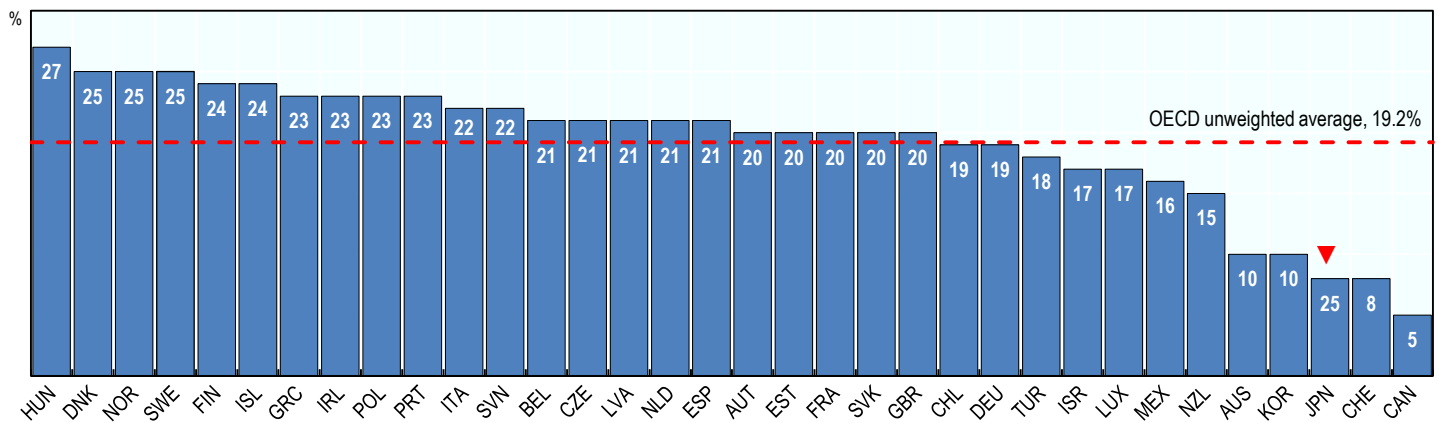


Consumption Tax Trends 2016 - Japan

VAT rates 2016

The Japanese standard VAT rate is 8.0%, which is below the OECD average. The average VAT/GST¹ standard rate in the OECD was 19.2% as of 1 January 2016, up from 17.7% on 1 January 2009. Japan does not have any reduced rates. Since 2009, 22 of the 34 OECD countries that have a VAT have raised their standard VAT/GST rate at least once. In line with this trend, Japan raised its standard VAT rate in 2014.

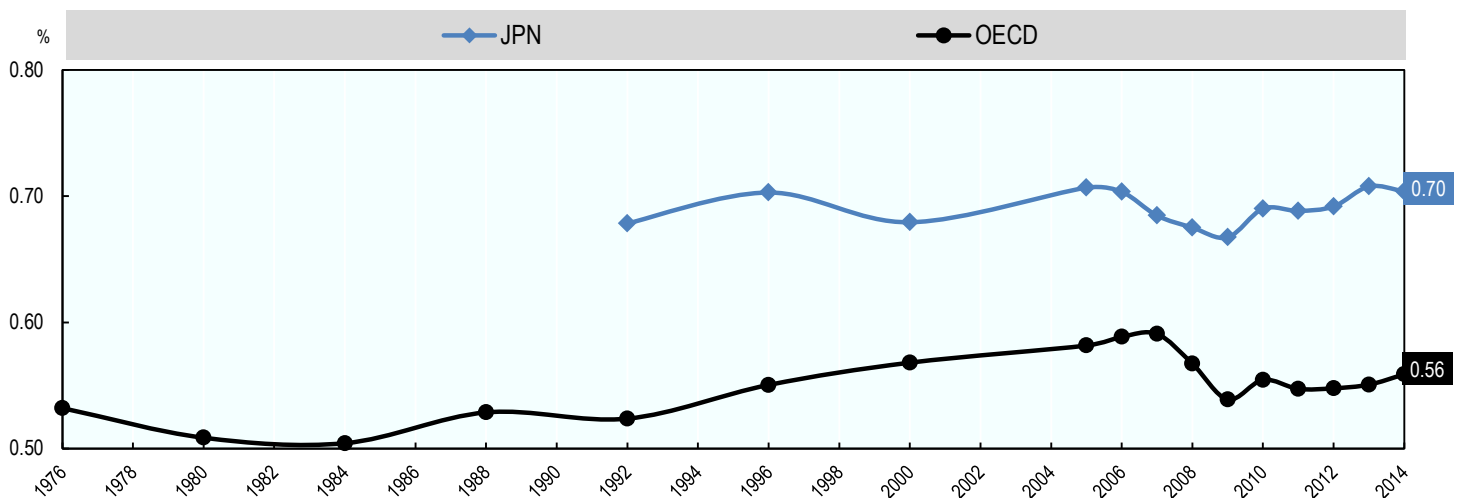


1. VAT refers to value added tax and goods and services tax (GST)

Source: OECD Tax Database 1st January 2016

VAT Revenue Ratio

The VAT Revenue Ratio (VRR) for Japan was 0.70 in 2014, above the OECD average of 0.56. The VRR is a measure of the revenue raising performance of a VAT system. A ratio of 1 would reflect a VAT system that applies a single VAT rate to a comprehensive base of all expenditure on goods and services consumed in an economy - with perfect enforcement of the tax.



Source: OECD Consumption Tax Trends 2015 <http://www.oecd.org/tax/consumption-tax-trends-19990979.htm>

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