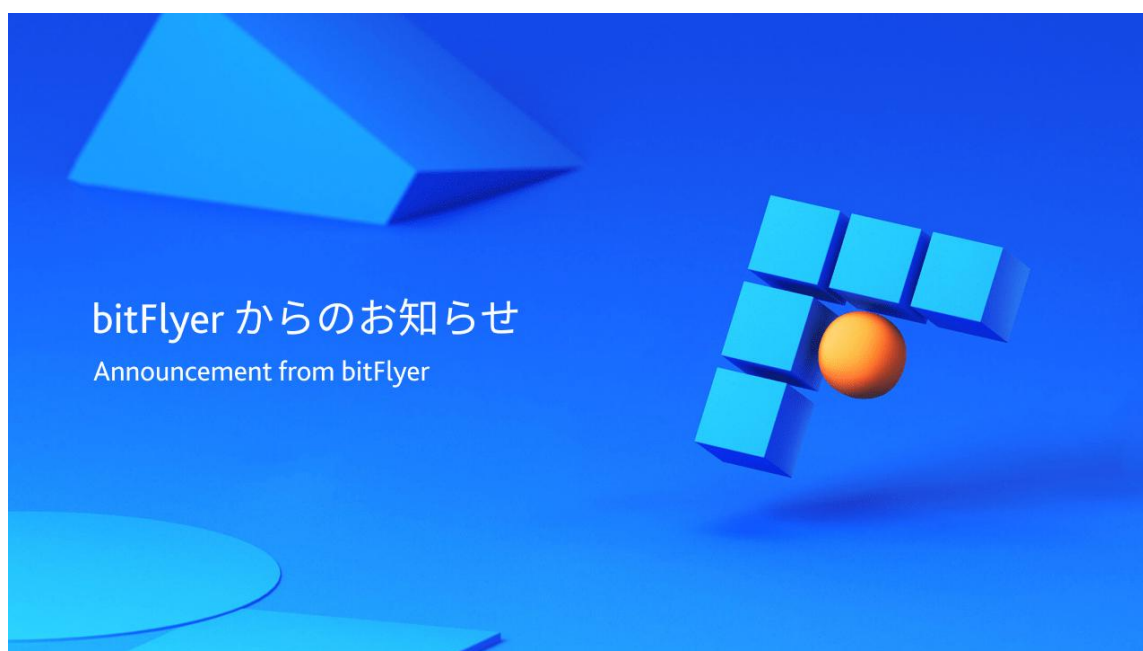


**bitFlyer Supports the Japan Blockchain Association (JBA)’s “Tax Reform Request Concerning Crypto Assets”****— Anticipating Improvements in User Accessibility and Regulatory Advancements —**

bitFlyer, Inc. (Head office: Minato-ku, Tokyo; Representative Director: Yuzo Kano; hereinafter referred to as “bitFlyer”) supports the “Tax Reform Request Concerning Crypto Assets” submitted today by the Japan Blockchain Association (JBA) to the Japanese government, and welcomes the advancement of constructive discussions on this matter.

bitFlyer will continue working in cooperation with the government, industry associations, and other stakeholders—while taking into account feedback from customers—to enhance user accessibility and contribute to the healthy development of the crypto asset industry.

**Background and Significance of the Request**

Under the current tax system, profits from the sale of crypto assets are subject to a comprehensive taxation rate of up to 55%. In addition, the complexity of the reporting process has created substantial barriers to individual ownership and use of crypto assets.

The JBA’s request aims to address these challenges by promoting tax reforms that position crypto assets as a viable option for asset building and lay the groundwork for a healthy and transparent market.

bitFlyer supports the proposed measures, including the introduction of separate taxation and loss carryforward deduction, as they contribute to improved accessibility for users and simplify tax filing procedures. bitFlyer believes that these regulatory improvements will also enhance the credibility of the crypto asset industry and strengthen Japan’s international competitiveness over the long term.

## **The Five Key Requests**

The JBA has outlined the following five requests:

1. **Introduction of Separate Taxation and Loss Carryforward Deduction**  
Apply a flat 20.315% separate taxation on crypto asset gains and allow loss carryforwards for up to three years. Apply the same treatment to derivatives transactions.
2. **Revisions to Inheritance Taxation**  
Introduce flexible valuation methods, such as allowing a portion of the inheritance tax paid to be added to the acquisition cost—similar to listed stocks—and permitting valuation based on the lowest average price over the three months preceding the date of inheritance.
3. **Deferral of Taxation on Crypto-to-Crypto Trades**  
Do not tax crypto-to-crypto exchanges; instead, apply tax when the assets are converted into fiat currency.
4. **Tax Exemption for Donations**  
Apply a special exemption for deemed transfer taxation on crypto asset donations, in line with existing treatment for listed stocks and real estate.
5. **Continue the Review of Taxation on Crypto Assets with Transfer Restrictions**  
Continue reviewing the tax system to ensure it becomes a more practical and accessible framework for corporations holding crypto assets, crypto asset exchange service providers, and self-regulatory organizations such as the Japan Virtual and Crypto assets Exchange Association (JVCEA).

These requests are critical not only for improving user accessibility, but also for supporting startups, stabilizing tax revenue, and strengthening Japan's global competitiveness.

## **bitFlyer's Commitment**

bitFlyer has long collaborated with industry bodies such as the JBA to promote the healthy development of the crypto asset sector. This tax reform request provides a foundational step for Japan to once again lead the global crypto industry. bitFlyer fully supports the objectives and content of the proposal, and will continue working closely with industry stakeholders to help realize these reforms.

## **The JBA Request**

For further information on the request made by the JBA, please refer to the following URL (only in Japanese).

[https://jba-web.jp/news/22371?fbclid=IwY2xjawLm1FpleHRuA2FlbQIxMABicmlkETE2bTJYVG12eTdpeTlJWgt5AR7GDBJPnBJBBm5Wfj28BFy9PF EK2E8XTrKi0Q1DzgeOqv3w0dqJ6iGK7tfrzw\\_aem\\_CEr0-RrIJ4vaqt fAsmnssQ](https://jba-web.jp/news/22371?fbclid=IwY2xjawLm1FpleHRuA2FlbQIxMABicmlkETE2bTJYVG12eTdpeTlJWgt5AR7GDBJPnBJBBm5Wfj28BFy9PF EK2E8XTrKi0Q1DzgeOqv3w0dqJ6iGK7tfrzw_aem_CEr0-RrIJ4vaqt fAsmnssQ)

### About the bitFlyer Group

Founded in 2014 with the mission to "Simplify the World with Blockchain", bitFlyer has achieved the No. 1\* in Bitcoin trading volume in Japan for nine consecutive years thanks to the patronage of its customers. The company has developed its crypto asset trading business globally with its group companies bitFlyer USA, Inc. and bitFlyer EUROPE S.A. bitFlyer Blockchain, Inc. has developed and is offering its proprietary blockchain platform, Miyabi, which is being utilized as the underlying infrastructure for tokens listed on crypto asset exchanges. Additionally, Custodiem, Inc. is preparing to launch a new crypto custody business, anticipating the increasing demand from institutional investors entering the crypto asset market. By harnessing synergies across the group to expand globally within the web3 ecosystem, the Group is striving to become Asia's leading web3 company.

Official website: <https://bitflyer.com>

\*Annual trading volume, including contract for difference trading and futures trading, among domestic crypto asset exchange operators from 2016 to 2024.

(This data was aggregated by bitFlyer based on statistical information published by the Japan Virtual and Crypto assets Exchange Association and trading data disclosed by domestic crypto asset exchange operators. For the statistical information from the Japan Virtual and Crypto assets Exchange Association, data from 2018 onwards was referenced.)

### 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

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