

Tax-Free Shopping System will be shifted to the Refund Method from November 2026

1 Overview of the Refund Method

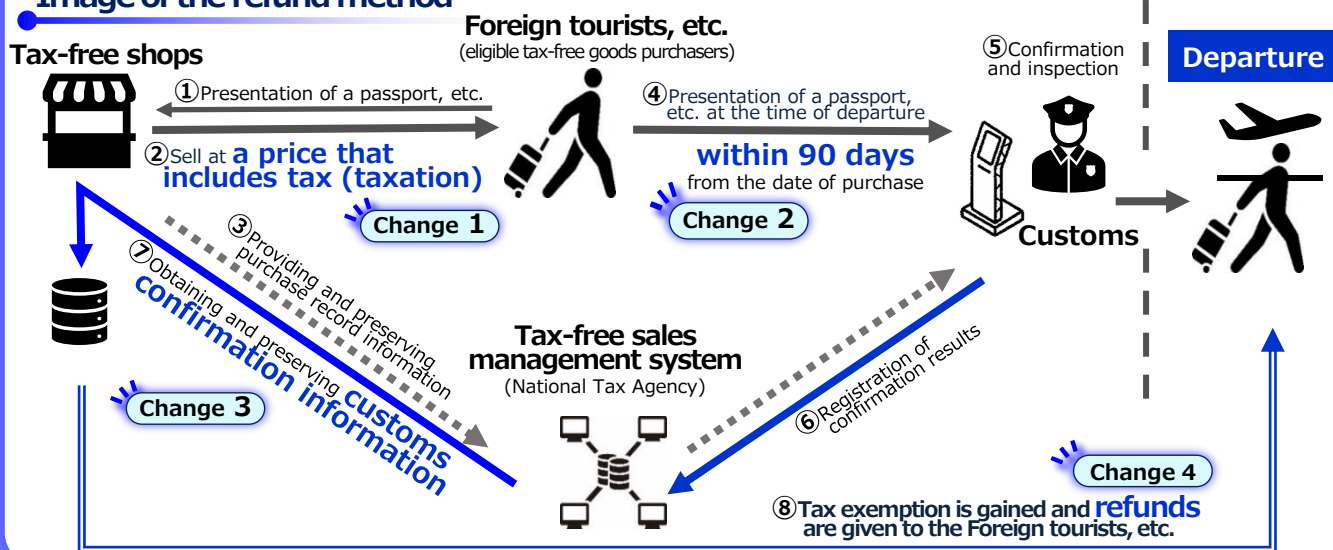


* Underlined parts are the main changes.

● Tax-Free Shopping System will be shifted to the Refund Method (new tax-free shopping system) from November 1, 2026, as follows:

- ✓ Tax-free shops will sell tax-free goods to foreign tourists, etc. (eligible tax-free goods purchasers) at a price that includes consumption tax (taxation). Change 1
- ✓ Eligible tax-free goods purchasers will need to receive confirmation at customs upon departure that they are carrying tax-free goods out of Japan within 90 days from the date of purchase. Change 2
- ✓ Business operators managing tax-free shops will be eligible for tax exemption by preserving purchase record information and customs confirmation information (information that customs has confirmed the purchasers carried the goods out). Change 3
- ✓ Business operators managing tax-free shops will refund the amount equivalent to consumption tax to an eligible tax-free goods purchaser after this confirmation. Change 4

Image of the refund method



- (Note) 1. “Within 90 days from the date of purchase” means the period from the day following the date of purchase to the 90th day. For example, if you purchase products on November 1, the deadline for confirmation at customs is January 30 of the following year.
2. If you were not in possession of any of tax-free goods among the same purchase record information (one sales or receipt units) at the time of customs confirmation, you will not be able to receive confirmation for all tax-free goods included in that purchase record information.

■ Other major revisions due to the “shift to the refund method”



Revision of the Scope of Tax-Free Goods, etc.

For details, go to 2 (page 2)

- ✓ Abolition of the category distinction between general products and consumable products, maximum purchase amount for consumable products (JPY 500,000), and special packaging.
- ✓ Abolition of the requirement to determine whether the tax-free goods are for daily use, etc.



Revision of Tax-Free Sales Procedure, etc.

For details, go to 3 (page 2)

- ✓ Revision of procedures for a person staying in Japan by a landing permit for cruise ship tourists, etc. and an eligible tax-free goods purchaser having Japanese nationality.
- ✓ Setting “Product Information Details” as purchase record information for products with a unit price of JPY 1 million or more (excluding consumption tax), etc.



Revision of Tax-Free Shop Category and Permit Requirements, etc.

For details, go to 4 (page 3)

- ✓ Revision of tax-free shop category and permit requirement, and simplification of application and notification procedures, etc.



- With the shift to the refund method, the following will be revised.

	Category	Tax-free purchase amount	Goods eligible for tax-free goods	Special packaging
Current system	General products	JPY 5,000 or more	Products used for daily life	Unnecessary
	Consumable products	JPY 5,000 to JPY 500,000		Necessary
After revision	No category	JPY 5,000 ^(Note) or more	Regardless of purpose of use	Unnecessary
Abolition of Category		Abolition of Maximum Purchase Amount	Abolition of Purpose of Use Requirements	Abolition of Packaging

(Note) Along with the abolition of the category between general products and consumable products, the minimum purchase amount (JPY 5,000) will be determined without category (based on the price excluding consumption tax).

- Products listed below are excluded from **tax-free goods** ^(Note).

① Gold and platinum bullion ② Gold coins and platinum coins ③ Products that are exempt from consumption tax

(Note) If an eligible tax-free goods purchaser does not possess tax-free goods upon departure, they will not be able to receive confirmation at customs. Therefore, the amount of tax-free goods purchased at tax-free shops is limited to the capacity that they can take out of Japan (export personally) all of the goods upon the departure.

Reference

Tax-free goods can also be directly shipped from the tax-free shops at the time of purchase (see "Revision of the Direct Shipping System" in 3 (page 3)).



- Revision of way of confirmation, etc. of eligible tax-free goods purchasers

➤ In the tax-free sales procedure for a **person who stays in Japan by a landing permit for cruise ship tourists, etc.**, they will be required to **present their passports** ^(note) in addition to a landing permit (confirmation of residence status).

(Note) A person who stays in Japan by a landing permit for cruise ship tourists may alternatively **present a copy of a passport**.

➤ **The Individual Number Card** ^(Note 2) will be **added** to a certificate proving that a **non-resident having Japanese nationality** has lived abroad for more than 2 years (under the current system, the certificate is the Certificate of Residence or a copy of Family Register Attachment (Koseki no Huiyou) ^(Note 1)). In addition, the contents of this certificate set as purchase record information will be relaxed to two items: **the type of certificate and date of moving abroad** (or the date of settlement abroad), and it will **no longer be necessary to keep copies of the certificate, etc.**

(Note) 1 These certificates will **no longer be required to state the permanent domicile** under the refund method.

2 Documents that state that the person has moved abroad will only be available.

Reference

Way of confirmation of the above eligible tax-free goods purchasers (non-resident)(The underlined parts are the main changes.)

Eligible tax-free goods purchasers		Way of confirmation		Main changes to the provision of purchase record information
Foreign nationality	Person who stays in Japan by landing permit due to cruise ship tourism, crew, emergency, or shipwreck	+	Confirm the <u>passport</u> and landing permit	Enter the <u>passport number</u> instead of the landing permit number ^(Note1) of the current system
	Person who stays in Japan by landing permit due to a port of call or transit		Confirm the passport	- (No change)
Japanese nationality	Person who has resided abroad for 2 or more years	+	Confirm the passport and certificate ^(Note2)	Enter <u>two items: type of certificate and date of moving abroad</u> (or the date of settlement abroad) instead of the items related to certificates under the current system.

(Note) 1 A person who has a landing permit for cruise ship tourists (with a copy of a passport attached) will enter their passport number under the current system as well.

2 Confirmation of residence abroad for more than 2 years will be made from date of moving abroad (or the date of settlement abroad) to the date of last entry (the date of landing indicated on the passport) regardless of any of the certificates. In addition, as with the current system, the Certificate of Residence or a copy of Family Register Attachment are limited to those created on or after the date six months prior to the date of last entry.

● Revision of Items to Be Provided as Purchase Record Information

- When selling **products with a unit price of JPY 1 million or more** (excluding consumption tax), tax-free shops are required to provide “items sufficient to identify tax-free goods (product information details)” **by combining the following items** according to the attributes of the products (required items).
 - ✓ The specific name, brand name, model number, shape, or color of the tax-free goods, or the fact that it is accompanied by a certificate of authenticity (appraisal) or a warranty
 - ✓ For products such as watches with serial numbers, the serial number in addition to the above items

Reference Examples of setting product information details

Examples of Products	Product Information Details	Serial Number
Wristwatch	Brand name: ○○, model number: AA12345, blackish	XX99999
Jewelry (brooches)	Diamond brooch, dolphin shape, model name: ○○, 18K, with certificate of authenticity	—



- “Product classification” and “Shop name (in English)” will be added as optional items^(Note).

(Note) “Product Classification” is an optional item, but if the product cannot be identified from the “Product Name” column, etc., it may be assumed that the “Product Name”, which is an item required by law, is not set, and a person trying to apply for tax-free purchases may not be able to receive confirmation from customs. Therefore, at tax-free shops, **by properly setting the “Product Classification” column, it will be possible for an eligible tax-free goods purchaser at airports and other locations to smoothly receive customs confirmation.**

● Revision of the Direct Shipping System

For Direct Shipping System in which an eligible tax-free goods purchaser enters into a transportation contract at a tax-free shop and hands over the tax-free goods to the transportation company on the spot, tax exemption shall be **applied under Article 7 of the Consumption Tax Act (tax exemption system for export goods)** ^(note) in place of the current system (tax-free shopping system). Therefore, if the direct shipping system is applied after the shift to the refund method, **the tax-free shop is not required to complete a series of tax-free sales procedures and to provide purchase record information.**

(Note) A method in which a customer (not limited to an eligible tax-free goods purchaser) enters into a transportation contract at the sales store (not limited to a tax-free shop after the shift to the refund method) and hands over the tax-free goods to the transportation company on the spot. In this case, as with the current system, the business operator is required to keep a transportation contract, etc. that contains certain information.



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Revision of Tax-free Shop Category and Permit Requirements, etc.



● Integration of the Category of Tax-free shop (general type) and Tax-free shop (procedure entrustment type), etc.

- **Integrating the category** of Tax-free shop (general type) and Tax-free shop (procedure entrustment type), and it will be revised as follows:
 - ✓ As for the requirements for tax-free shops, some of the requirements have been relaxed, while the requirement that **“The necessary systems are in place to properly implement tax-free sales procedures, the provision of purchase record information, and receipt of customs confirmation information”** will be newly added.
 - ✓ A business operator that manages a general tax-free shop may entrust the affairs related to the tax-free sales procedure to an approved tax-free procedure business operator, and in this case, the requirement (location of the tax-free procedure counter) **to be within a “specified commercial facility”** under the current system **will no longer be mandatory** (however, the tax-free sales procedure carried out at the tax-free procedure counter **will need to be done on the same day as the sale of tax-free goods at a general tax-free shop**).
- **For tax-free shops that do not adapt the digitization of tax-free sales procedures** (tax-free shops that have not submitted a “Notification Form on Provision Method of Purchase Record Information” by October 31, 2026), **the tax-free shop permit will become invalid on October 31, 2026.**

(Note) From November 1, 2026, existing tax-free shop (general type) or tax-free shop (procedure entrustment type) already permitted will be deemed to have received a permit for tax-free shops (general type) under the new system (excluding the above-mentioned tax-free shops that do not adapt digitization). In addition, if there is no change in the current outsourcing relationship between businesses, it is possible for a tax-free shop to entrust the tax-free sales procedure to an approved tax-free procedure business operator entrusted under the current system without any special procedures.

Reference Category of tax-free shops

Current system	Tax-free shop (general type)	Tax-free shop (procedure entrustment type)	Tax-free shop (vending machine type)
After revision	Tax-free shop (general type)		Tax-free shop (vending machine type)

● Simplification of application and notification procedures

When relocating a tax-free shop, it is necessary to obtain a new permit for the sales place after the relocation under the current system, but unlike this, **the transfer procedures can be completed by submitting a change notification form** in the refund method.

In addition, in accordance with the revision of the requirements for permits for tax-free shops, etc., the permit applications that are divided by category of tax-free shops under the current system and the notification forms that are divided by the contents of the change will be integrated, and the documents necessary to attach to the various application forms related to the tax-free shopping system will be simplified (there is no need to submit a “company brochure”).



● Transfer Process from Taxable Sales to Tax-free Sales in accounting

➤ Transactions that are taxable at the time of sale of products will meet the tax exemption requirements due to the preservation of customs confirmation information, and will need to be transferred to tax-free sales afterwards. **In addition to the following method ①, method ② can also be used** for this transfer process.

- ① **A method of transferring** the taxable sales corresponding to the customs confirmation information to tax-free sales **each time** customs confirmation information **is obtained**.
- ② **A method of transferring in a lump sum** at a certain time, such as monthly

➤ For transactions that are taxable at the time of sale of products, **if the taxable period in which the transaction was made and the taxable period in which the customs confirmation information was preserved, are different** (for example, if the sale of tax-free goods is made in the X1 period and the customs confirmation information is preserved in the next period (X2 period)), **the method (Note) of adjusting the declaration in the period in which the customs confirmation information was preserved (X2 period) instead of amending the declaration for the period in which the sale was made (X1 period) is also allowed** (but must continue to be processed).

(Note) This will be treated as if there had been a return of consideration related to sales.

● Refund Procedures for an eligible tax-free goods purchaser

The procedures for refunds to an eligible tax-free goods purchaser may be carried out by the business operator managing the tax-free shop itself, or may be entrusted to an approved transmitting/receiving business, etc.

Reference

The Consumption Tax Act does not prescribe rules on how specific refund procedures should be carried out. For example, possible methods of refund include bank transfer, credit card transfer, app transfer, and cash refund at the port of departure after customs confirmation.



6 Other Revision



- The following revisions will also be made in conjunction with the shift to the refund method (November 1, 2026).
 - ✓ Establishment of penalty provisions for failure to export tax-free goods without delay that have been confirmed by customs, and establishment of provisions for immediate collection of the consumption tax by customs
 - ✓ "When it is recognized that there is a hindrance to the confirmation of the Director of Customs" has been added to the requirements for rescission of permit for tax-free shops, such as the presence of incomplete or false records in the purchase record information.
- **Treatment of separate shipments** of tax-free goods purchased at tax-free shops (treatment to confirm that they have been exported by checking documents such as a copy of the shipping slip) **was abolished on March 31, 2025**, before the shift to the refund method.

(Note) The above applies to products purchased on or after April 1, 2025 (If you do not have purchased products with you upon departure, consumption tax will be collected.). Products purchased by March 31, 2025 can be treated as separate shipments in principle, provided that they are shipped separately in accordance with the requirements.



7 Enforcement Date



- The revised rules including the refund method will apply to **the transfer (sale) of tax-free goods** at tax-free shops **from November 1, 2026** (excluding the abolition of "treatment of separate shipments" in 6 above).

(Note) Business operators managing tax-free shops **will need to comply with the refund method to continue to receive tax exemptions for transactions at their tax-free shops from November 1, 2026**. There will be no period during the shift when the current system and the refund system can be effective together.

For further information

■ National Tax Agency website

The website contains **Directives and Q&As** on the refund method, as well as the "Tax-Free Sales Management System API Specification" related to the **modification of the tax-free sales management system**. **Click here for details (only available in Japanese).**

