

## 5004: Consumption Tax Exemption for Exports(for Non-residents/Visitors) (FAQ)

The goods eligible for export tax exemption other than the goods exported through commercial export transactions include those purchased at tax-free shops by non-residents such as foreign visitors to Japan (\*1) in a certain manner for the purpose of bringing them back to their countries as gifts and those purchased by residents who are leaving Japan to visit foreign countries as gifts and satisfy a certain condition.

The following procedures are required to claim the tax exemption according to the type of purchaser.

\*1 From April 1, 2023, the eligibility to purchase tax-free goods have been reviewed, and it is now limited to non-residents whose status of residence is "Temporary Visitor", "Diplomat", or "Official."

### 1. Non-residents

When purchasing tax-free goods, please show your passport at the tax-free shops.

The tax-free shops will transfer the Record of Purchase (including the information in your passport and the electromagnetic record of your purchase) to the National Tax Agency.

When leaving Japan, please present your passport to Customs at the airport or seaport of your departure.

Customs inspect your possession of the tax-free goods as necessary and if you do not export them (e.g., you have transferred or consumed them in Japan) by the time of your departure, you have to pay the consumption tax on your purchased tax-free goods.

The goods eligible for tax exemption are the ones used in daily life (\*2). The total purchase amount eligible for tax exemption is as follows: for consumable items (\*3), between JPY5,000 and JPY500,000 per a non-resident at a single tax-free shop; for general goods (i.e. other than consumable items), JPY5,000 and more.

Nevertheless, the sales price (excluding tax) of each of your purchased consumable and general items is less than JPY5,000, you can receive tax exemption if the total value of your purchased items is JPY5,000 or more and these items are packed together in a designated way. In this case these general items will be treated as consumable items.

\*2 No tax exemption is available when you purchase items for your business.

\*3 Consumable items are for instance, food, beverages, health foods, cosmetics, etc.

### 2 .Residents

At the time of purchase, you are asked to submit to the tax-free shop a purchase agreement certifying that the good(s) will be exported by being accompanied with

you and make the “Application for Export Certificate of Tax Free Goods”.

You are required to obtain the customs verify the “Application for Export Certificate of Tax Free Goods” from Customs when leaving Japan and hand or send the verified Certificate to the tax-free shop.

The goods eligible for this tax exemption are the ones whose market value exceeds JPY10.000 per item under the condition that the goods will be taken out of Japan to the foreign countries as the accompanied goods of residents leaving Japan and those are the gifts which will obviously not be brought back into Japan or will be used for more than 2 years or consumed overseas.

Please consult with the nearest tax office for instructions on the tax exemption procedures of tax-free shops and filing consumption tax returns, etc.

\* “Tax-free shop” is a sales agency licensed by the Director-General of National Tax Agency to sell tax-free goods.

For consultations on customs procedures, please contact the nearest Customs Counselor.

Please see No. 9301 for inquiries.