

GLOBAL TAX SERVICES

Japan ADRs Tax Info Q&A

MARCH 28, 2019

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Frequently Asked Questions

Q What is the DTC tax relief opportunity for Japanese ADRs?

A The Elective Dividend Service (EDS/TaxReliefSM) program for Japanese ADRs is open to Participants acting on behalf of Japanese and all non-Japanese beneficial owners, including qualifying U.S., Netherlands, Zambia, U.K. pension funds, IRAs, and world exempts.

Q Is Japan’s withholding relief program relief at source or post payable?

A The Japanese ADR withholding relief program is a relief at source process. If relief at source is missed, there is a Long Form reclaim process available.

Q What is the statutory withholding rate for Japanese-sourced dividend income?

A The withholding rate is 15.315% when payable to Japanese entities and non-Japanese residents. Dividend income paid to substantially large individual shareholders is subject to 20.42% withholding. The statutory withholding rate for Japanese-sourced dividend income from listed shares and payable to Japanese individual residents is 20.315%.

Q Are there disclosure requirements for qualifying beneficial owners in order to obtain withholding relief on Japanese ADRs?

A Yes, there are disclosure requirements for all rates except those at the 15.315% rate.

Q What are the disclosure requirements for qualifying beneficial owners in order to obtain at-source withholding relief for 20.315% and 20.42% on Japanese ADRs?

A For the 20.315% and 20.42% rates, beneficial owner disclosure such as name, address, country of residence, Tax ID, and DRs held is required.

FAQs

Q What are the tax withholding rates?

A

Japanese Withholding Rate on Dividend Payment Date	Eligible Beneficial Owners	Type of Relief	Required Documentation
20.42%	Large shareholders	No relief	Full Beneficial Owner disclosure, name, address, country of residence, Tax ID (US Residents only), and DR's held as described in Important Notice
20.315%	Japanese individual residents	Relief at source	Full Beneficial Owner disclosure, name, address, country of residence, DRs held as described in Important Notice
15.315%	Japanese entities and non-Japanese beneficial owners	Relief at source	None
15%, 12.5%, 10%	Treaty-eligible countries. See Important Notice for listing.	Relief at source	Full Beneficial Owner disclosure, name, address, country of residence, Tax ID (US Residents only), and DRs held. Also, a W-9 or W-8 on file.
0%	U.S., Netherlands, and U.K. treaty-eligible pension funds, IRAs, Zambia, and world exempt countries	Relief at source	Full Beneficial Owner disclosure, name, address, country of residence, Tax ID (US Residents only), and DR's held. Also, a W-9 or W-8 on file, as described in Important Notice

FAQs

Q What are the disclosure requirements for qualifying beneficial owners in order to obtain at-source withholding relief for treaty rates and exempt rate on Japanese ADRs?

A Treaty-eligible rates of 0%, 10%, 12.5%, 15%, which includes U.S. persons and Zambia, must provide beneficial owner information such as name, address, country of residence, Tax ID, and DRs held, and have a relevant W-9 or W-8 on file.

Treaty-eligible U.S., Netherlands, and U.K. pension funds (or DTC Participants acting on their behalf) are required to provide documentation in order to demonstrate beneficial owner eligibility for and entitlement to 0%, beneficial owner information such as name, address, country of residence, Tax ID, DRs held, and have a relevant W-9 or W-8 on file.

Q Are the documentation requirements for qualifying beneficial owners in order to obtain relief through the Long Form process different than relief at source?

A Yes, the documentation requirements for the Long Form process require more information. For example, in addition to the beneficial owner information such as name, address, country of residence, Tax ID, DRs held, and a W-9 or W-8, they are also required to have a Certificate of Residency (i.e. Form 6166) and proof of payment amongst other requirements. Please refer to the relevant important notice for the full listing of the documentation requirements.

For further inquiries, please contact

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