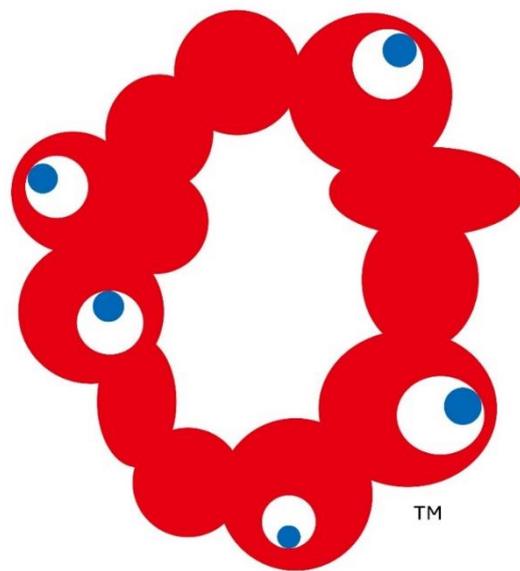


Guideline for Procedures Concerning Direct Taxes



OSAKA, KANSAI, JAPAN

EXPO

2025

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1. Introduction

1-1. Purpose

According to the ‘Agreement between the Government of Japan and the Bureau International des Expositions regarding Privileges and Immunities related to the Expo 2025 Osaka, Kansai, Japan’ (hereinafter referred to as the ‘Agreement’), the Offices of the Commissioners General of Section that are corporations not having their head or main office in Japan are exempt in Japan from all direct taxes on themselves, their property, assets and income, except those which are, in fact, no more than charges for public services, within the scope of non-commercial activities connected with the Expo of the Offices of the Commissioners General of Section.

Also, the Staff of the Offices of the Commissioners General of Section who visit Japan for the purpose of the Expo are exempt from taxation on their salaries and emoluments derived in respect of an employment or other activity that is exercised in Japan for non-commercial activities connected with the Expo of the Offices of the Commissioners General of Section, as well as from all direct taxes on one motor vehicle imported free of customs duties at the time of first taking up the post in Japan.

This Guideline is provided pursuant to the Agreement and the Special Regulation No. 12 for the purpose of providing information on the procedures and other matters concerning direct taxes and describes necessary points so that those who visit Japan for the Expo as corporations or individuals are able to pursue the procedures smoothly.

Note that the Agreement provides for the consumption and local consumption taxes levied on the goods and services procured in Japan to be refundable under certain conditions and procedures. For the procedures and other matters concerning the refund of consumption and local consumption taxes, please refer to the Guideline for Consumption Tax Refund Procedures, which is published separately.

Note also that this Guideline has been prepared based on the laws and regulations in force and effect as of the 1st of November, 2022 and is subject to change in the future.

1-2. Definitions of abbreviations, contractions and technical terms

The definitions of abbreviations, contractions and technical terms used in this Guideline are as follows:

(Table 1-2)

Abbreviations/contractions/ technical terms	Definitions
BIE	Bureau International des Expositions
Convention	Convention Relating to International Exhibitions signed in Paris on the 22nd of November, 1928, and subsequently amended and supplemented
Organiser	Japan Association for the 2025 World Exposition
Official Participants	Foreign governments and international organisations that have accepted the formal invitation from the Government of Japan to participate in the Expo

Commissioners General of Section	Representatives appointed by each Official Participant for the functions provided in Article 13 of the Convention
Office of the Commissioner General of Section	Any individual, corporation, or other body designated in advance as Office of the Commissioner General of Section by each Official Participant through the One Stop Shop
Staff of the Office of the Commissioner General of Section	The Commissioner General of Section, the Deputy Commissioner General of Section, the Pavilion Director and direct employees of each Office of the Commissioner General of Section
Non-commercial activities connected with the Expo	Activities related to the preparation, operation and publicity of the Expo and other activities pertaining to the Expo and excludes the sales of foods and beverages, the sales of merchandise, the organisation of events with entrance fees and other activities for profit
General Regulations	The General Regulations included in Chapter 8 of the Registration Dossier approved at the 167th General Assembly of the BIE
Special Regulations	Special Regulations set out in Article 34 of the General Regulations
One Stop Shop	The staffed service centre set up in Osaka, Japan and operated by the Organiser for the purpose of centrally handling all submissions and applications from, and giving advice to, Official Participants, to ensure that the Official Participants are able to smoothly pursue their activities and work in relation to the Expo
Online portal for the Official Participants	The online portal that enables smooth communication between the Official Participants and the One Stop Shop

1-3. Control and Guide

This Guideline sets forth two indices, Control and Guide, as references to support those to whom this Guideline is intended in following the procedures in relation to direct taxes. These indices Control and Guide are indicated with codes composed of an alphabet (either C or G) and a two-digit number.

C-00 Control provides for mandatory conditions or prohibitions in relation to the procedures, which must be satisfied as set forth therein.

G-00 Guide indicates conditions that are desirable, describing the initiatives the Organiser expects of, or proposes to, the participants to pursue.

1-4. One Stop Shop

The One Stop Shop is a service centre with on-site staff established in Osaka and operated by the Organiser. Utilising the Online portal for the Official Participants, it centrally processes all submissions and applications from, and give advice to, the Official Participants.

G-01 Inquiries about, and advice on, taxes as to whether or how they should follow the procedures, are also handled by the One Stop Shop irrespective of the activities connected with the Expo being non-commercial or commercial. It also provides relevant information and other support. Please contact if you need assistance.

1-5. Offices of Commissioners General of Section eligible for direct taxes exemption

In relation to ‘2. Procedures concerning direct taxes on the Offices of the Commissioners General of Section’ below (excluding ‘3. Procedures concerning direct taxes on the Staff of the Offices of the Commissioners General of Section’), the Agreement specifies the Offices of the Commissioners General of Section that are exempt from direct taxes to be ‘the Offices of the Commissioners General of Section which are “corporations” not having their head or main office in Japan.’ The Offices of the Commissioners General of Section that are not ‘corporations’ are excluded from the direct tax exemption.

1-6. Provision of information about the Offices of the Commissioners General of Section

Due to the need for the Organiser to know which Offices of the Commissioners General of Section are eligible for the direct tax exemption according to the Agreement, the Official Participants are requested to provide information about their Offices of the Commissioners General of Section.

C-01 The Official Participants must use the Notification of the Office of the Commissioner General of Section (Attached form 1) to submit to the Organiser information about their Offices of the Commissioners General of Section. When the Official Participants have identified their Offices of the Commissioners General of Section, they must fill in the Notification of the Office of the Commissioner General of Section (Attached form 1) and submit it to the One Stop Shop using the Online portal for the Official Participants. If changes are made to the provided details, the form with the updated information must be submitted promptly.

2. Procedures concerning direct taxes on the Offices of the Commissioners General of Section

2-1. Corporation tax, local corporation tax, individual income tax and special income tax for reconstruction

2-1-1. Taxation concerning the Non-commercial activities connected with the Expo

C-02 As a general rule, the Offices of the Commissioners General of Section have the obligation to pay direct taxes according to the laws and regulations of Japan by following various procedures. However, the Agreement provides that the Offices of the Commissioners General of Section that are corporations not having their head or main office in Japan are exempt from the corporation tax, local corporation tax, individual income tax and special income tax for

reconstruction. Note that no procedures are required to apply for this exemption provided by the Agreement.

2-1-2. Taxation concerning activities other than those described in 2-1-1

- C-03** The Offices of the Commissioners General of Section must assume the obligation to pay direct taxes according to the laws and regulations of Japan by following various procedures and, where the corporation tax and local corporation tax are incurred, pay these taxes.

Regarding the domestic source income as stipulated by the Income Tax Act of Japan which is earned by the Offices of the Commissioners General of Section through activities other than described in 2-1-1, the relevant tax may be withheld from the payment received. Note that the withheld income tax and special income tax for reconstruction may be deducted from the corporation tax through filing a corporation tax return.

2-2. Corporation prefectural inhabitant tax, enterprise tax, special corporation enterprise tax, real estate acquisition tax, automobile tax, corporation municipal inhabitant tax, fixed asset tax, light motor vehicle tax, business office tax and urban planning tax

2-2-1. Taxation concerning the Non-commercial activities connected with the Expo

- C-04** According to the Agreement, the Offices of the Commissioners General of Section that are corporations not having their head or main office in Japan are exempt from the corporation prefectural inhabitant tax, enterprise tax, special corporation enterprise tax, real estate acquisition tax, automobile tax, corporation municipal inhabitant tax, fixed asset tax, light motor vehicle tax, business office tax and urban planning tax within the scope of the Non-commercial activities connected with the Expo of the Offices of the Commissioners General of Section. There are no procedures to be followed in order to qualify for the local tax exemption.
- C-05** Automobiles that are exempt from the automobile tax must also be reported by submitting the Report on the Automobile Tax (Form No. 43 pertaining to the Regulation for Enforcement of the Corporation Tax Act No. 16) at the reception for tax declaration set up at the Transport Bureau Branch Office when applying for registration number plates. Similarly, light motor vehicles that are exempt from the light motor vehicle tax must also be reported by submitting the Report on the Light Motor Vehicle Tax (Form No. 4 pertaining to the Regulation for Enforcement of the Local Tax Act No. 33) at the reception for tax declaration set up at the Light Motor Vehicle Inspection Organisation when applying for registration number plates.

2-2-2. Taxation concerning activities other than those described in 2-2-1

C-06 The Offices of the Commissioners General of Section must assume the obligation to direct taxes by following various procedures in accordance with the laws and regulations of Japan, and where the corporation prefectural inhabitant tax, enterprise tax, special corporation enterprise tax, real estate acquisition tax, automobile tax, corporation municipal inhabitant tax, fixed asset tax, light motor vehicle tax, business office tax and urban planning tax are accrued, they must pay these taxes.

3. Procedures concerning direct taxes on the Staff of the Offices of the Commissioners General of Section

3-1. Individual income tax and special income tax for reconstruction

3-1-1. Taxation concerning the Non-commercial activities connected with the Expo

According to the Agreement, The Staff of the Offices of the Commissioners General of Section who visit Japan for the purpose of the Expo are exempt from taxation on their salaries and emoluments derived in respect of an employment or other activity that is exercised in Japan for the Non-commercial activities connected with the Expo of the Offices of the Commissioners General of Section (excluding the staff members who are nationals of, or permanent residents in, Japan). Note that no procedures are required to apply for this exemption provided by the Agreement.

3-1-2. Taxation concerning activities other than those described in 3-1-1

C-07 If non-resident staff members of the Offices of the Commissioners General of Section gain income other than the salaries and emoluments stated in 3-1-1 (domestic source income stipulated in the Income Tax Act of Japan), the accounting-taxation relationship of this income is terminated by the payer's withholding the tax (20.42% tax rate), provided that the income is a remuneration or other compensation derived in respect of an employment executed in Japan and that the payment is made in Japan. However, if they receive the remuneration not applicable to withholding tax (for example, remuneration or other compensation derived in respect of an employment executed in Japan and paid outside Japan) and other income whose accounting-taxation relationship is not terminated by means of the withholding of income tax at source, procedures must be followed to file a final return form of the income tax and special income tax for reconstruction concerning the income other than the salaries and emoluments stated in 3-1 to the District Director of tax office at the taxpayer's place for tax payment annually between the 16th of February and the 15th of March of the following year (regarding the

aforementioned remuneration not applicable to withholding tax, if the staff member ceases to have a place of residence in Japan before these dates, then before the day on which they no longer have the place of residence) and pay these taxes.

Note, however, that the income tax and special income tax for reconstruction may not be levied according to tax treaties and other international agreements.

3-2. Individual prefectural and municipal inhabitant taxes

3-2-1. Taxation concerning the Non-commercial activities connected with the Expo

According to the Agreement, the Staff of the Offices of the Commissioners General of Section who visit Japan for the purpose of the Expo are exempt from taxation on their salaries and emoluments derived in respect of an employment or other activity that is exercised in Japan for the Non-commercial activities connected with the Expo of the Offices of the Commissioners General of Section (excluding the staff members who are nationals of, or permanent residents in, Japan). There are no procedures to be followed in order to qualify for the local tax exemption.

3-2-2. Taxation concerning activities other than those described in 3-2-1

C-08 If the Staff of the Office of the Commissioner General of Section visiting Japan for the purpose of the Expo and having an address in a municipality in Japan on the 1st of January of a year gained income other than the salaries and emoluments stated in 3-2-1 during the previous year, procedures must be followed to annually file to the head of the local government at the taxpayers place for tax payment a tax declaration form of the prefectural and municipal inhabitant taxes for the individual concerning the income other than the salaries and emoluments stated in 3-2-1, before the 15th of March of the said year (*) and pay these taxes, unless these are levied by means of a special levy from monthly payments of the remuneration by the person who is, as of the first day of the same fiscal year, a payer of the remuneration.

* If you have filed an income tax final return for the previous year, you are considered in principle to have filed an inhabitant tax declaration form and do not need to submit the same inhabitant tax declaration form again.

3-3. Automobile and light motor vehicle taxes

3-3-1. Taxation concerning the motor vehicle imported free of customs duties at the time of first taking up the post in Japan (1 vehicle only)

According to the Agreement, the Staff of the Offices of the Commissioners General of Section who visit Japan for the purpose of the Expo are exempt from the automobile tax and light motor vehicle tax on their motor vehicle (1 vehicle only) imported free of customs duties at the time of first taking

up the post in Japan (excluding the staff members who are nationals of, or permanent resident in, Japan). Where this is the case, however, the procedures described in 2-2-1 [C-05] must be followed. Note that submission of these reports is not required for the vehicles to which applies Article 4 Paragraph 1 of the Act on Special Provisions of the Road Transport Vehicle Act Incidental to Enforcement of the 'Convention on Road Traffic' (e.g., the motor vehicles among the aforementioned ones that have been registered in a signatory country of the Convention on Road Traffic other than Japan, imported into Japan solely for personal use by individuals entering the country temporarily for purposes other than relocation, and not exceeding 1 year since the permission to import was granted).

3-3-2. Taxation concerning vehicles other than that described in 3-3-1

C-09 If a non-resident member of the Staff of the Office of the Commissioner General of Section acquires or owns motor vehicles in Japan other than those stated in 3-3-1, procedures must be followed to pay the automobile tax and light moto vehicle tax.

Contact

The Official Participants can send inquiries concerning the content of this Guideline or uncertainties concerning procedures to the Organiser using the Queries function in the Online portal for the Official Participants.

If you have any trouble using the Online portal for the Official Participants, please contact us by email to participant@expo2025.or.jp.



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