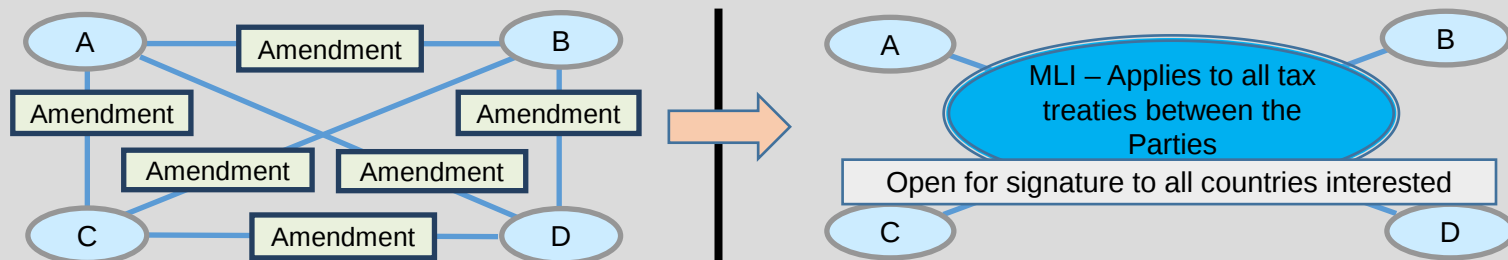


Outline and Background of the MLI

Outline

- The MLI is intended to introduce the tax treaty related measures, which are part of the measures developed under the BEPS project, into the existing tax treaties between the Parties to the MLI.
- The MLI enables the Parties to implement the tax treaty related measures to prevent BEPS with respect to a large number of their existing tax treaties at the same time and in an efficient manner.
- Measures to prevent BEPS introduced into the existing tax treaties by the MLI consist of (i) measures to prevent tax avoidance conducted through abuse of tax treaties and (ii) measures to eliminate uncertainty for taxpayers such as elimination of double taxation.
- Each of the Parties to the MLI may choose all or part of its existing tax treaties as to be covered by the MLI and under specified conditions all or part of provisions of the MLI regarding the tax treaty related measures to prevent BEPS as to be applicable to their existing tax treaties.



Background

- September 2014 : In the reports of the BEPS project, it was recommended to develop a mandate for the formation of an ad hoc Group for the development of a multilateral instrument.
- November 24, 2016 : The text of the MLI was adopted by the members of the ad hoc Group.
- June 7, 2017 : 67 jurisdictions including Japan signed the MLI at the signing ceremony held at Paris.
- May 18, 2018 : The MLI was approved at the 196th session of the Diet in Japan.
- July 1, 2018 : The MLI entered into force for the first 5 jurisdictions that had deposited the instruments of ratification thereof. Hereafter the MLI will enter into force for each of the jurisdictions that subsequently deposits the instrument of ratification.
- September 26, 2018 : Japan deposited the instrument of acceptance. Accordingly, the MLI entered into force on January 1, 2019 for Japan.
- As of September 29, 2025 : 103 jurisdictions have signed the MLI. 88 of them have deposited the instruments of ratification, etc.