

– To corporations that open financial accounts –

When corporations open financial accounts with Reporting Financial Institutions, they are required to confirm whether they fall under "Specified Corporations" or not!

In accordance with the tax reform of 2015, on or after January 1, 2017, natural persons, corporations or partnerships, etc., that open financial accounts with Reporting Financial Institutions (banks, funds transfer service providers, securities companies, insurance companies, partnerships and trust companies, etc.) located in Japan are required to submit self-certifications indicating their jurisdictions of residence, etc., to the Reporting Financial Institutions (*1, 2).

Furthermore, when a person who opens financial accounts is a corporation, it is required to confirm whether it falls under "Specified Corporation" or not. When it falls under "Specified Corporation," it is required to indicate the jurisdictions of residence, etc., regarding its "Controlling Persons" in the self-certifications.

(*1) In accordance with the tax reform of 2024 (effective January 1, 2026), the scope of the financial accounts subject to reporting expanded and funds transfer service providers, etc., are newly added to the definition of Reporting Financial Institutions. Accordingly, on or after January 1, 2026, persons who conclude contracts related to the management of certain electronic payment instruments with Reporting Financial Institutions are also required to submit self-certifications to the Reporting Financial Institutions.

(*2) They are required to indicate their names and addresses, their jurisdictions of residence and their foreign tax identification numbers, etc., in the self-certifications. For more information, please refer to the leaflet "– To persons who open financial accounts –, When persons open financial accounts with Reporting Financial Institutions, they are required to submit self-certifications indicating their jurisdictions of residence!"

[What is a Specified Corporation?]

When a corporation does not fall under any of the following corporations, it is a "Specified Corporation" (*3).

(*3) An individual who is an association without juridical personality or a partnership, etc., does not fall under a corporation, thus not included in a Specified Corporation.

- (1) A corporation the stock of which is listed on foreign financial instruments exchanges or Japanese financial instruments exchanges (a listed corporation)
- (2) Where the following relationship is seen between a listed corporation and any other corporation, the said other corporation
 - (i) A relationship where either of the corporations directly or indirectly controls the other corporation (subsidiaries, sub-subsidiaries and third-generation subsidiaries)
 - (ii) A relationship where the same person directly or indirectly controls the listed corporation and the other corporation (fellow subsidiaries)
- (3) The national government or a local government of Japan, the Bank of Japan, a foreign national government, a foreign local government, a foreign central bank, or an international organization which Japan joins
- (4) A corporation of which full of the stated capital, funds or those equivalent thereto is owned by the corporations described in (3)
- (5) A public corporation or a public interest corporation, etc., that does not operate a profit-making business
- (6) Japanese Reporting Financial Institution
- (7) Foreign Reporting Financial Institution, etc. (except entities equivalent to any of certain entities established in compliance with laws and regulations of foreign jurisdictions)
- (8) A holding company that shall not perform operations other than business management of its subsidiaries (except Reporting Financial Institutions) in accordance with laws and regulations or articles of incorporation
- (9) A corporation that mainly engages in making transactions such as investments, loans, and those equivalent thereto with the corporations having the relationships described in (2) (i) or (ii) (except Reporting Financial Institutions)
- (10) Where the business year of a corporation immediately prior to the current business year of the corporation (hereinafter referred to as "the most recent business year") satisfies all of the following requirements, the said corporation
 - (i) Income categorized as passive income (e.g., interest income and dividend income) for the most recent business year represents less than 50% of the gross income for the most recent business year.
 - (ii) The amount of the assets at the end of the most recent business year that could generate passive income represents less than 50% of the total amount of assets at the end of the most recent business year.
- (11) A corporation that is not yet operating a business and with respect to which two years have not passed since the date of its incorporation (except entities equivalent to any of certain entities established in compliance with laws and regulations of foreign jurisdictions)

[What is a Controlling Person?]

A Controlling Person means a person who can substantially control the business management of a corporation. Who falls under a "Controlling Person" is determined by the nature of a corporation according to the Act on Prevention of Transfer of Criminal Proceeds. For example, a natural person who directly or indirectly owns over 25% of the total number of voting rights of a stock company, an investment corporation, or a special purpose company, etc., falls under a "Controlling Person."

– This leaflet is made for the purpose of reference to the CRS and legislation in Japan briefly. –



[Flowchart to determine if your corporation is a “Specified Corporation” as from January 1, 2026]

