



KPMG AEOI Updates & Tracking Service CARF/CRS Alert



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Japan: Issued CARF FAQs and Revised CRS FAQs

In September 2025, Japan's National Tax Agency (NTA) released a set of Frequently Asked Questions (FAQs) outlining the reporting system for automatic exchange of crypto-asset transaction information concerning non-residents, aligned with the OECD's Crypto-Asset Reporting Framework (CARF).

The FAQs address the following key areas:

- **Scope of Reporting Obligations:** Effective 01 January 2026, Reporting crypto-asset exchange service providers etc. (RCAESPs) including crypto-asset exchange service providers (CAESPs), Financial Instruments Business Operators, and Electronic Payment Instruments Transaction Operators will be required to collect, verify, and report information on crypto-asset transactions involving non-resident individuals and entities to the NTA. These transactions include:
 - Crypto-asset sales and purchases;
 - Exchanges between crypto-assets; and
 - Transfer or receipt of crypto-assets.
- **Reporting Requirements:** RCAESPs must submit CARF reports by 30 April of the following year for each reportable contract. These reports must include:
 - The crypto-asset user's name and address (or corporate name and location for entities), country of residence, Foreign Taxpayer Identification Number (FTIN) etc.; and
 - Detailed transaction information, such as the type of crypto-asset involved, the total amount of consideration (converted

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to a single currency if necessary), the total quantity, and the number of transactions.

Once identified as a reportable contract, a return is mandatory even if no transactions occurred during the reporting year.

RCAESPs are required to submit annual reports electronically via Japan's e-Tax system. In cases where electronic submission is not feasible, reports may be submitted using CD-R or DVD-R formats.

- **Residency Determination and Documentation:** To determine a user's country of residence, RCAESPs must collect a "*New Declaration Form*" from crypto-asset users. This form should include the user's name, address, country of residence, and FTIN etc. Any changes must be reported using an "*Amendment Declaration Form*" within three months. RCAESPs are responsible for verifying the submitted information.
- **Record-Keeping and Data Retention:** RCAESPs are required to retain documentations for five years following the end of the year in which the relevant contract terminates. These records must be stored in physical, electronic, or microfilm formats, ensuring they remain accessible for regulatory review.
- **Penalties for Non-Compliance:** Failure to submit the required declaration forms or to provide accurate information may result in penalties, including imprisonment for up to six months or a fine of up to ¥500,000.

Additionally, in September 2025, the NTA released a fully revised version of its Common Reporting Standard (CRS) FAQs, incorporating the upcoming implementation of the OECD's 2022 CRS amendments into Japan's domestic framework, effective January 2026. This update follows the NTA's June 2025 circular, which outlined the proposed changes aligned with the OECD's revisions (see [here](#) for a detailed KPMG Alert on the proposed changes).

Reference (Japanese): [CARF FAQs](#) and [CRS FAQs](#)

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