

TAX INFORMATION EXCHANGE AGREEMENT OF 5TH JULY, 2012

AGREEMENT BETWEEN THE GOVERNMENT OF JAPAN AND THE GOVERNMENT OF THE PRINCIPALITY OF LIECHTENSTEIN FOR THE EXCHANGE OF INFORMATION RELATING TO TAX MATTERS

Article 1

Object and Scope

The competent authorities of the Contracting Parties shall provide assistance through exchange of information that is foreseeably relevant to the administration or enforcement of the laws of the Contracting Parties concerning taxes covered by this Agreement. Such information shall include information that is foreseeably relevant to the determination, assessment and collection of such taxes, the recovery and enforcement of tax claims, or the investigation or prosecution of tax matters.

Information shall be obtained, exchanged and treated as confidential pursuant to the provisions of the Agreement, subject to the laws of the respective Contracting Parties. When the Requested Party obtains and provides information under the Agreement, the procedural rights and safeguards secured to persons by the laws or administrative practice of the Requested Party remain applicable, to the extent that they do not unduly prevent or delay effective exchange of information.

Article 2

Jurisdiction

The Requested Party is not obligated to provide information which is neither held by its authorities nor in the possession or control of persons who are within its territorial jurisdiction.

Article 3

Taxes Covered

1. This Agreement shall apply to the following taxes:

- (a) in the case of Japan:
 - (i) the income tax;
 - (ii) the corporation tax;
 - (iii) the local inhabitant taxes;
 - (iv) the inheritance tax;
 - (v) the gift tax;
 - (vi) the consumption tax;
 - (vii) the special income tax for reconstruction; and
 - (viii) the special corporation tax for reconstruction; and
- (b) in the case of the Principality of Liechtenstein:
 - (i) the personal income tax (Erwerbssteuer);

- (ii) the corporate income tax (Ertragssteuer);
- (iii) the real estate capital gains tax (Grundstücksgewinnsteuer);
- (iv) the wealth tax (Vermögenssteuer);
- (v) the coupon tax (Couponsteuer); and
- (vi) the value added tax (Mehrwertsteuer).

2. This Agreement shall apply also to any identical or substantially similar taxes that are imposed after the date of signature of the Agreement in addition to, or in place of, those referred to in paragraph 1. The competent authorities of the Contracting Parties shall notify each other of any significant changes that have been made in their respective tax laws.

Article 4 **Definitions**

1. For the purposes of this Agreement:

- (a) the term “Japan”, when used in a geographical sense, means all the territory of Japan, including its territorial sea, in which the laws relating to Japanese tax are in force, and all the area beyond its territorial sea, including the seabed and subsoil thereof, over which Japan has sovereign rights in accordance with international law and in which the laws relating to Japanese tax are in force;
- (b) the term “Principality of Liechtenstein” means, when used in a geographical sense, the area of the sovereign territory of the Principality of Liechtenstein;
- (c) the term “Contracting Party” means Japan or the Principality of Liechtenstein as the context requires;
- (d) the term “competent authority” means:
 - (i) in the case of Japan, the Minister of Finance or his authorised representative; and
 - (ii) in the case of the Principality of Liechtenstein, the Government of the Principality of Liechtenstein or its authorised representative;
- (e) the term “person” includes an individual, a company, a dormant inheritance and any other body of persons;
- (f) the term “company” means any body corporate or any entity that is treated as a body corporate for tax purposes;
- (g) the term “national” means:
 - (i) in the case of Japan, any individual possessing the nationality of Japan, any juridical person created or organised under the laws of Japan and any organisation without juridical personality treated for the purposes of Japanese tax as a juridical person created or organised under the laws of Japan; and
 - (ii) in the case of the Principality of Liechtenstein, any individual possessing “Landesbürgerrechte” according to the “Bürgerrechtsgesetz” (LGBl. 1960,

No. 23) and any person other than an individual deriving its status as such from the laws in force in the Principality of Liechtenstein;

- (h) the term “publicly traded company” means any company whose principal class of shares is listed on a recognised stock exchange provided its listed shares can be readily purchased or sold by the public. Shares can be readily purchased or sold “by the public” if the purchase or sale of shares is not implicitly or explicitly restricted to a limited group of investors;
- (i) the term “principal class of shares” means the class or classes of shares representing a majority of the voting power and value of a company;
- (j) the term “recognised stock exchange” means:
 - (i) any stock exchange established by a Financial Instruments Exchange or an approved-type financial instruments firms association under the Financial Instruments and Exchange Law (Law No. 25 of 1948) of Japan;
 - (ii) any stock exchange that fulfils the material requirements of Article 4 of the directive 2004/39/EC of the European Parliament and of the Council of 21 April 2004; and
 - (iii) any other stock exchange agreed upon by the competent authorities of the Contracting Parties;
- (k) the term “collective investment fund or scheme” means any pooled investment vehicle, irrespective of legal form. The term “public collective investment fund or scheme” means any collective investment fund or scheme provided the units, shares or other interests in the fund or scheme can be readily purchased, sold or redeemed by the public. Units, shares or other interests in the fund or scheme can be readily purchased, sold or redeemed “by the public” if the purchase, sale or redemption is not implicitly or explicitly restricted to a limited group of investors;
- (l) the term “tax” means any tax to which the Agreement applies;
- (m) the term “Applicant Party” means the Contracting Party requesting information;
- (n) the term “Requested Party” means the Contracting Party requested to provide information;
- (o) the term “information gathering measures” means laws and administrative or judicial procedures that enable a Contracting Party to obtain and provide the information requested; and
- (p) the term “information” means any fact, statement or record in any form whatever.

2. As regards the application of this Agreement at any time by a Contracting Party, any term not defined therein shall, unless the context otherwise requires, have the meaning that it has at that time under the laws of that Contracting Party, any meaning under the applicable tax laws of that Contracting Party prevailing over a meaning given to the term under other laws of that Contracting Party.

Article 5

Exchange of Information Upon Request

1. (a) The competent authority of the Requested Party shall obtain and provide upon request information for the purposes referred to in Article 1. Such information shall include:

- (i) information held by banks, other financial institutions, and any person acting in an agency or fiduciary capacity including nominees and trustees; and
- (ii) information regarding the ownership of companies, partnerships, trusts, foundations and other persons, including, within the constraints of Article 2, ownership information on all such persons in an ownership chain; in the case of trusts, information on settlors, trustees and beneficiaries; and in the case of foundations, information on founders, members of the foundation council and beneficiaries.

(b) The information referred to in subparagraph (a) shall be provided without regard to whether the Requested Party needs such information for its own tax purposes or whether the conduct under examination would constitute a crime under the laws of the Requested Party if such conduct occurred in the Requested Party.

2. If the information in the possession of the competent authority of the Requested Party is not sufficient to enable it to comply with the request for information, the Requested Party shall use all relevant information gathering measures to provide the Applicant Party with the information requested, notwithstanding that the Requested Party may not need such information for its own tax purposes.

3. If specifically requested by the competent authority of the Applicant Party, the competent authority of the Requested Party shall provide information under this Article, to the extent allowable under its laws, in the form of authenticated copies of original records.

4. This Agreement does not create an obligation on the Contracting Parties to obtain or provide ownership information with respect to publicly traded companies or public collective investment funds or schemes unless such information can be obtained without giving rise to disproportionate difficulties.

5. The competent authority of the Applicant Party shall provide the following information in writing to the competent authority of the Requested Party when making a request for information under this Agreement to demonstrate the foreseeable relevance of the information sought to the request:

- (a) the identity of the person under examination;
- (b) with respect to taxes levied on the basis of a taxable year, the taxable year to which the request relates;
- (c) a statement of the information requested including its nature and the form in which the Applicant Party wishes to receive the information from the Requested Party;
- (d) the tax purposes for which the information requested is sought;
- (e) the reason for believing that the information requested is foreseeably relevant to the administration or enforcement of the laws of the Applicant Party with regard to the person specified in subparagraph (a);
- (f) grounds for believing that the information requested is held by the Requested Party or is in the possession or control of a person who is within the territorial jurisdiction of the Requested Party;
- (g) to the extent known, the name and address of any person believed to be in possession or control of the information requested;
- (h) a statement that the request is in conformity with the laws and administrative practice of the Applicant Party, that if the information requested was within the territorial jurisdiction of the Applicant Party then the competent authority of the Applicant Party would be able to obtain the information under the laws or in the normal course of administrative practice of the Applicant Party and that the request is in conformity with the Agreement; and

- (i) a statement that the Applicant Party has pursued all means available within its territorial jurisdiction to obtain the information requested, except those that would give rise to disproportionate difficulties.

6. The competent authority of the Requested Party shall forward the information requested as promptly as possible to the Applicant Party. To ensure a prompt response, the competent authority of the Requested Party shall:

- (a) confirm receipt of a request in writing to the competent authority of the Applicant Party and shall notify the competent authority of the Applicant Party of deficiencies in the request, if any, within sixty days of the receipt of the request; and
- (b) if the competent authority of the Requested Party has been unable to obtain and provide the information within ninety days of the receipt of the request, including if it encounters obstacles in furnishing the information or it refuses to furnish the information, immediately inform the competent authority of the Applicant Party, explaining the reason for its inability, the nature of the obstacles or the reasons for its refusal.

Article 6 Tax Examinations Abroad

1. At the request of the competent authority of the Applicant Party, the competent authority of the Requested Party may allow representatives of the competent authority of the Applicant Party to be present at the appropriate part of a tax examination in the Requested Party.

2. If the request referred to in paragraph 1 is acceded to, the competent authority of the Requested Party conducting the examination shall, as soon as possible, notify the competent authority of the Applicant Party about the time and place of the examination, the authority or official designated to carry out the examination and the procedures and conditions required by the Requested Party for the conduct of the examination. All decisions with respect to the conduct of the examination shall be made by the Requested Party conducting the examination.

Article 7 Possibility of Declining a Request

1. The competent authority of the Requested Party may decline to assist:

- (a) where the request is not made in conformity with this Agreement and, in particular, where the requirements referred to in paragraph 5 of Article 5 are not met; or
- (b) where the disclosure of the information requested would be contrary to public policy (ordre public) of the Requested Party.

2. The Requested Party shall not be required to obtain or provide information that, if the information requested was within the territorial jurisdiction of the Applicant Party, then the competent authority of the Applicant Party would not be able to obtain under the laws or in the normal course of administrative practice of the Applicant Party.

3. This Agreement shall not impose on a Contracting Party the obligation to supply information which would disclose any trade, business, industrial, commercial or professional secret or trade process. Such information includes information relating to communications between attorneys, solicitors or other admitted legal representatives in their role as such and their clients to the extent that the communications are protected from disclosure under the laws of each Contracting Party. Notwithstanding the foregoing sentences, information of the type referred to in subparagraph 1(a) of Article 5 shall not be treated as such a secret or trade process merely because it meets the criteria in that subparagraph.

4. A request for information shall not be refused on the ground that the tax claim giving rise to the request is disputed.

5. The Requested Party may decline a request for information if the information is requested by the Applicant Party to administer or enforce any provision of the tax laws of the Applicant Party, or any requirement connected therewith, which discriminates against a national of the Requested Party as compared with a national of the Applicant Party in the same circumstances.

Article 8

Confidentiality

1. All information provided and received by the competent authorities of the Contracting Parties under this Agreement shall be kept confidential.

2. The information referred to in paragraph 1 may be disclosed only to persons or authorities (including courts and administrative bodies) in the Contracting Parties concerned with the purposes referred to in Article 1, and used by such persons or authorities only for such purposes. For these purposes, the information may be disclosed in public court proceedings or in judicial decisions.

3. The information referred to in paragraph 1 may not be used for any purpose other than for the purposes referred to in Article 1 without the express written consent of the competent authority of the Requested Party.

4. The information referred to in paragraph 1 may not be disclosed to persons or authorities in non-Contracting Parties.

Article 9

Costs

Incidence of costs incurred in providing assistance shall be agreed by the competent authorities of the Contracting Parties.

Article 10

Mutual Agreement Procedures

1. Where difficulties or doubts arise between the Contracting Parties regarding the implementation or interpretation of this Agreement, the competent authorities of the Contracting Parties shall endeavour to resolve the matter by mutual agreement.

2. In addition to the agreements referred to in paragraph 1, the competent authorities of the Contracting Parties may mutually agree on the procedures to be used under Articles 5 and 6.

3. The competent authorities of the Contracting Parties may communicate with each other directly for the purpose of reaching an agreement under this Article.

Article 11

Headings

The headings of the Articles of this Agreement are inserted for convenience of reference only and shall not affect the interpretation of the Agreement.

Article 12
Entry Into Force

1. The Contracting Parties shall notify each other, in writing, of the completion of their respective internal procedures necessary for the entry into force of this Agreement. The Agreement shall enter into force on the thirtieth day after the latter of the dates of receipt of the notifications.

2. This Agreement shall be applicable:

- (a) with respect to taxes levied on the basis of a taxable year, for taxes for any taxable years beginning on or after 1 January in the calendar year next following that in which the Agreement enters into force; and
- (b) with respect to taxes not levied on the basis of a taxable year, for taxes levied on or after 1 January in the calendar year next following that in which the Agreement enters into force.

Article 13
Termination

1. This Agreement shall remain in force until terminated by a Contracting Party. Either Contracting Party may terminate the Agreement, through diplomatic channels, by giving written notice of termination at least six months before the end of any calendar year beginning after the expiry of three years from the date of entry into force of the Agreement.

2. Upon receipt of the written notice of termination referred to in paragraph 1, this Agreement shall cease to have effect on 1 January in the calendar year next following that in which the notice is given.

3. If this Agreement is terminated, each Contracting Party shall remain bound by Article 8 with respect to any information provided and received by the Contracting Party under the Agreement.