

**IMPLEMENTING ARRANGEMENT BETWEEN  
THE COMPETENT AUTHORITIES OF SINGAPORE AND  
JAPAN ON THE AUTOMATIC EXCHANGE  
OF FINANCIAL ACCOUNT INFORMATION TO IMPROVE  
INTERNATIONAL TAX COMPLIANCE**

**NOTE**

Date of Conclusion: 13 October 2016

Entry into Force: 31 January 2017

Effective Date: 31 January 2017

Whereas, the Government of Singapore and the Government of Japan have a longstanding and close relationship with respect to mutual assistance in tax matters and desire to improve international tax compliance by further building on that relationship;

Whereas, the laws of their respective jurisdictions require or are expected to require financial institutions to report information regarding certain accounts and follow related due diligence procedures, consistent with the scope of exchange contemplated by Section 2 of this Implementing Arrangement and the reporting and due diligence procedures contained in the Common Reporting Standard;

Whereas, Article 26 of Agreement between the Government of the Republic of Singapore and the Government of Japan for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with respect to Taxes on Income signed on 9 April 1994 and as amended by a Protocol signed on 4 February 2010 (the "Double Taxation Agreement"), authorises the exchange of information for tax purposes, including the exchange of information on an automatic basis;

Whereas, Singapore and Japan have in place (i) appropriate safeguards to ensure that the information received pursuant to this Implementing Arrangement remains confidential and is used solely for the purposes set out in the Double Taxation Agreement, and (ii) the infrastructure for an effective exchange relationship (including established processes for ensuring timely, accurate, and confidential information exchanges, effective and reliable communications, and capabilities to promptly resolve questions and concerns about exchanges or requests for exchanges and to administer the provisions of Section 4 of this Implementing Arrangement);

Whereas, the competent authorities of Singapore and Japan (the "Competent Authorities") desire to conclude an implementing arrangement to improve international tax compliance based on reciprocal automatic exchange pursuant to the Double Taxation Agreement, and subject to the confidentiality and other protections provided for therein, including the provisions limiting the use of the information exchanged under the Double Taxation Agreement;

Now, therefore, the Competent Authorities have decided as follows:

## **SECTION 1** ***Definitions***

1. For the purposes of this Implementing Arrangement, the following terms have the following meanings:

- a) the term “Singapore” means the Republic of Singapore.
- b) 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 jurisdiction in accordance with international law and in which the laws relating to Japanese tax are in force.
- c) the term “Competent Authority” means:
  - 1) in the case of Singapore, the Minister for Finance or his authorised representative; and
  - 2) in the case of Japan, the Minister of Finance or his authorised representative.
- d) the term “Singaporean Financial Institution” means (i) any Financial Institution that is resident in Singapore, but excludes any branch of that Financial Institution that is located outside Singapore, and (ii) any branch of a Financial Institution that is not resident in Singapore, if that branch is located in Singapore.
- e) the term “Japanese Financial Institution” means (i) any Financial Institution that is resident in Japan, but excludes any branch of that Financial Institution that is located outside Japan, and (ii) any branch of a Financial Institution that is not resident in Japan, if that branch is located in Japan.
- f) the term “Reporting Financial Institution” means any Singaporean Financial Institution or Japanese Financial Institution, as the context requires, that is not a Non-Reporting Financial Institution.
- g) the term “Reportable Account” means a Singaporean Reportable Account or a Japanese Reportable Account, as the context requires, provided it has been identified as such pursuant to due diligence procedures, consistent with the Common Reporting Standard, in place in Singapore or Japan.
- h) the term “Singaporean Reportable Account” means a Financial Account that is maintained by a Japanese Reporting Financial Institution and held by one or more Singaporean Persons that are Reportable Persons or by a Passive Non-

Financial Entity with one or more Controlling Persons that is a Singaporean Reportable Person.

- i) the term “Japanese Reportable Account” means a Financial Account that is maintained by a Singaporean Reporting Financial Institution and held by one or more Japanese Persons that are Reportable Persons or by a Passive Non-Financial Entity with one or more Controlling Persons that is a Japanese Reportable Person.
- j) the term “Singaporean Person” means an individual or Entity that is identified by a Japanese Reporting Financial Institution as resident in Singapore pursuant to due diligence procedures consistent with the Common Reporting Standard, or an estate of a decedent that was a resident of Singapore.
- k) the term “Japanese Person” means an individual or Entity that is identified by a Singaporean Reporting Financial Institution as resident in Japan pursuant to due diligence procedures consistent with the Common Reporting Standard, or an estate of a decedent that was a resident of Japan.
- l) the term “TIN” means a Singaporean TIN or a Japanese TIN, as the context requires.
- m) the term “Singaporean TIN” means a Singaporean Tax Reference Number.
- n) the term “Japanese TIN” means the Individual Number for individuals and Corporate Numbers for entities issued under the Social Security and Tax Number System.

2. Any capitalised term not otherwise defined in this Implementing Arrangement will have the meaning that it has at that time under the law of the jurisdiction applying the Implementing Arrangement, such meaning being consistent with the meaning set forth in the Common Reporting Standard. Any term not otherwise defined in this Implementing Arrangement or in the Common Reporting Standard will, unless the context otherwise requires or the Competent Authorities decide on a common meaning (as permitted by domestic law), have the meaning that it has at that time under the law of the jurisdiction applying this Implementing Arrangement, any meaning under the applicable tax laws of that jurisdiction prevailing over a meaning given to the term under other laws of that jurisdiction.

## **SECTION 2**

### ***Exchange of Information with Respect to Reportable Accounts***

1. Pursuant to the provisions of Article 26 of the Double Taxation Agreement and subject to the applicable reporting and due diligence rules consistent with the Common Reporting Standard, each Competent Authority will annually exchange with the other Competent Authority on an automatic basis the information obtained pursuant to such rules and specified in paragraph 2.

2. The information to be exchanged is, in the case of Singapore with respect to each Japanese Reportable Account, and in the case of Japan with respect to each Singaporean Reportable Account:

- a) the name, address, TIN(s) and date of birth (in the case of an individual) of each Reportable Person that is an Account Holder of the account and, in the case of any Entity that is an Account Holder and that, after application of due diligence procedures consistent with the Common Reporting Standard, is identified as having one or more Controlling Persons that is a Reportable Person, the name, address, and TIN(s) of the Entity and the name, address, TIN(s) and date of birth of each Reportable Person;
- b) the account number (or functional equivalent in the absence of an account number);
- c) the name and identifying number (if any) of the Reporting Financial Institution;
- d) the account balance or value (including, in the case of a Cash Value Insurance Contract or Annuity Contract, the Cash Value or surrender value) as of the end of the relevant calendar year or other appropriate reporting period or, if the account was closed during such year or period, the closure of the account;
- e) in the case of any Custodial Account:
  - 1) the total gross amount of interest, the total gross amount of dividends, and the total gross amount of other income generated with respect to the assets held in the account, in each case paid or credited to the account (or with respect to the account) during the calendar year or other appropriate reporting period; and
  - 2) the total gross proceeds from the sale or redemption of Financial Assets paid or credited to the account during the calendar year or other appropriate reporting period with respect to which the Reporting Financial Institution acted as a custodian, broker, nominee, or otherwise as an agent for the Account Holder;
- f) in the case of any Depository Account, the total gross amount of interest paid or credited to the account during the calendar year or other appropriate reporting period; and
- g) in the case of any account not described in subparagraph 2(e) or (f), the total gross amount paid or credited to the Account Holder with respect to the account during the calendar year or other appropriate reporting period with respect to which the Reporting Financial Institution is the obligor or debtor, including the aggregate amount of any redemption payments made to the Account Holder during the calendar year or other appropriate reporting period.

### **SECTION 3**

#### ***Time and Manner of Exchange of Information***

1. For the purposes of the exchange of information in Section 2, the amount and characterisation of payments made with respect to a Reportable Account may be determined in accordance with the principles of the tax laws of the jurisdiction exchanging the information.
2. For the purposes of the exchange of information in Section 2, the information exchanged will identify the currency in which each relevant amount is denominated.
3. With respect to paragraph 2 of Section 2, information is to be exchanged with respect to 2017 and all subsequent years and will be exchanged within nine months after the end of the calendar year to which the information relates. Notwithstanding the foregoing sentence information is only required to be exchanged with respect to a calendar year if both jurisdictions have in effect legislation that requires reporting with respect to such calendar year that is consistent with the scope of exchange provided for in Section 2 and the reporting and due diligence procedures contained in the Common Reporting Standard.
4. Notwithstanding paragraph 3, the information to be exchanged with respect to 2017 is the information described in paragraph 2 of Section 2, except for gross proceeds described in subparagraph 2(e)(2) of Section 2. In the case of Singapore, with respect to gross proceeds described in subparagraph 2(e)(2) of Section 2 on each Japanese Reportable Account, information is to be exchanged with respect to 2018 and all subsequent years and will be exchanged within nine months after the end of the calendar year to which the information relates.
5. The Competent Authorities will automatically exchange the information described in Section 2 in a common reporting standard schema in Extensible Markup Language.
6. The Competent Authorities will decide on one or more methods for data transmission including encryption standards.

### **SECTION 4**

#### ***Collaboration on Compliance and Enforcement***

A Competent Authority will notify the other Competent Authority when the first-mentioned Competent Authority has reason to believe that an error may have led to incorrect or incomplete information reporting or there is non-compliance by a Reporting Financial Institution with the applicable reporting requirements and due diligence procedures consistent with the Common Reporting Standard. The notified Competent Authority will take all appropriate measures available under its domestic law to address the errors or non-compliance described in the notice.

**SECTION 5**  
***Confidentiality and Data Safeguards***

1. All information exchanged is subject to the confidentiality rules and other safeguards provided for in the Double Taxation Agreement, including the provisions limiting the use of the information exchanged and, to the extent needed to ensure the necessary level of protection of personal data, in accordance with the safeguards which may be specified by the supplying Competent Authority as required under its domestic law.
2. Each Competent Authority will notify the other Competent Authority immediately regarding any breach of confidentiality or failure of safeguards and any sanctions and remedial actions consequently imposed.

**SECTION 6**  
***Consultations and Modifications***

1. If any difficulties in the implementation or interpretation of this Implementing Arrangement arise, either Competent Authority may request consultations to develop appropriate measures to ensure that this Implementing Arrangement is fulfilled.
2. This Implementing Arrangement may be modified by written consent of the Competent Authorities. Unless otherwise decided upon, such a modification is effective on the first day of the month following the expiration of a period of one month after the date of the later of the signatures of such written consent or the date of the later of the notifications exchanged for purposes of such written consent.

**SECTION 7**  
***Term of Implementing Arrangement***

1. A Competent Authority will provide, at the time of signature of the Implementing Arrangement or as soon as possible after its jurisdiction has the necessary laws in place to implement the Common Reporting Standard, a notification to the other Competent Authority:
  - a) that its jurisdiction has the necessary laws in place to implement the Common Reporting Standard and specifying the relevant effective dates with respect to Preexisting Accounts, New Accounts, and the application or completion of the reporting and due diligence procedures; and
  - b) that it has in place adequate measures to ensure the required confidentiality and data safeguards are met and attaching the completed confidentiality and data safeguard questionnaire.
2. This Implementing Arrangement will commence on the date of the later of the notifications provided under paragraph 1.

3. A Competent Authority may suspend the exchange of information under this Implementing Arrangement by giving notice in writing to the other Competent Authority that it has determined that there is or has been significant non-compliance by the other Competent Authority with this Implementing Arrangement. Such suspension will commence immediately. For the purposes of this paragraph, significant non-compliance includes, but is not limited to, non-compliance with the confidentiality and data safeguard provisions of this Implementing Arrangement and the Double Taxation Agreement, a failure by the Competent Authority to provide timely or adequate information as required under this Implementing Arrangement or defining the status of Entities or accounts as Non-Reporting Financial Institutions and Excluded Accounts in a manner that frustrates the purposes of the Common Reporting Standard.

4. Either Competent Authority may terminate this Implementing Arrangement by giving notice of termination in writing to the other Competent Authority. Such termination will commence on the first day of the month following the expiration of a period of 12 months after the date of the notice of termination. In the event of termination, all information previously received under this Implementing Arrangement will remain confidential and subject to the terms of the Double Taxation Agreement.

Signed in duplicate in Singapore on 13 October 2016.