

◆ Integration of taxation on financial income and gains

【Current status and problems】

- The extent of profit-loss offsetting among different financial products is limited.
 - Differences exist in terms of the taxation system for public and corporate bonds and that for listed shares.
- ⇒ It is hard for investors to invest in diversified financial products.

【Outline of the Tax Reform Proposal】

- After January 2016, the taxation system for public and corporate bonds will be changed to separate taxation by filing tax returns in the same manner as listed shares.
- Moreover, the extent of profit-loss offsetting will be expanded to public and corporate bonds.

Taxation system for financial products (after the Reform)

Offsetting is newly allowed

	Income	Capital gains / losses
Listed shares and publicly-offered stock investment trusts	Separated	Separated
Specified public and corporate bonds and publicly-offered bond investment trusts	Separated and withheld → Separated	Tax-free → Separated
Deposits	Separated and withheld	—
Derivatives	Separated	

To be deliberated, paying attention to contribution to achievement of comprehensive exchanges