



**UK/Japan Double Taxation Convention (SI 2006 No. 1924)  
Claim to relief from United Kingdom income tax on income paid on or after 1 January 2007  
For use by a company or concern resident in Japan receiving INTEREST or ROYALTIES  
arising in the UK**

**Do not use this form to claim exemption from UK tax on interest under Article 11(3) of the Double Taxation Convention. Use form Japan-3-DT.**

Please

- use the **Japan-2-DT Notes** to help you fill in this form
- give all the details asked for in the form
- sign the **declaration** in **Part F** and say what is your status in the company or concern
- send the form to the National Tax Agency office in the district in Japan in which the head or main office of the company is situated. See note 3 in the Japan-2-DT Notes.

If you need help or more information, contact **HM Revenue & Customs, LBS DT Treaty Team, Barkley House Castle Meadow Road, Nottingham, England NG2 1BA.**

Our telephone number is: + 44 115 974 0897 if calling from outside the UK, or 0115 974 0897 if calling from the UK.

**Part A Details of the company or concern and tax adviser (if any)**

<p><b>Full name</b> of the company/concern receiving the income</p> <hr/> <p><b>Full registered address</b> (do not use 'care of' address)</p> <hr/> <hr/> <p><b>Telephone number</b> _____</p> <p>Fax number _____</p> <p>Reference (if any) or contact name</p>	<p>If the company or concern has a <b>tax adviser</b>, please give details.</p> <p><b>Adviser's name</b></p> <hr/> <p><b>Adviser's address</b></p> <hr/> <hr/> <p><b>Telephone number</b> _____</p> <p>Fax number _____</p> <p>Reference (if any) or contact name</p>
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**Please give**

- the company's tax reference in Japan
- the address of the National Tax Agency office in Japan where the company's latest tax return was sent, *and*
- the date on which it was sent.

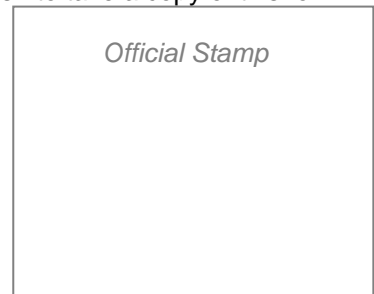
Empty box for providing tax reference and date.

**For use by the National Tax Agency office in Japan**

Please complete the statement below then sign and affix your official stamp. You may wish to take a copy of this form for your records.

*I certify that* \_\_\_\_\_  
*is a resident of Japan within the meaning of Article 4 of the 2006 UK/Japan Double Taxation Convention.*

Signature \_\_\_\_\_ Date \_\_\_\_\_



## Part B Questions about the company in Japan

Please answer the following questions about the claimant company in Japan receiving the income.

'✓' where appropriate

**B2.1** Is the company

a) managed in Japan? (a) Yes  No

b) incorporated in Japan? (b) Yes  No

(See Article 4(1) of the Double Taxation Convention)

**B2.2** Is the company liable to tax in Japan in respect only of income from sources in Japan? Yes  No

If 'No', go to question B2.3.

If 'Yes', the company will fall outside the definition of 'resident of a Contracting State' in Article 4(1) of the Double Taxation Convention. Please see the Japan-2-DT Notes about Part B of the form and say on a separate sheet why you believe that the claimant is entitled to relief from UK tax, notwithstanding that it is not to be considered as a resident of Japan.

**B2.3** Does the company carry on business from a permanent establishment situated in the United Kingdom? Yes  No

If 'Yes', Is the debt-claim, or right or property, in respect of which the income included in this form is paid, effectively connected with the permanent establishment? Yes  No

If you answer 'Yes', please say on a separate sheet why the company believes that it is entitled to relief from UK tax. (See Article 11(6) and Article 12(3) of the Double Taxation Convention.)

**B2.4** Is there any relationship between the company and the UK payer of the income, other than that of payee and payer? Yes  No

If 'Yes', give full details on a separate sheet.

**Only answer the following questions if the company is claiming full relief from UK tax under the terms of Article 12 (royalties) or Article 21 (other income).**

**B2.5** Is the principal class of shares of the company listed or admitted to dealings on a recognised stock exchange in either the UK or Japan? Yes  No

(See Article 22(2)(c) of the Double Taxation Convention)

If 'Yes', go to question B2.6.

If 'No', go to question B2.7.

**B2.6** Are those shares regularly traded on a recognised stock exchange? Yes  No

(See Article 22(2)(c)(i) of the Double Taxation Convention)

If 'No', go to question B2.7.

**Only answer this question if you have answered 'No' to either Question B2.5 or B2.6.**

**B2.7** Are shares representing at least 50% of the voting power of the company owned directly or indirectly by persons who are qualified persons as defined in Article 22(2)(a), (b), (c), (d) or (e)? (See Article 22(2)(f) of the Double Taxation Convention) Yes  No

If 'Yes', give on a separate sheet

- the full names and registered or residential addresses of all the direct and intermediate shareholders.
- a statement that each of those shareholders has, for the twelve-month period preceding the first payment date that is identified at Part C and/or Part D of this claim form, satisfied the conditions that are described in Article 22(2)(f).

(See Article 22(4)(a) of the Double Taxation Convention)

If 'No', go to question B2.8.

## Part B (continued)

**B2.8** Are shares representing at least 75% of the voting power of the company owned directly or indirectly by seven or fewer persons who are equivalent beneficiaries?  
(See Article 22(3) of the Double Taxation Convention)

Yes

No

If **'Yes'**, give on a separate sheet

- a) the full names and registered or residential addresses of all the direct and intermediate shareholders.
- b) a statement that each of those shareholders has, for the twelve-month period preceding the first payment date that is identified at Part C and/or Part D of this claim form, satisfied the conditions that are described in Article 22(3)
- c) Please also state under which part of Article 22(7)(e) the shareholder is an 'equivalent beneficiary'.

If **'No'**, and the company considers itself to be a 'qualified person' under the terms of Article 22(5) of the Double Taxation Convention, say why on a separate sheet.

## Part C Application for relief at source from UK income tax

- Complete Part **C1**, **C2** or **C3** as appropriate, to apply on behalf of the recipient company or concern for relief at source from UK income tax.
- If the company or concern has already received payments of the income with **UK income tax taken off**, please also complete **Part D** to claim repayment of the tax.

### C1 Interest from loans

- Complete the columns below.
- Attach a **copy of the loan agreement for each loan**. See below about syndicated loans.

Name and address of the UK payer of the interest	Date of the loan agreement	Amount of the loan	Payable date(s) of the interest

### Syndicated loans - additional information

If the debt right is part of a syndicated loan, please '✓' here   
and give the following additional details:

- the amount of your participation

- the total loan facility

- the date of the original loan agreement.

If you are aware that a copy of the loan agreement has already been sent to HM Revenue Customs, there is no need to attach another copy.

**C2 Interest from UK securities** *Important - see the Japan-2-DT Notes before completing this part.*

Complete the columns below, giving the information requested.

Amount and full title of security	Name and address in which security is registered	Registrar's account number or reference	Payable date(s)

**C3 Royalties**

Answer the question and complete columns (a) to (c) below as appropriate, giving the information requested.

\*√' as appropriate

Is the claimant company the **originator** of the work or product that has been licensed to the UK?      Yes       No

If **'No'**, please attach a copy of the licence, contract or assignment under which the rights sub-licensed to the UK payer have been acquired from the originator.

**For copyright royalties on literary, dramatic, musical or artistic works:**

- Enter in column **(a)** a full description of the royalties.
- Enter in column **(b)** the date of the **licence agreement** between the company and the UK payer.
- Enter in column **(c)** the **payer's** name and address. If payments are made **through** or **by** an agent in the UK, also enter the agent's name and address.

**For other royalties**

- Enter in column **(a)** a full description of the royalties.
- Enter in column **(b)** the date of the **licence agreement** between the company and the UK payer and attach a **copy of the licence agreement**.
- Enter in column **(c)** the name and address of the UK payer of the royalties.

Column (a)	Column (b)	Column (c)



## Part F Declaration

**IMPORTANT: Please read note 4 in the Japan-2-DT Notes before completing the declaration.**

*✓ as appropriate*

1. The information I have given on this claim/application is, to the best of my knowledge and belief, correct and complete
2. I have considered the guidance on beneficial ownership published at **INTM332040** by HM Revenue & Customs and have concluded that

(a) the company or unincorporated concern is beneficially entitled to the income from the source(s) included in this form or otherwise meets the conditions for relief in the Double Taxation Convention between the UK and Japan

or

(b) the company or concern is not the beneficial owner of the income but is entitled to relief from UK tax under the Double Taxation Convention for the reason(s) I have given in the attached note.

### On behalf of the company or concern

3. I apply for relief at source from UK income tax and undertake to tell HM Revenue & Customs if there is any change to the information that I have given in this form. (See the notes about Part C.)

4. I claim repayment of UK income tax and

(a) have worked out that the amount payable to the company or concern is

\*£

*\*Enter the amount payable that you have worked out. Leave the box empty if you want HM Revenue & Customs to work out the amount.*

or

(b) want HM Revenue & Customs to work out the amount payable to the company or concern.

\*Signature \_\_\_\_\_ Date \_\_\_\_\_

Print your name below and enter your status.

\*Who may sign:

**For a company or fund**, a responsible officer of the company or fund may sign. An agent (tax adviser), 'custodian' or other duly authorised person acting with the authority of the company may also sign on the company's behalf.

**For a partnership**, the senior, general or managing partner (as appropriate) may sign in the name of the partnership. Please see **note 5** and attach to the form a list giving the names and residential addresses (or registered business addresses if companies) of all the partners, and each partner's percentage share in the partnership.

### For official use by HM Revenue & Customs

Examined \_\_\_\_\_

Amount repaid £ \_\_\_\_\_ :

Authorised \_\_\_\_\_

HMRC date stamp

## Japan-2-DT Notes

Use these Notes to help you complete form Japan-2-DT. If you need further information, please contact **HM Revenue & Customs**. Our address, telephone and fax numbers are in note 7.

### 1. Purpose of the form Japan-2-DT

Form **Japan-2-DT** enables a company in Japan that receives interest or royalties arising in the UK to claim relief from UK income tax under the 2006 UK/Japan Double Taxation Convention (SI 2006 No.1924). If interest or royalty payments have been made with UK income tax deducted, form **Japan-2-DT** may be used to claim repayment of the UK tax deducted from income paid **on or after 1 January 2007**. For income paid before that date, use form **Japan/Company**.

Do not use form Japan-2-DT to claim full relief from UK tax under the terms of Article 11(3) of the Double Taxation Convention. Instead, qualifying residents of Japan should use form Japan-3-DT.

The forms mentioned in this note are available from [www.hmrc.gov.uk](http://www.hmrc.gov.uk) or the address in note 6.

### 2. Tax vouchers

There is no need to send tax vouchers with the completed form Japan-2-DT, but you should keep them in case they are needed later to support it. You can send the vouchers if you think they will help us deal with the claim.

### 3. Certification of the form by the taxation authorities of Japan

It is a condition of relief from UK income tax under the terms of the Double Taxation Convention that the beneficial owner of the income is resident in Japan.

Please

- a. send the completed form to the **National Tax Agency** office in the district in Japan in which the head or main office of the company is situated. That office will certify that the company is a resident of Japan within the meaning of the 2006 UK/Japan Double Taxation Convention and return the form to you

send the certified form to  
**HM Revenue & Customs**  
**LBS DT Treaty Team**  
**Barkley House**  
**Castle Meadow Road**  
**Nottingham**  
**England**  
**NG2 1BA**

### 4. Beneficial ownership

The UK/Japan Double Taxation Convention provides for relief to be available to the beneficial owner of the income. Where a claimant is required to pass on the income in respect of which the claim is made it may not be the beneficial owner of the income for the purposes of the Double Taxation Convention. Please see the HM Revenue & Customs guidance published in our International Manual (INTM). To read the guidance online go to [www.hmrc.gov.uk](http://www.hmrc.gov.uk) and look for **INTM332040** in the *Search* facility.

Where the company or concern does **not** satisfy the 'international fiscal meaning' of beneficial ownership but believes that because of the policy statements that are made in the guidance it is still able to obtain treaty benefits, you should

- tick box **2(b)** in the declaration in **part F** of the form
- include with the claim a note giving the information mentioned at INTM332070 – reproduced below for ease of reference.

“Where structures are within the ambit of the Indofood decision, that is to say the structure has the accessing of treaty benefits as one of its effects, it is possible that applications to HM Revenue & Customs for benefits under a Double Taxation Convention (DTC) will fall at the first hurdle unless the applicant can demonstrate beneficial ownership. The application might simply be regarded as invalid and never reach the stage where it can be considered in terms of the object and purpose of the particular DTC under which the application is made.

However, where the claimant Special Purpose Vehicle (SPV) does not satisfy the “international fiscal meaning” of beneficial ownership but believes that it is still able to obtain treaty benefits because of the policy confirmed in this guidance, it should make its claim and include a note to that effect. To ease consideration of the claim, the note should include full details as to

- A full structure diagram and explanation of the capital and interest flows;
- why the SPV is considered to be the beneficial owner within the “international fiscal meaning”; or
- demonstrate that the structure does not abuse the DTC under which the claim is made either relating the structure to the examples at **INTM332080** or otherwise.”

Where a claim/application for relief from UK tax is made by a partnership or other concern that is not a taxable person or is otherwise ‘transparent for tax purposes’ under the law of its country of residence, you should tick box **2(b)** in the declaration in **part F** of the form Japan-2-DT and provide additional information as outlined in the HM Revenue & Customs guidance at INTM335500.

## 5. Claims on behalf of partnerships

The UK/Japan Double Taxation Convention does not give the right to claim relief to partnerships and LLCs where these are tax-transparent. Instead, in those cases where the income of the concern is taxable in the hands of its partners or members (rather than at the level of the concern itself) each of those should in strictness make a separate claim to treaty relief.

HM Revenue & Customs recognises that adopting this strict approach may impose an unreasonable administrative burden on claimants which is not needed in many cases to give effect to the intent and purpose of the treaty.

In such cases, and without prejudice to our right to require individual claims, we will normally be prepared to accept a single (composite) claim in the name of the partnership or LLC. This must include the following features, in addition to the normal information that is required by the form Japan-2-DT:

- In all cases the general or managing partner/member should sign the declaration in Part F of form Japan-2-DT.
- Where the partnership or LLC is established in Japan and all of the partners/members are resident for tax purposes in Japan, attach to the claim a list of the names and addresses of the partners/members. The list should show residential addresses for individuals and registered addresses where the partners/members are companies.
- Where any partner/member is resident for tax purposes in a country other than Japan, attach the list described above. The list must also include for each member/partner their respective percentage share of the income that is the subject of the claim.

Any partner/member resident for tax purposes outside Japan will also need to make a separate claim to relief from UK tax under the terms of any relevant DTC. The Digest of Double Taxation Treaties lists all of the UK’s comprehensive DTCs. To read the DT Digest online go to **www.hmrc.gov.uk** and look for *DT Digest* in the *Search* facility.

## 6. Help or further information

If, after using these Notes you need help or more information, please

- phone HM Revenue & Customs:  
**+44 115 974 0897** if calling from outside the UK, or **0115 974 0897** if calling from the UK.
- or write to **HM Revenue & Customs, LBS DT Treaty Team, Barkley House, Castle Meadow Road, Nottingham, England NG2 1BA.**

Our fax number is +44 115 974 0666 from outside the UK, or 0115 974 0666 from inside the UK.

Please quote the HM Revenue & Customs reference number (for example ‘43/A/123456’) whenever you contact us.

## 7. Completing the form Japan-2-DT

Please

- include in the form only the income on which the company claims relief from UK tax under the provisions of the UK/Japan Double Taxation Convention
- give all the information requested and attach any supporting documents that are asked for
- attach a separate sheet if you need more room.

### Part A: Details of the company and tax adviser

Please give all the details asked for. If the company or concern has a tax adviser, include the tax adviser's details. All the information that you provide to HM Revenue & Customs is confidential. We can therefore only discuss the tax affairs of the company or concern with

- an officer of the company and/or
- any tax adviser or agent who is nominated by the company or concern.

We cannot disclose to the UK payer of the income or their tax adviser any information relating to the claimant company or concern.

### Part B: Questions about the company

Tick the boxes that apply and give any additional information asked for.

#### This note applies only if you answer 'Yes' to question B2.2

Relief from UK tax is available under the Double Taxation Convention only to residents of Japan. If you answer 'Yes' to question B2.2, you are saying that the claimant company or concern is liable to tax in Japan in respect **only** of income from sources in Japan, and this will mean that the company does not meet the definition of 'resident of a Contracting State' found at Article 4(1) of the Double Taxation Convention (most typically, where the claimant is a branch of an enterprise that is not resident in Japan).

If answering "Yes" please therefore detail on a separate sheet why you believe that the claimant is entitled to relief from UK tax, notwithstanding that it is not to be considered as a resident of Japan.

### Part C: Application for relief at source from UK income tax

Relief at source from UK income tax on future payments of income may be available in cases where HM Revenue & Customs is able to exercise its discretion to issue a notice (under Statutory Instrument 1970 Number 488, as amended). We deal with each application on its merits. Where we cannot agree to allow relief at source or cannot arrange it, you can claim **repayment** of part or all of the UK tax taken off, as appropriate.

If relief at source is granted, please tell HM Revenue & Customs at the address in Note 6, without delay, if there is any subsequent change to the information you have given on the form Japan-2-DT.

#### C1 and C2: UK Interest

Under the provisions of the Double Taxation Convention, UK interest is taxable in the UK at a rate of **10%** of the gross amount of the interest. An exception to this is where the beneficial owner of the interest is in one of the categories of persons specified in Article 11(3) of the Convention. **If you want to claim exemption from UK tax under the terms of Article 11(3) do not use this form Japan-2-DT.** Instead you should use form **Japan-3-DT**.

#### Interest from loans

Where the interest is payable on a loan to a UK resident company or individual, **please attach a copy of the loan agreement** to the form Japan-2-DT.

#### Interest from UK securities

Enter in Part C2 of the form UK interest with UK tax taken off. This may include interest from loan stocks that are **not quoted** on the Stock Exchange. We may be able to arrange for relief from UK tax at source from interest on these stocks.

There is no need to show in Part C2 of the form any interest from loan stocks that are **quoted** on the Stock Exchange (a quoted Eurobond) as these are paid without UK tax taken off.

If the company has already received interest with UK tax taken off, enter the details in **Part D** of the form to claim repayment of the UK tax in excess of 10%.

### C3: UK Royalties

Under the provisions of the Double Taxation Convention, UK royalties can be paid with no UK tax withheld. The Double Taxation Convention allows relief only to the **beneficial owner** of the royalties. The beneficial owner is normally the originator of the work or product.

#### Copyright royalties

If your company is **not** the originator but has acquired the rights, please attach to the form Japan-2-DT a copy of the licence, contract or assignment under which the UK rights have been acquired. If your company or concern is in the **publishing or music business** and uses a standard form of contract with all its authors or composers, please attach a copy of the standard contract. You need do this only the first time a form Japan-2-DT is completed.

#### Other royalties

Please attach to the form Japan-2-DT a copy of the licence agreement between **the company** and the **UK payer** of the royalties. If the company is **not** the originator of the product giving rise to the royalties but has acquired the rights, please also attach a copy of the licence, contract or assignment under which it has acquired the UK rights.

### Part D: Claim for repayment of UK income tax

For UK **royalties**, the full amount of UK tax taken off is repayable. For UK **interest**, as explained in these Notes, the 2006 UK/Japan Double Taxation Convention provides for UK income tax to be withheld at the reduced rate of **10%** from interest paid to a resident of Japan. If the company or concern has received interest payments with UK tax taken off, it can claim repayment of the amount of UK tax in excess of 10%. Please see the instructions below.

#### Instructions

You may use the boxes below to work out the amount of a repayment of tax on UK **interest** payments.

- |  | UK interest | UK tax     |
|--|-------------|------------|
| • Enter in box <b>1</b> the amount of interest before deduction of UK tax and in box <b>2</b> the amount of UK tax taken off (take these figures from the totals boxes in <b>Part D</b> of the form Japan-2-DTI) | <b>1</b> £  | <b>2</b> £ |
| • Calculate <b>10%</b> of the total amount of interest (in box 1) and enter the result in box <b>3</b> .   |             | <b>3</b> £ |
| • Deduct the amount in box 3 from the amount in box 2 and enter the result in box <b>4</b>   |             | <b>4</b> £ |
- Finally, take the amount you have shown in box 4 and enter it on the form Japan -2-DT at Part F4(a) This is the amount of UK tax repayable to the company.
  - If the company is **also** claiming repayment of UK tax deducted from **royalties**, **add** the amount at box 4 above to the amount of UK tax on the royalties that you have included in Part D of the form. Then enter at Part F4(a) the total of the two amounts.

#### Part E: Repayment instructions

You should only complete **Part E** if you want HM Revenue & Customs to make any repayment to a bank, tax adviser or other person on the company's or concern's behalf.

If you want repayment to be made to the company's tax adviser, please give the reference number (if any) that the tax adviser uses.

You must also sign the declaration at **Part F** if you sign the authorisation in **Part E**.

#### Part F: Declaration

The declaration in **Part F** should be completed and signed after reading note 4 '**Beneficial ownership**' in these Notes.

Who may sign:

- **For a company or fund**, a responsible officer of the company or fund may sign. An agent (tax adviser), 'custodian' or other duly authorised person acting with the authority of the company may also sign on the company's behalf.
- **For a partnership**, the senior, general or managing partner (as appropriate) may sign in the name of the partnership. Please see note 5 for further information.

*These notes are for guidance only and reflect the UK tax position at the time of writing. They do not affect any rights of appeal.*