



1. Double taxation – being liable to pay tax in both countries

If you have income from one country and are resident in another, you may be liable to pay tax in both countries under their tax laws. To avoid 'double taxation' in this situation, the United Kingdom (UK) has negotiated Double Taxation (DT) treaties with countries that include Japan. The precise conditions that apply to your income from the UK as a resident of Japan can be found in the text of the UK/Japan Double Taxation Convention. Go to www.gov.uk/government/collections/tax-treaties

2. Purpose of form Japan 1 DT

Form Japan 1 DT allows you to apply under the UK/Japan Double Taxation Convention for relief at source from UK Income Tax on pensions, purchased annuities, royalties and interest paid from sources in the UK. If pension, interest or royalty payments have been made with UK Income Tax deducted, complete form Japan 1 DT to claim repayment of the UK tax deducted from income paid on or after 1 January 2007. For income paid before that date, complete form Japan/Individual.

3. Tax vouchers

There's no need to send tax vouchers with your completed form Japan 1 DT, but you should keep them safe in case they are needed later to support your claim. If you've any doubt about how you've completed the form you can send vouchers if you think it will help us.

4. Certificate of the form by the taxation authorities of Japan

It's a condition of relief from UK Income Tax under the terms of the Double Taxation Convention that the beneficial owner of the income is resident in Japan.

Please send the:

- completed form Japan 1 DT to the National Tax Agency office in the district in Japan in which you reside - that office will certify that you're a resident of Japan within the meaning of the UK/Japan Double Taxation Convention and return the form to you
- certified form to HM Revenue and Customs, PAYE and Self Assessment, BX9 1AS, United Kingdom

5. Confidentiality

All the information that you provide to HM Revenue and Customs (HMRC) is confidential. We can only discuss your tax affairs with you or any tax adviser named by you.

6. Help or further information

If, after using these notes you need help or more information:

- phone HMRC on + 44 135 535 9022 if calling from outside the UK
- phone HMRC on 0300 200 3300 if calling from the UK
- write to HM Revenue and Customs, Pay As You Earn and Self Assessment, BX9 1AS, United Kingdom

Please quote your HMRC reference number if you contact us.

7. Completing the form Japan 1 DT

Use the following notes to help you complete Parts A to F of form Japan 1 DT. Please:

- include on the form only the income on which you're claiming relief from UK tax under the provisions of the UK/Japan Double Taxation Convention
- give all the information requested and attach any supporting documents that are asked for - if you need more room - attach a separate sheet, please write your name and your HMRC reference number on each additional sheet

Part A Personal details of claimant

Give all the details asked for. If you have a tax adviser, please include the tax adviser's details.

Part B Questions

Tick all the boxes that apply to you and give any additional information asked for.

Strike through all unused or partially completed sections.

Part C Application for relief at source from UK Income Tax

The UK/Japan Double Taxation Convention provides for the following benefits:

- no UK tax to be withheld from payments of pensions and annuities
- generally, UK tax at 10% to be withheld from most payments of interest
- no UK tax to be withheld from payments of royalties

Give the details asked for in Part C to apply for relief at source from UK Income Tax on future payments of income. Relief at source may be available in cases where HMRC is able to exercise its discretion to issue a notice (under Statutory Instrument 1970 Number 488, as amended). We deal with each application on its merits. Where we cannot agree to allow relief at source or cannot arrange it, you can claim repayment of part or all of the UK tax taken off, as appropriate.

If relief at source is granted, please tell HM Revenue and Customs at the address in Note 6, without delay, if there's any subsequent change to the information you've given on the form Japan 1 DT.

C1 UK State retirement pension or Incapacity Benefit

The UK State Pension, or UK Incapacity Benefit, is normally liable to UK Income Tax. As a resident of Japan you can apply to have this income exempted from UK Income Tax.

State Pension

A State Pension is a National Insurance benefit and is taxable, but usually paid without deduction of tax. If you receive a UK State Pension you can claim exemption from UK Income Tax under the UK/Japan Double Taxation Convention. Tick the 'UK State Pension' box in Part C1 of the form Japan 1 DT and give the date payments began.

State Pension Deferral lump sum

If you've received a State Pension Deferral lump sum from which UK tax has been taken off, see Part D of these notes.

Incapacity Benefit

Like the State Pension, Incapacity Benefit is taxable but is paid without deduction of tax. If you receive Incapacity Benefit you can claim exemption from UK Income Tax under the UK/Japan Double Taxation Convention. Tick the 'UK Incapacity Benefit' box in Part C1 of the form Japan 1 DT and give the date payments began.

C2 UK pensions and purchased annuities

Certain types of pension and most annuities from the UK, paid to you as a resident of Japan, can be exempted from UK Income Tax.

If the pension and/or annuity is taxed under the PAYE (Pay As You Earn) system, any adjustment will go back to the latest of the following:

- the date on which you became resident in Japan for the purpose of that country's tax
- the date payments of the income began
- the earliest UK tax year which remains in date for claiming repayment of UK Income Tax

Please send with your form Japan 1 DT a photocopy of the latest P60 that you've received from the payer of your pension. This will help us make the adjustment.

UK Government, local authority and publicly funded educational institution pensions

If you receive a pension paid by the UK for service to the UK Government or a local authority, there are special provisions in the Double Taxation Convention. Your pension from that employment will be exempt from UK tax only if you're a national of Japan or a dual national of the UK and of Japan, as well as being resident there.

If these provisions mean that your pension will be taxed in the UK, you may be able to claim UK personal allowances, provided you satisfy certain conditions. If you have any questions or wish to make a claim, please contact HM Revenue and Customs at the address in Note 6.

C3 UK interest

UK source interest can be paid to you with no tax taken off. Any UK tax that has been taken off can be repaid to you. There is an exception to this rule if the interest is determined by reference to certain criteria relating to the debtor, or a person related to the debtor, including their sales, income, profits or other cash flow, changes in value of property, a dividend, partnership distribution or similar payment. You should consult the Double Taxation Convention if you think the interest might meet such criteria. If the interest does meet such criteria, UK source interest can be paid to you with 10% tax deducted. Any UK tax in excess of 10% that has been deducted can be repaid to you.

Interest from securities

UK tax is deducted from interest on loan stocks issued by:

- companies which are not quoted on the stock exchange
- local authorities

As explained in the introduction to Part C of these notes, we may be able to arrange for interest on these stocks to be paid together with the relevant amount of treaty benefits.

Interest from the following UK sources is paid with no UK tax deducted, so there's no need to apply for relief from UK tax at source. Please do not enter in Part C2 of form Japan 1 DT

- interest from company loan stocks quoted on the stock exchange (paid automatically without deduction of UK tax)
- interest from UK government securities (paid automatically without deduction of UK tax).

Additionally, some UK banks and building societies operate a scheme for payment of interest without deduction of UK tax to non-residents. Ask your UK bank or building society for information. HM Revenue and Customs cannot arrange for payment of bank or building society interest with no UK tax deducted, so again, please do not enter such interest in Part C2 of form Japan 1 DT.

If you've already received any interest with UK tax deducted, you may claim repayment of the tax in excess of 10%.

Other interest

If you receive interest from privately arranged loans, please give the following details on a separate sheet:

- name and address of the UK payer of the interest
- date of the loan agreement
- amount of the loan
- due dates of the interest

Please also attach a copy of the loan agreement.

Part C4 Royalties

Most royalties can be paid to you with no tax deducted. Any UK tax that has been deducted can be repaid to you in full. The Double Taxation Convention allows relief only to the beneficial owner of the royalties. The beneficial owner is normally the originator of the work or product.

Copyright royalties for literary, dramatic, musical or artistic works

If you're not the originator but have acquired the rights, please attach to the form Japan 1 DT a copy of the licence, contract or assignment under which you've acquired the UK rights. This will help HM Revenue and Customs to check that the beneficial ownership condition in the Double Taxation Convention is satisfied.

Other royalties

Attach to the form Japan 1 DT a copy of the licence agreement between you and the UK payer of the royalties. If you're not the originator of the product giving rise to the royalties but have acquired the rights, please also attach a copy of the licence, contract or assignment under which you've acquired the UK rights.

Part D Claim for repayment of UK Income Tax

Trivial Pension Commutation Payments

From 6 April 2006, registered pension schemes and life insurance companies can pay 'Trivial Pension Commutation Payments'. This means that instead of receiving a small annual pension or annuity, a single lump sum is paid. UK tax is taken off these amounts under the normal PAYE (Pay as You Earn) rules.

If you've received a Trivial Pension Commutation Payment and on the date the lump sum was paid you were resident for tax purposes in Japan you can claim repayment of the tax that has been taken off.

Please:

- enter details of the lump sum in Part D of the form Japan 1 DT
- attach Parts 2 and 3 of the form P45 that you received from the payer of the lump sum

State Pension Deferral lump sum

If you've received a State Pension Deferral lump sum from which UK tax has been taken off:

- fill in Part C1 to claim exemption from UK Income Tax for payments of the State Pension
- enter in Part D the amount of the lump sum and the amount of tax taken off

Please send with your form Japan 1 DT a photocopy of the notification of the lump sum award that you received from The Pension Service. This will help us make the repayment.

Income from a trust or estate

If you receive payments from a trust or estate, write the name of the trust or estate in the source of income box in Part D.

If you've received a payment from a discretionary trust, write both the name of the trust and its UK tax reference number in the source of income box in Part D.

HM Revenue and Customs will 'look through' to the income received by the trustees and work out the repayment due to you. It's likely that you'll only be entitled to some of the amount shown as tax credit at the rate applicable to trusts in the Statement of income from trusts, R185 (Trust Income), given to you by the trustees.

Interest

As explained in these notes, the UK/Japan Double Taxation Convention provides for a reduced rate of 10% UK tax to be withheld from payments of interest. If you've received interest payments from which UK tax has been taken off, you may claim repayment of the UK tax in excess of 10%. Enter the details asked for in Part D.

Royalties

As explained in these notes, the UK/Japan Double Taxation Convention provides for exemption from UK Income Tax on royalties. If you've received royalty payments from which UK tax has been taken off, you may claim repayment of the UK tax. Enter the details asked for in Part D.

Part E Payment details and authority

E1 Payment to a nominee

You should only complete Part E if you want HMRC to make any repayment to a nominee on your behalf. We will send the repayment by post direct to your nominee's address so you'll need to give the full postal address and other details asked for on the form.

E2 Payment to you at another address

If you want HMRC to send the repayment to you at the address that is not your residential address, please give details in Part E2.

Part F Declaration

You must sign the form Japan 1 DT personally in Part F. You may claim on behalf of:

- an unmarried minor (someone under the age of 18)
- a mentally incapacitated person
- someone who has died

Claims should normally be made by:

- a parent or guardian on behalf of an unmarried minor
- the person authorised by the courts to look after the affairs of a mentally incapacitated adult (or the DWP appointee)
- the executor or administrator of the estate of someone who has died (the claim will relate to income up to the date of death only)

Ask HM Revenue and Customs if you're in any doubt about whether you're the right person to make the claim. Remember that in these notes and in the form, references to 'you' and 'your' may equally apply to the person on whose behalf you're claiming.

Working sheet

UK tax taken off interest: Working out the amount of tax repayable

You may use the boxes below to work out the amount of the repayment of UK tax on interest payments. If you:

- do not wish to work out the repayment and do not enter an amount in the Declaration section of form Japan 1 DT, HM Revenue and Customs will work out any repayment that is due to you
- receive income from a trust or estate, do not complete these steps, see Part D of these notes, which tell you about income from a discretionary trust

Step 1

Enter in box 1 the amount of interest before UK tax and in box 2 the amount of UK tax taken off. Take these figures from the totals boxes in Part D of the form Japan 1 DT.

Income before UK tax	UK tax taken off
1 £ <input style="width: 20px; height: 20px;" type="text"/> <input style="width: 20px; height: 20px;" type="text"/> <input style="width: 20px; height: 20px;" type="text"/> <input style="width: 20px; height: 20px;" type="text"/> <input style="width: 20px; height: 20px;" type="text"/> <input style="width: 20px; height: 20px;" type="text"/> <input style="width: 20px; height: 20px;" type="text"/> <input style="width: 20px; height: 20px;" type="text"/> <input style="width: 20px; height: 20px;" type="text"/> <input style="width: 20px; height: 20px;" type="text"/> . <input style="width: 20px; height: 20px;" type="text"/> <input style="width: 20px; height: 20px;" type="text"/>	2 £ <input style="width: 20px; height: 20px;" type="text"/> <input style="width: 20px; height: 20px;" type="text"/> <input style="width: 20px; height: 20px;" type="text"/> <input style="width: 20px; height: 20px;" type="text"/> <input style="width: 20px; height: 20px;" type="text"/> <input style="width: 20px; height: 20px;" type="text"/> <input style="width: 20px; height: 20px;" type="text"/> <input style="width: 20px; height: 20px;" type="text"/> <input style="width: 20px; height: 20px;" type="text"/> <input style="width: 20px; height: 20px;" type="text"/> . <input style="width: 20px; height: 20px;" type="text"/> <input style="width: 20px; height: 20px;" type="text"/>

Step 2

Calculate 10% of the total amount of interest (in box 1) and enter the result in box 3.

	Total amount of interest
	3 £ <input style="width: 20px; height: 20px;" type="text"/> <input style="width: 20px; height: 20px;" type="text"/> <input style="width: 20px; height: 20px;" type="text"/> <input style="width: 20px; height: 20px;" type="text"/> <input style="width: 20px; height: 20px;" type="text"/> <input style="width: 20px; height: 20px;" type="text"/> <input style="width: 20px; height: 20px;" type="text"/> <input style="width: 20px; height: 20px;" type="text"/> <input style="width: 20px; height: 20px;" type="text"/> <input style="width: 20px; height: 20px;" type="text"/> . <input style="width: 20px; height: 20px;" type="text"/> <input style="width: 20px; height: 20px;" type="text"/>

Step 3

Deduct the amount in box 3 from the amount (in box 2) and enter the result in box 4.

	Total
	4 £ <input style="width: 20px; height: 20px;" type="text"/> <input style="width: 20px; height: 20px;" type="text"/> <input style="width: 20px; height: 20px;" type="text"/> <input style="width: 20px; height: 20px;" type="text"/> <input style="width: 20px; height: 20px;" type="text"/> <input style="width: 20px; height: 20px;" type="text"/> <input style="width: 20px; height: 20px;" type="text"/> <input style="width: 20px; height: 20px;" type="text"/> <input style="width: 20px; height: 20px;" type="text"/> <input style="width: 20px; height: 20px;" type="text"/> . <input style="width: 20px; height: 20px;" type="text"/> <input style="width: 20px; height: 20px;" type="text"/>

Step 4

Finally, take the amount you've shown in box 4 and enter it on the form Japan 1 DT in the Declaration section of form. This is the amount of UK Income Tax repayable to you.