

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 30 November 2015)

Recipient's Country (Alphabetical Order)	Maximum Tax Rates (%)			Remarks
	Dividends	Interest	Redemption	
Australia	10/15 ^{*1}	0 ^{*2} /10	0 ^{*2} /10	*1: 15% for REIT under certain conditions *2: Financial institutions and government entities are exempt under certain conditions
Austria	20	10	15.315	
Bangladesh	15	10 *	10 *	
Belgium	15	10	0	
Brazil	12.5	12.5 *	15.315	
Bulgaria	15	10 *	10 *	
Canada	15	10 *	10 *	
China	10	10 *	10 *	
Czech Republic	15	10 *	10 *	
Denmark	15	10	10	
Egypt	15	-	15.315	
Finland	15	10	0	
France	10	0 [*] /10	0 [*] /10	* Pension funds, financial institutions and government entities are exempt under certain conditions
Germany	15	10 *	0	
Hong Kong	10	10 *	10 *	Effective from 1 January 2012
Hungary	10	10 *	10 *	
India	10	10 *	10	
Indonesia	15	10 *	10	

Recipient's Country (Alphabetical Order)	Maximum Tax Rates (%)			Remarks
	Dividends	Interest	Redemption	
Ireland	15	10	10	
Israel	15	10 *	10	
Italy	15	10	10	
Kazakhstan	15	10 *	10 *	
Kuwait	10	0 * /10	0 * /10	*Government entities are exempt under certain conditions. Effective from 1 January 2014
Luxembourg	15	10 *	10 *	
Malaysia	15	10 *	10 *	
Mexico	15	10 * /15	10 * /15	* 10% for banks
Negara Brunei Darussalam	10	10 *	10 *	
Netherlands	0 ^{*1} /10	0 ^{*2} /10	0 ^{*2} /10	*1: Pension funds are exempt under certain conditions *2: Pension funds, financial institutions and government entities are exempt under certain conditions Effective from 1 January 2012.
New Zealand	15	0 * /10	0 * /10	*Banks and government entities are exempt under certain conditions. Effective from 1 January 2014
Norway	15	10 *	10 *	
Oman	10	0 * /10	0 * /10	* Government entities are exempt under certain conditions Effective from 1 January 2015
Pakistan	10	10 *	10 *	
Philippines	15	10 *	10 *	
Poland	10	10 *	10 *	
Portugal	10	5 * /10	5 * /10	* 5% for financial institutions Effective from 1 January 2014
Romania	10	10*	10*	

Recipient's Country (Alphabetical Order)	Maximum Tax Rates (%)			Remarks
	Dividends	Interest	Redemption	
Russia (USSR)	15	10 *	10 *	
Singapore	15	10 *	10 *	
Slovakia	15	10 *	10 *	
Saudi Arabia	10	0 [*] /10	0 [*] /10	* Government entities are exempt under certain conditions Effective from 1 January 2012
South Africa	15	10 *	10 *	
South Korea	15	10 *	10 *	
Spain	15	10	0	
Sri Lanka	20	- *	15.315	* Banks are exempt
Sweden	10	0 *	0 *	*10% for revenue bonds (not exempt) Effective from 1 January 2015
Switzerland	0 ^{*1} /10	0 ^{*2} /10	0 ^{*2} /10	*1: Pension funds are exempt under certain conditions. *2: Pension funds, financial institutions and government entities are exempt under certain conditions Effective from 1 January 2012.
Thailand	-	10 [*] /25	10 [*] /25	* 10% for financial institutions
Turkey	15	10 [*] /15	10 [*] /15	* 10% for financial institutions
United Arab Emirates	10	0 [*] /10	0 [*] /10	*Government entities are exempt under certain conditions Effective from 1 January 2015
United Kingdom	0 ^{*1} /10	0 ^{*2}	0 ^{*2}	*1: Pension funds are exempt under certain conditions. *2: Exempt under certain conditions 10% for revenue bonds (not exempt) Effective from 1 January 2015
United States of America	0 ^{*1} /10	0 ^{*2} /10	0 ^{*2} /10	*1: Pension funds are exempt under certain conditions. Large holders of a REIT are not exempt (=15.315%). For definition of large holders, please refer to the article 10. of the treaty for double taxation between U.S.A. and Japan. *2: Pension funds, financial institutions and government

Recipient's Country (Alphabetical Order)	Maximum Tax Rates (%)			Remarks
	Dividends	Interest	Redemption	
				entities are exempt under certain conditions.
Vietnam	10	10 *	10 *	
Zambia	0	10	10	

Sources: Ministry of Finance Japan official Website, 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).
(* Note: Interest received by Government entities or Central Banks is tax exempt under certain conditions).

Also, please refer to the MOF's official website:

http://www.mof.go.jp/english/tax_policy/tax_conventions/press_release/index.htm

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 31 December 2013. 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 3% of the total issued shares as of record date.
** Includes OTC shares and listed investment trusts (ETF, REIT and Nikkei 300).
4. In accordance with the Special Taxation Measure Law, the 15.315% tax will be imposed on redemption profits derived from discount bonds such as Tbills, from 1 January 2016. In cases where the DTT rate is lower than 15.315% rate, the DTT rate will be applied.
5. The Special Taxation Measure Law provides for a tax hike on dividend and interest income effective 25 years to finance the reconstruction of areas affected by the Great East Japan Earthquake.

Item	Year			
	Until 31 December 2012	From 1 January 2013 to 31 December 2013	From 1 January 2014 to 31 December 2037	From 1 January 2038
Dividend for listed shares	7%	7.147%	15.315%	15%
Dividend for unlisted shares or dividend of more than 3% large individual shareholders	20%	20.42%	20.42%	20%
Interest	15%	15.315%	15.315%	15%

6. In certain cases, foreign investors must submit a certificate of residency to apply for a DTT.

(1) In cases where there is an Article of Limitation on Benefit in a DTT, some investors (ex. US residents, UK pension funds etc.) 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.

7. Others:

(1) Text of new treaty or revision to existing treaty signed but yet to come into force: U.S.A.

(2) Reached agreement in principle on new treaty or revision to existing treaty: Qatar, Germany, Chile

(3) Negotiations ongoing: -----

(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.