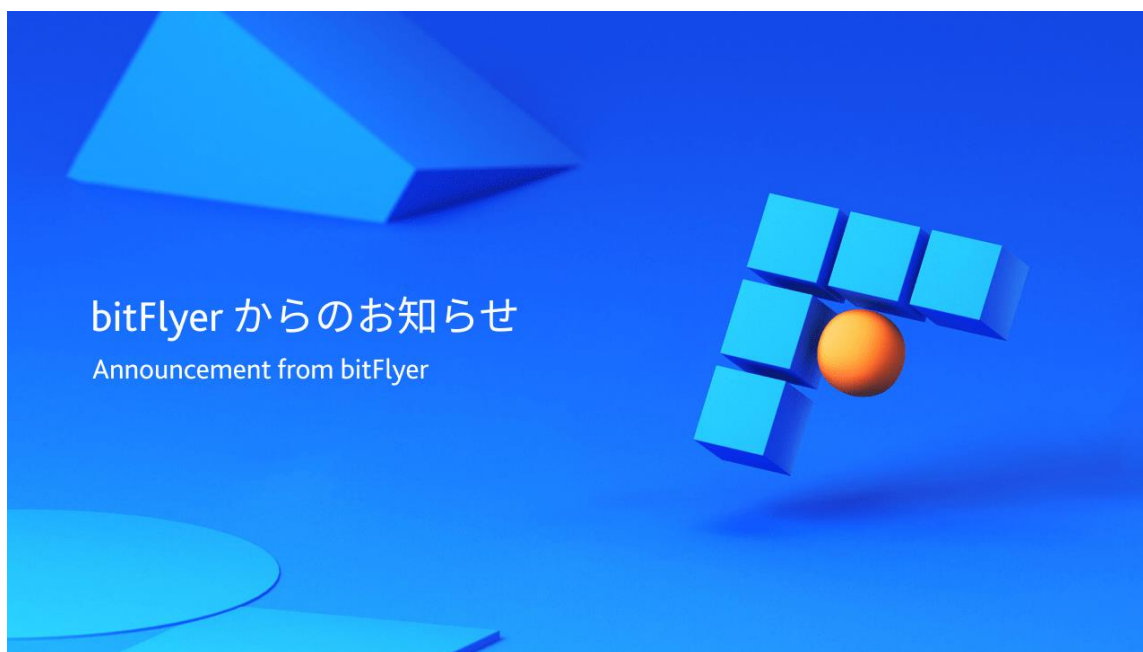


## **Notification on Special Measures for Year-End Market Valuation Taxation of Crypto Assets Held by Corporate Customers**

bitFlyer, Inc. (Head office: Minato-ku, Tokyo; Representative Director: Yuzo Kano; hereinafter referred to as “bitFlyer”) accepts requests or notifications from corporate customers who wish to be exempted from the year-end market valuation taxation for crypto assets held by corporations, if the request or notification meets the criteria set by bitFlyer, based on the “Regulations Regarding The Disclosure and Distribution of Information on Cryptographic Assets with Transfer Restrictions” and related guidelines established by the Japan Virtual and Crypto assets Exchange Association (hereafter “JVCEA”).



### **Special Measures for Year-End Market Valuation Taxation of Crypto Assets Held by Corporate Customers**

In the tax reform guideline for the fiscal year 2024 approved by the Cabinet on December 22nd, 2023, it was decided that when a corporation holds cryptographic assets on an ongoing basis rather than for the purpose of short-term trading, it may be exempt from year-end market valuation taxation if certain requirements are met. In line with this, the Corporation Tax Act and the Cabinet Office Ordinance on Cryptocurrency Exchanges were partially amended, and the JVCEA established the "Regulations Regarding the Disclosure and Distribution of Information on Cryptographic Assets with Transfer Restrictions" and related guidelines, which went into effect on April 1st, 2024.

## **Legal Requirements for Exemption from Year-End Market Valuation Taxation**

To qualify for exemption, the applicant must meet any of the following requirements set forth in the revised "Cabinet Office Ordinance on Cryptocurrency Exchanges".

1. The cryptographic asset holder has requested that the cryptographic asset exchange operator impose transfer restrictions\*
2. The holder of the cryptographic assets or the party receiving such a request has notified the cryptographic asset exchange operator that transfer restrictions have been or will be placed on the cryptographic assets

\*"Transfer restrictions" refers to the state in which crypto assets are placed in trust or where technical measures are taken for the purpose of restricting the ability to transfer crypto assets for a considerable period. For details, please refer to the "Regulations Regarding the Disclosure and Distribution of Information on Crypto Assets with Transfer Restrictions" and related guidelines.

<https://jvcea.or.jp/cms/wp-content/themes/jvcea/images/pdf/iten01-20240329.pdf> (Only Japanese)

## **Acceptance Criteria at bitFlyer**

It is stipulated that crypto asset exchanges, including bitFlyer, may establish criteria for determining whether to accept a request or notification from a corporate customer that wishes to be exempt from the year-end market valuation taxation (acceptance criteria).

Accordingly, bitFlyer has established the following acceptance criteria.

1. The customer must be a corporation and a customer of bitFlyer (account opening must be completed)
2. The cryptographic assets in question must be handled by bitFlyer
3. Measures to restrict transfer must be taken for a total period of at least one year

Bitcoin (BTC) and Ethereum (ETH) are also eligible for the exemption if transfer restrictions are in place accordingly. If you are a corporate customer and wish to be exempted, please contact bitFlyer directly.

## **For Corporate Customers Who Wish to Be Exempted**

Please go to the bitFlyer "Contact" page, select the category "Other" and enter the content of your request in the "Opinions or requests" field. You can reach the page from this link:

<https://bitflyer.com/en-jp/contact>

Following your request, you will be asked to submit a notification form in the format prescribed by the JVCEA. The format for the notification can be found here:

<https://jvcea.or.jp/cms/wp-content/themes/jvcea/images/pdf/iten02-20240329.pdf> (Only Japanese)

The contents of the request submitted by the customer will be notified by bitFlyer to the JVCEA within approximately one month in accordance with the regulations. The JVCEA is required to disclose the type and quantity of the notified cryptographic assets on its website.

## **Fees Regarding the Acceptance of Notifications**

A fee is charged for each request or notification received from a customer. The specific amount is determined on a case-by-case basis.

### **About bitFlyer, Inc.**

bitFlyer was founded in 2014 with the mission to "Simplify the World with Blockchain" and has developed its crypto asset trading business globally with its group companies bitFlyer USA, Inc. and bitFlyer EUROPE S.A.

bitFlyer has achieved the highest customer satisfaction\* thanks to the patronage of its customers.

As a crypto asset exchange operator and a type 1 financial instruments trade operator, bitFlyer continues to expand and improve its services and aims to provide a highly liquid crypto asset exchange that satisfies as many customers as possible.

Official website: <https://bitflyer.com/en-jp>

\*Survey: November 2022 Market Research on Crypto Asset Exchange Services  
Research Organization: Japan Marketing Research Organization  
Survey period: November 11, 2022 - November 25, 2022

### **Disclaimer (Please read carefully):**

- Crypto assets are not a legal tender.
- Crypto assets may be used to settle a payment only in the event that the person receiving the payment agrees.
- Buying/selling crypto assets or exchanging them for other crypto assets are transactions which may result in losses incurred from price fluctuations of crypto assets. It is possible that the price of crypto assets declines due to influences from changes in balance of supply and demand, trends on prices of goods, currencies and other markets, as well as changes in situation related to crypto assets.
- Trading with over-the-counter crypto asset derivatives may cause losses, because their trading price may fluctuate in either way due to influence from changes in balance of supply and demand of over-the-counter crypto asset derivatives on our platform as well as indirect influence from price changes of the crypto assets referred by those over-the-counter crypto asset derivatives.
- Over-the-counter crypto asset derivative trades are trades in which the notional amount, which is the product of the trading price and the open interest volume, can be larger than the amount of the margin deposit. Therefore, the amount of loss incurred may be larger than the amount of margin deposit if the notional amount fluctuates to a greater extent than the amount of margin deposit to your disadvantage due to changes in balance of supply and demand of over-the-counter crypto asset derivatives or price fluctuations of the crypto assets referred by the derivatives.
- The margin deposit size for over-the-counter crypto assets derivatives must be no less than 50% of the notional amount, while the notional amount must be no more than 2 times the margin deposit. (Both for individual customers.) More information can be found on our "[What is bitFlyer Crypto CFD?](#)" page.
- When making purchases or sales of crypto assets on Buy/Sell, or exchanging them for other crypto assets, customers bear the spread. The spread is the difference between the purchase and selling prices. The fees incurred when buying or selling crypto assets, exchanging them for other crypto assets or over-the-counter crypto asset derivatives as well as the calculation methods for the corresponding fees can be found on our "[Fees and Taxes](#)" page.
- Over-the-counter crypto asset derivatives are negotiated transactions between you and bitFlyer, Inc. which is the counterparty for you on those derivatives.
- You should thoroughly read and understand all of our documents that require user agreement. Trade at your own risk and judgment.

bitFlyer, Inc.

Director-General of the Kanto Finance Bureau No. 00003

Financial Instruments Business Kanto Local Finance Bureau (FIBO) No. 3294

Member of Japan Virtual and Crypto asset Exchange Association, which is Certified Association for Payment Service Providers as well as Financial Instruments Firms Association

### **Media Inquiries**

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