

Withholding Tax Rates on Dividends and Interest under Japan's Tax Treaties

The list below gives general information on maximum withholding tax rates in Japan on dividends and interest under Japan's tax treaties.

(As of March 25, 2010)

Recipient's Country (Alphabetical Order)	Maximum Tax Rates (%)		Remarks
	Dividends	Interest	
Australia	10/15 ^{*1}	0 ^{*2} /10	*1 15% for REIT under certain conditions *2 Financial institutions and government entities are exempt under certain conditions
Austria	20	10	
Bangladesh	15	10	
Belgium	15	10	
Brazil	12.5	12.5	
Bulgaria	15	10	
Canada	15	10	
China	10	10	
Czech Republic	15	10	
Denmark	15	10	
Egypt	15	-	
Finland	15	10	
France	10	0 [*] /10	* Financial institutions and pension funds are exempt under certain conditions
Germany	15	10	
Hungary	10	10	
India	10	10	
Indonesia	15	10	
Ireland	15	10	

Recipient's Country (Alphabetical Order)	Maximum Tax Rates (%)		Remarks
	Dividends	Interest	
Israel	15	10	
Italy	15	10	
Kazakhstan	15	0*/10	New Tax Treaty effective from 2010.01.01 *Government entities are exempt under certain conditions
Luxembourg	15	10	
Malaysia	15	10	
Mexico	15	10*/15	* 10% for banks
Negara Brunei Darussalam	10	0*/10	New Tax Treaty effective from 2010.01.01 *Government entities are exempt under certain conditions
Netherlands	15	10	
New Zealand	15	-	
Norway	15	10	
Pakistan	10	10	
Philippines	15	10	
Poland	10	10	
Romania	10	10	
Russia	15	10	
Singapore	15	10	
Slovakia	15	10	
South Africa	15	10	
South Korea	15	10	
Spain	15	10	
Sri Lanka	20	- *	* Banks are exempt
Sweden	15	10	
Switzerland	15	10	
Thailand	-	10*/25	* 10% for financial institutions

Recipient's Country (Alphabetical Order)	Maximum Tax Rates (%)		Remarks
	Dividends	Interest	
Turkey	15	10 [*] /15	* 10% for financial institutions
United Kingdom	0 ^{*1} /10	0 ^{*2} /10	*1: Pension funds are exempt under certain conditions *2: Pension funds and financial institutions are exempt under certain conditions
United States of America	0 ^{*1} /10	0 ^{*2} /10	*1: Pension funds are exempt under certain conditions *2: Pension funds and financial institutions are exempt under certain conditions
Vietnam	10	10	
Zambia	0	10	

- Sources: Ministry of Finance official web site, etc.

- Notes:

1. The dividends and interest may be taxed at reduced rates or exempt from tax in Japan if the income received by non-resident or foreign corporation investors is not derived from a permanent establishment situated in Japan.
2. The above list does not give comprehensive details of tax rates. For a full understanding of reduced tax rates, please consult the respective Double Tax Treaties (DTT). (Interest received by Government entities or Central Banks is tax exempt under certain conditions).
3. In accordance with the Special Taxation Measure Law, the tax rate imposed on dividends derived from listed shares, etc** has been reduced to 7%* until December 31, 2011. In cases where the DTT rate listed above is lower than the reduced 7% rate, the DTT rate will be applied.
 - * Excludes large individual shareholders who hold more than 5% of the total issued shares as of record date.
 - ** Includes OTC shares and listed investment trusts (ETF, REIT and Nikkei 300).
4. To apply a DTT, it is required in some cases for foreign investors to attach a certificate of residency etc. to the DTT application form.

(1) In cases where there is an Article of Limitation on Benefit in a DTT, some investors (ex. US residents, UK pension funds) will be required to submit a certificate of residency and a form 17 (Attachment Form for Limitation on Benefit Article) attached to the DTT application form.

(2) In the case of tax exemption under the new type of DTT (those which entered into effect on or after April 1, 2004), some investors (ex. parent company, governmental entity) will have to submit a certificate of residency etc. to apply tax exemption for dividends or interest.

5. Others:

(1) Text of new treaty or revision to existing treaty signed but yet to come into force: Luxembourg*, Belgium*, Singapore*, Malaysia*, Kuwait.

* Primary purpose of revisions is to facilitate information exchange between authorities.

(2) Reached agreement in principle on new treaty or revision to existing treaty: Switzerland, Saudi Arabia, Netherlands.

(3) Negotiations ongoing: UAE.

(4) Czech Republic/Slovakia: The Convention between Japan and the former Czechoslovakia is applicable to present-day Czech Republic and Slovakia.

(5) Russia: The Convention between Japan and the former USSR is applicable to present-day Russia, Armenia, Azerbaijan, Belarus, Georgia, Kyrgyz Republic, Moldova, Ukraine, Uzbekistan, Tajikistan and Turkmenistan.