



## TAX UPDATE

### NATIONAL TAX AGENCY — UPDATE OF Q&A ABOUT JAPANESE GROUP RELIEF SYSTEM

On 28 June 2021, the NTA released the third edition of the Q&A (Japanese only) about the tax treatments, etc. of the Japanese Group Relief System.

By virtue of the 2020 tax reform, the Consolidated Tax Return Filing System was revised fundamentally to the Japanese Group Relief System, which will be applicable for fiscal years beginning on or after 1 April 2022. The National Tax Agency (NTA) released the first and second edition of the Q&A on 3 June 2020 and 21 August 2020, respectively. (We set out information concerning the Q&A in the e-Tax News No.199 [‘NTA — COVID-19/Japanese Group Relief System’](#) issued on 8 June 2020 and No. 206 [‘Update of Q&A about Japanese Group Relief System’](#) issued on 25 August 2020.)

The third edition of the Q&A updated 9 Q&As based on the 2021 tax reform, etc. and added 14 new Q&As.

#### ■ Updated Q&As

For example, the contents of the existing Q&As relating to the tax credit for R&D costs are significantly revised to reflect the 2021 tax reform. (Q70, Q71)

#### ■ New Q&As

For example, the following Q&As are newly added:

- Calculation method of the domestic dividend exclusion received from a related company where amendments/corrections on such dividends or interest expense are made after filing of the original corporation tax returns (Q64)
- How to notify other group companies under Japanese Group Relief System about certain information, where the actual amounts of the calculation basis for the foreign tax credits became different from the amounts in the original corporation tax returns (Q76)

- How to determine the eligible companies of the special tax measures applicable to small and medium-sized companies (Q78)

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