

(Provisional translation)

# Perpetuation of Japanese Bond Income Tax Exemption Scheme (J-BIEM)

Policy Planning & Research Office  
Financial Services Agency



# Outline of Perpetuation of Japanese Bond Income Tax Exemption Scheme (J-BIEM)

## <Outline of the system before the 2013 Tax Reform>

- Interest on corporate bonds in book-entry form received by foreign investors has been exempt from tax in the same manner as JGBs and local government bonds, subject to certain procedural requirements. However, the scope of this tax exemption was limited to corporate bonds in book-entry form issued on or before March 31, 2013.

## <Outline of the 2013 Tax Reform>

- Perpetuation of Tax Exemption:

Interest and profits from redemption of corporate bonds in book-entry form received by foreign investors shall be permanently exempt from tax, subject to certain procedural requirements. However, interest and profits from redemption of quasi-bond beneficial interests of specified purpose trusts (“J-Sukuks”) and profit-linked bonds issued by domestic corporations fully owned by local governments (“Revenue Bonds”), among corporate bonds in book-entry form, are tax-exempt only if they are issued on or before March 31, 2016.

# Outline of Taxation System for Bonds concerning Foreign Investors after the 2013 Tax Reform

