among the asset transfers where a business ships goods from overseas to a recipient in Japan by the method of mail-order sales, regarding an asset transfer where the consideration amount per one asset item is ¥10,000 (excluding tax) or less (specified low-value asset transfer), it has become subject to consumption tax as an asset transfer implemented in Japan. A business that implements a specified low-value asset transfer needs to declare and pay consumption tax irrespective of being a domestic business or a foreign business (excluding consumption tax-exempted businesses).



How to consider the consideration value when transferring specified low-value assets

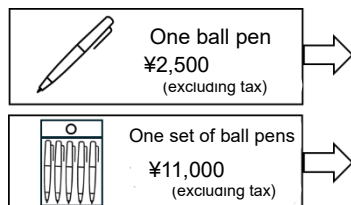
How to determine the consideration amount per one asset item

Whether the consideration amount per one asset item is ¥10,000 (excluding tax) or less or not is judged for the minimum unit of the assets sold.

case1

In case multiple ballpens are sold, the price per ballpen is used to make a judgment, instead of the total amount sold.

On the contrary, in case a set of multiple ballpens is sold (bundle sale), the set price is used to make a judgment, instead of the price per piece.

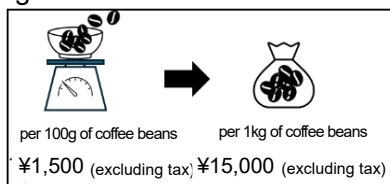


It is a specified low-value asset transfer.
Even if five ballpens (¥12,500) are sold, the price per piece is used to make a judgment.

It is **not** a specified low-value asset transfer.
It is judged by using the set price (¥11,000).

case2

In case coffee beans of 1kg are sold (@¥1,500 per 100g), the consideration amount after measurement is used to make a judgment.



It is **not** a specified low-value asset transfer.
It is judged by using the amount after measurement (¥15,000).

In case shipping fees are separately collected

The consideration amount of a specified low-value asset transfer does not include the amount of shipping fees separately collected.

However, in case the consideration amount of a specified low-value asset transfer and the shipping fees are not clearly segregated, the total amount including the shipping fees is used to make a judgment.

A transitional measure pertaining to the tax exemption threshold system for businesses

Regarding the taxation period including April 1, 2028, for a business that transfers specified low-value assets, if the taxable sales revenue exceeds ¥10 million for its reference period, or for the reference period as calculated from the first date of a specified period where transfer of specified low-value assets is deemed taxable, or for a specified period (excluding what are subject to platform taxation), the exemption threshold for businesses is not applied.

Registration system for registered seller of specified low-value goods

Overview

If the entity is a business that implements specified low-value asset transfers or intends to do the same, and if such a business (with tax exemption applied to import) wants to have another entity receive the taxable cargoes relating to the specified low-value asset transfer from the bonded area, the entity can get registered by the District Director of the competent tax office. Please note that whether getting registered or not is entirely up to the free will of the business.

A business with this registration is called a “registered seller of specified low-value goods.” If it is proven that the taxable cargoes to be received from the bonded area are relating a specified low-value asset transfer implemented by a registered seller of specified low-value goods, consumption tax on the cargoes from the bonded area will be exempted for the importer.

About the registration system

Registration requirements

A business that wants to get registered as a registered seller of specified low-value goods needs to satisfy the following requirements depending on its business situation:

Registration requirements	Specified foreign business ※1	Business other than specified foreign business
It is a taxable business for consumption tax	○	○
It is a business that implements transfers of specified low-value assets, or tries to perform so; or it is a business that uses other entity to receive the taxable goods in relation to transfers of the specified low-value assets from the bonded area	○	○
Filed as a tax agent	○	○※2
For the businesses whose registration as a registered seller of specified low-value goods was once cancelled, one year has passed from the date of the cancellation ※3	○	○
For the businesses that were penalized for fine or more due to breach of the Consumption Tax Act, two years or more has passed from the date the execution was over or from the date freed from the execution	○	○
Has a tax agent holding the tax agent authority concerning consumption tax	○	—
Has no delinquency in national tax	○	—

* Including the cases where it is not extremely difficult to collect the delinquent amount

※1 It is a foreign business that does not hold an office, a place of business or the equivalent to perform asset transfers, etc. in Japan.

※2 Limited to the businesses to which the provision of Article 117, paragraph (1) of the Act on General Rules for National Taxes is applied.

※3 Limited to the cases where the registration as a registered seller of specified low-value goods was cancelled due to certain cancellation causes.

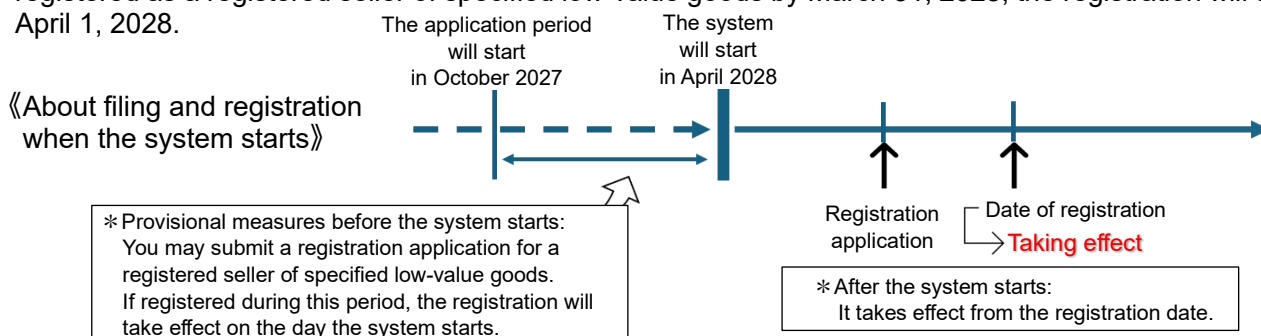
Application submission

A business that wants to get registered needs to submit a “registration application for a registered seller of specified low-value goods” (hereinafter “registration application”) to the District Director of the competent tax office covering its place of tax payment. In the process, a foreign business needs to attach the following documents:

Attached documents	Specified foreign business	Foreign business other than specified foreign business
Documents that indicate the individual name or name , overseas postal address, and business contents (For instance: Copy of the articles of incorporation, company brochure, company website, etc.)	○	○
Tax agent authority certificate	○	—

When a business is registered after the submission of a registration application, it takes effect from the date of the registration.

Please note that an applicant can submit a registration application from October 1, 2027. Also, for a business that gets registered as a registered seller of specified low-value goods by March 31, 2028, the registration will take effect from April 1, 2028.



● Registration and announcement

When having registered a registered seller of specified low-value goods, the District Director of the competent tax office enters the following items in the register for the seller of specified low-value goods and announces them on the website of the NTA:

< Published information >

- Individual name or name, and the registration number
- Date registered
- In case of a corporation (excluding associations without juridical personality, etc.), the location of the head office or the main office
- In case of a foreign business other than a specified foreign business, the location of the office, place of business, or equivalent for asset transfers to be implemented in Japan

● When there occurs any change in the registered items

When there occurs any change in the registered items with the registered seller of specified low-value goods register, the registered seller of specified low-value goods needs to promptly submit a “notification on change in the registered items as a registered seller of specified low-value goods” to the District Director of the competent tax office for the place of tax payment.

◆ Effects of the registration and the resulting obligations, etc. for registered sellers of specified low-value goods

● Effects of the registration

From among the taxable goods received from the bonded area, in the cases where the taxable goods are related to the transfers of specified low-value assets carried out by a registered seller of specified low-value goods, and where the fact is proven by describing the following items in the import application (or in the customs notification, when international postal service is used), consumption tax will be exempted when the goods are received by the importer.

< Items to be described in import application, etc. >

- Registration number of the registered seller of specified low-value goods that transferred the specified low-value assets in relation to taxable goods
- That taxable goods were used in the transfer of specified low-value assets

● About taxation procedures at the time of import

In the cases where total amount of taxable prices is over ¥10,000 or it is ¥10,000 or less but the items are specific goods, when receiving the taxable goods from the bonded area, there is no change in that consumption tax is imposed when receiving the goods.*

However, among such taxable goods, in the cases of transfer of specified low-value assets as performed by a registered seller of specified low-value goods, consumption tax is exempted when receiving the taxable goods as described above.

※ Regarding general items on consumption tax for imports, please refer to the Customs Answer posted on the website of Japan Customs (for instance: [1006 About tax exemption for the goods where total amount of taxable prices is ¥10,000 or less](#)).

● Obligations to notify

When a registered seller of specified low-value goods transferred specified low-value assets, the following items need to be described or recorded on the purchase sheet and other relevant documents regarding the shipment of the assets relating to the transfers of specified low-value assets (including electronic records); and such information needs to be notified to those who will import the specified low-value assets or to the customs clearance operator who will serve as an agent for import declaration.

< Notification items that need to be described on a purchase sheet >

- Registration number of the registered seller of specified low-value goods
- That the assets correspond to the assets covered in the transfers of specified low-value assets

● About tax declaration and payment

Businesses that are registered as registered sellers of specified low-value goods are taxable businesses for consumption tax, so even when its taxable sales revenue is ¥10 million or less for a reference period, they must declare and pay consumption tax.

However, if the consideration is received via a designated category 2 platform business when transferring specified low-value assets, it is the designated category 2 platform business that declares and pays consumption tax. Therefore, in such cases, the registered seller of specified low-value goods **does not need to declare and pay tax** for the transfer of the specified low-value assets (see PP5-6).

About platform taxation

Overview

Among the businesses that provide a digital platform such as an online marketplace, certain platform businesses that satisfy specific requirements and are designated by the Commissioner of the NTA are called the “**designated category 2 platform businesses**.”

From among the asset transfers carried out by foreign businesses in Japan as well as the transfers of specified low-value assets carried out by businesses via the digital platform provided by a designated category 2 platform business, in the cases where the consideration amounts are received via the designated category 2 platform business, it is deemed that the designated category 2 platform business did those asset transfers, so the operator will need to perform consumption tax declaration and payment.

About filing obligations and designated requirements

Filing obligations

When the designated requirements are met, a platform business needs to submit a “designation notification for a designated category 2 platform business” (hereinafter the “designation notification”) to the Commissioner of the NTA, via the District Director of the competent tax office that covers the place of tax payment for the operator, by the deadline to submit a tax return for the taxation period[※].

※ In case there is no duty of tax declaration, it is the assumed submission deadline for a tax return when tax declaration duty is applied (for instance, in case of a corporation, in principle, within two months counting from the date right after the last day of the target fiscal year).

Designated requirements

The designated requirements for a designated category 2 platform business are as follows:

< Designated requirements >

That the total amount received via the platform business exceeds ¥5 billion in the taxation period of the platform business, from among the consideration amounts for the asset transfers of ① and ② implemented via the digital platform provided by the platform business:

- ① asset transfers implemented by foreign businesses in Japan (including ancillary asset transfers, etc.[※])
- ② specified low-value asset transfers implemented by businesses

※ For example, transportation, installation, etc. of the assets sold, in relation to the asset transfers implemented by foreign businesses in Japan (out of the asset transfers subject to platform taxation), that are implemented via a digital platform, fall under this category.

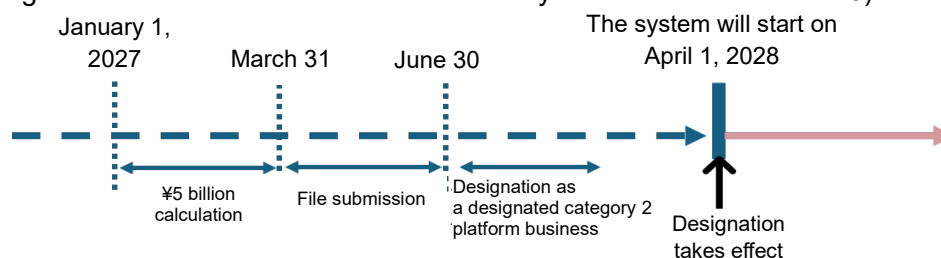
About designation

When a designation notification is submitted by a platform business, the Commissioner of the NTA will designate it as a designated category 2 platform business (even when there is no submission of a designation notification, if the entity satisfies the designated requirements, the Commissioner will designate the entity as a designated category 2 platform business).

The designation will take effect on the first day of the following month from the month that includes the day six months after the submission deadline for a designation notification (if there is no submission of a designation notification by the submission deadline, after the date a designation notice is issued).

About filing and designation when the system starts (transitional measures)

Whether a designated category 2 platform business satisfies the designated conditions or not will be determined by checking whether 4x the total amount of the considerations for the asset transfers of ① and ② above in the period from January to March 2027 (annualized amount) exceeds ¥5 billion or not. If the designated conditions are met, a designation notification will need to be submitted by June 30, 2027. After the submission of a designation notification, if designated as a designated category 2 platform business by the Commissioner of the NTA, the designation will take effect from the date the system starts (April 1, 2028).



● Published information

When having designated a designated category 2 platform business, the Commissioner of the NTA notifies the platform business of it and announces the following items on the website of the NTA:

< Published information >

- Name of the digital platform of the designated category 2 platform business
- Individual name or name of the designated category 2 platform business
- The date on which the designation as designated category 2 platform business will take effect

◆ In case designated as a designated category 2 platform business

- ▶ Upon receipt of the notice on designation as a designated category 2 platform business from the Commissioner of the NTA, the business needs to notify the businesses that have done asset transfers of the fact that platform taxation will be soon applied and the date such application will take effect (the date designated category 2 platform business designation will take effect).
- ▶ When submitting a tax return, the designated category 2 platform business needs to attach a statement that describes the consideration amounts for the asset transfers that are subject to the platform taxation.
- ▶ Regarding the transfers of specified low-value assets that are subject to platform taxation, the designated category 2 platform business is supposed to submit a registration application for each of the registered sellers of specified low-value goods.
- ▶ When a designated category 2 platform business wants to issue qualified invoices, it separately needs to get registered as a business issuer of qualified invoices. And, once registered as a business issuer of qualified invoices, such business is newly obligated to issue qualified invoices.

◆ Deemed input tax credit

Regarding the taxable purchases relating to the transfers of assets carried out by a foreign business in Japan and the receipts of taxable goods from the bonded area by the foreign business, if they are all related to the asset transfers deemed to have been done by a designated category 2 platform business, it is deemed that the designated category 2 platform business did those taxable purchases, etc. and the designated category 2 platform business could enjoy the application of the input tax credit, by obtaining consent from the foreign business in advance.

Please note that “if they are all related to the asset transfers deemed to have been done by a designated category 2 platform business” means that they were all taxable purchases, etc. that were necessary for the foreign business only for transferring the assets. For example, the following items fall under this category: import consumption tax relating to receipts of the taxable goods from the bonded area concerning the assets; and expenses needed for cargo handling operations at domestic warehouses that keep the assets for the asset transfers.

Also, whether they were taxable purchases or not will be determined by the situation of the days taxable purchases made or of the days taxable goods received from the bonded area.

◆ To the foreign businesses that carry out transfers of specified low-value assets or asset transfers in Japan

Regarding the asset transfers for which the considerations are collected and received by a designated category 2 platform business, the foreign business that implemented the asset transfers does not need to declare and pay tax. However, in case of asset transfers via a platform business not designated as a designated category 2 platform business or in case of asset transfers implemented via a shopping site provided by own company, the business that implemented the asset transfers (excluding the businesses to which the exemption threshold for business is applicable) needs to declare and pay consumption tax.

If you want to learn more about the details, please also refer to
“[Consumption tax imposed on cross-border electronic commerce](#)”
on the website of the NTA.

※Various documents you can reference (such as relevant Q&A) are posted therein.

