Article 4
TAXES COVERED

1. This Chapter shall apply to taxes on income imposed on behalf of a Contracting Party or a political subdivision or local authority thereof, irrespective of the manner in which they are levied.

2. In the case of Japan, the existing taxes on income to which this Chapter shall apply are the income tax, the corporation tax and the local inhabitant taxes.

3. In addition to the taxes as referred to in paragraphs 1 and 2, this Chapter shall apply also to the inheritance tax and the gift tax, which are levied in Japan.

4. This Chapter shall apply also to any identical or substantially similar taxes that are imposed after the date of signature of this Agreement in addition to, or in place of, those referred to in paragraphs 2 and 3.

5. The competent authorities of the Contracting Parties shall notify each other of any significant changes that have been made in their respective tax laws, within a reasonable period of time after such changes.

Article 5
EXCHANGE OF INFORMATION UPON REQUEST

1. The competent authority of the Requested Party shall provide upon request information for the purposes referred to in Article 2.

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. Each Contracting Party shall ensure that its competent authority for the purposes specified in Article 2, have the authority to obtain and provide upon request:

(a) information held by banks, other financial institutions, and any person acting in an agency or fiduciary capacity including nominees and trustees; and

(b) information regarding the ownership of companies, partnerships and other persons, including, within the constraints of Article 3, ownership information on all such persons in an ownership chain; in the case of trusts, information on settlors, trustees and beneficiaries and the position in an ownership chain.

5. This Agreement does not create an obligation on the Requested Party to obtain or provide:

(a) information regarding:

(i) the ownership of publicly traded companies; or

(ii) the ownership of the units, shares or other interests in trusts or any persons other than publicly traded companies, which can be purchased or sold by the public;

unless such information is obtainable without giving rise to disproportionate difficulties; or

(b) information relating to matters which arose more than six years before the taxable period concerned.

6. Where the Applicant Party requests information in accordance with this Agreement, the competent authority of the Applicant Party shall certify that the request is relevant to, and necessary for, the determination of the tax liability of the taxpayer under the laws of the Applicant Party.

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

(a) the identity of the taxpayer under examination;

(b) the nature and type of the information requested, including a description of the specific information or other assistance sought and the form, if practicable, in which the Applicant Party prefers to receive the information;