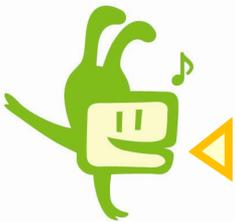


Introduction of Reporting System for Automatic Exchange of Information on Crypto-Asset Transactions of Non-Residents



In order to address tax evasion and avoidance through the use of Crypto-Assets, the **OECD** developed the “Crypto-Asset Reporting Framework (**CARF**)”, which calls on jurisdictions to obtain information from their Crypto-Asset Service Providers and automatically exchange that information with other jurisdictions on an annual basis.

Overview of the **CARF** and Japan's system in response are as follows.

1. Overview of the **Crypto-Asset Reporting Framework (CARF)**

(1) Tax administrations of each jurisdiction obtain reports of information on Crypto-Asset transactions (described in (b) and (c) below) of non-residents (both individual and entity) from Reporting Crypto-Asset Service Providers (described in (a) below (hereinafter “RCASPs”)) located in each jurisdiction, and based on the provision of exchange of information set forth in tax agreements, it will be automatically exchanged among the tax administrations of each jurisdiction.

(a) Crypto-Asset Service Providers obliged to report Crypto-Asset transaction information

Entities or individuals that, as a business, provide services effectuating exchange transactions in Relevant Crypto-Assets, for or on behalf of customers.

(b) Crypto-Asset transactions subject to reporting

Exchanges and transfers of Relevant Crypto-Assets.

(c) Information subject to reporting

Crypto-Asset user's name, address jurisdiction of residence, foreign tax identification number, type of Crypto-Asset, total consideration received from the Crypto-Asset transactions, etc.

(2) RCASPs must identify the jurisdiction of residence of their Crypto-Asset users and determine reportable Crypto-Asset transactions based on self-certifications submitted by the Crypto-Asset users in accordance with the procedures set forth in the CARF.

(3) Currently, over 60 jurisdictions, including Japan, have committed to exchange of information with each other under the CARF starting in 2027 or 2028. Japan will begin exchange of information in 2027.

2. Overview of the system in Japan

In order to implement the exchange of information based on the CARF, the Act on Special Provisions of the Income Tax Act, the Corporation Tax Act and the Local Tax Act Incidental to Enforcement of Tax Treaties (hereinafter "Act on Special Provisions") has been amended as part of the tax reform of 2024 (effective January 1, 2026). This amendment introduced a system whereby RCASPs described in 1(1)(a) above report information pertaining to Crypto-Asset Transactions (*) described in 1(1)(c) above conducted by Crypto-Asset users to the district director. The first report shall be submitted by RCASPs by April 30, 2027.

(*) "Crypto-Asset " refers to certain crypto-assets, defined in Article 2, paragraph (14) of the Payment Services Act etc., and " Crypto-Asset Transactions" refers to the conclusion of contracts involving the purchase, sale, etc. of Crypto-Asset (Article 10-9, paragraph (5), item (iii) of the Act on Special Provisions).

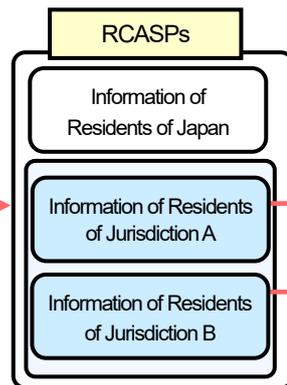
Those who conduct Crypto-Asset Transactions with RCASPs through their business offices on or after January 1, 2026, or those who have conducted Crypto-Asset Transactions with RCASPs through their business offices as of December 31, 2025 must fulfill the obligation described in (1) below, and RCASPs must fulfill the obligation described in (2) below.

[Japan]

(1) Submission of an Original Self-Certification which indicates name, address (location), jurisdiction of residence (*), foreign tax identification number by persons who conduct Crypto-Asset Transactions.
[RCASPs start processing from 2026.]



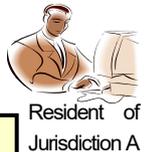
- (*) Those whose jurisdiction of residence is Japan must also indicate "Japan" as the jurisdiction of residence.
 (*) If there are more than one jurisdiction of residence, all jurisdictions must be indicated.



(2) Reporting of name, address (location), jurisdiction of residence, foreign tax identification number, type of Crypto-Asset, total consideration received from the Crypto-Asset Transactions, etc., regarding each person who conducts Crypto-Asset Transactions (resident of jurisdiction A and B).
[Reporting 2026 figures in 2027.]

(3) Provision of collective information once a year to foreign tax administrations in accordance with tax treaties.
[First information exchange is in 2027.]

[Jurisdiction A]



Tax Administration of Jurisdiction A

[Jurisdiction B]



Tax Administration of Jurisdiction B

(1) Submission of an Original Self-Certification for Crypto-Asset Transactions to an RCASP (on or after January 1, 2026)

The following persons who conduct Crypto-Asset Transactions must submit a self-certification ("Original Self-Certification"), which indicates the name, address or location of the head office or main business establishment, jurisdiction of residence, foreign tax identification number (*), etc., to the head of the business office of the RCASP when conducting Crypto-Asset Transactions with the RCASP for those specified in (a) below, or by December 31, 2026, for those specified in (b) below.

- (a) Those who conduct Crypto-Asset Transactions with an RCASP through its business office on or after January 1, 2026
- (b) Those who have conducted Crypto-Asset Transactions with an RCASP through its business office as of December 31, 2025
- (*) Japanese Individual Number (commonly referred to as "My Number") is exempt from reporting.

(2) Filing of reportable information to the district director by RCASPs

In cases where, as of December 31 of that year, a person who conducted Crypto-Asset Transactions through the business office of the RCASP has a reportable contract, or where a reportable contract previously concluded by that person was terminated during that year, the RCASP must report the following information regarding each person who conducts Crypto-Asset Transactions to the district director of the location of head office of the RCASP by April 30 of the following year.

- Name
- Address or location of the head office or main business establishment
- Jurisdiction of residence
- Foreign tax identification number
- Name of each type of Crypto-Asset and the total consideration for the sale or purchase of each type of Crypto-Asset involved in transactions with the RCASP during that year