GLOBAL LEGAL INSIGHTS

Blockchain & Cryptocurrency Regulation 2026

Eighth Edition

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WSBA WALL STREET BLOCKCHAIN ALLIANCE

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Government attitude

In Japan, regulations for Crypto Asset Exchange Services ("**CAES**", and CAES providers, "**CAESPs**") were introduced with the revised Payment Services Act (the "**PSA**"), which came into effect in 2017. At that time, regulations in respect of CAESPs could be described as minimal from the perspective of user protection, anti-money laundering and counter-terrorist financing ("**AML/CFT**"). However, due to Crypto Asset (as defined below) leakage incidents in Japan resulting from hacking that targeted CAESPs, as well as revisions to the Financial Action Task Force standards in respect of Crypto Assets, Japanese regulatory authorities have been taking steps to strengthen the regulatory framework surrounding CAESPs. At the same time, measures were also introduced to tighten the taxation regime, resulting in Japan having a more robust tax environment for Crypto Assets as compared to other countries.

In furtherance of its efforts to promote a digital economy, in early 2022, the Japanese government established the Web3 Project Team, recommending Web3 (a decentralised internet using blockchain) as a national strategy. Under this policy, regulatory reforms in various areas, such as financial regulations and tax, were undertaken. The introduction of regulations concerning stablecoins and clarification of whether non-fungible tokens ("**NFTs**") qualify as Crypto Assets (discussed in further detail below) are part of this policy.

In 2025, the Cabinet Office of Japan also resolved to consider the legal reclassification of Crypto Assets as financial assets that contribute value to the assets of its citizens, and to consider a more lenient tax regime for Crypto Assets. As a result, the legal framework surrounding Crypto Assets in Japan is expected to undergo significant changes in the near future.

Definitions

Under Japanese law, "Crypto Assets" do not constitute "securities" as defined in the Financial Instruments and Exchange Act (the "**FIEA**"). The PSA defines "Crypto Asset" and requires a person who provides CAES

to be registered with the Financial Services Agency (the "**FSA**"). A person who provides CAES without registration is punishable by criminal sanctions.

Accordingly, proper understanding of the definitions of Crypto Asset and CAES is of crucial importance.

Definition of Crypto Asset

The term "Crypto Asset" is defined in the PSA as:

(i) proprietary value that may be used to pay an unspecified person the price of any goods, etc. purchased or borrowed or any services provided and that may be sold to or purchased from an unspecified person (limited to that recorded on electronic devices or other objects by electronic means and excluding Japanese and other foreign currencies, Currency Denominated Assets (as defined below), and Electronic Payment Instruments (as defined below); the same applies in the following item) and that is transferrable through an electronic data processing system; or

(ii) proprietary value that may be exchanged reciprocally for proprietary value specified in the preceding item with an unspecified person and that is transferrable through an electronic data processing system.

In simple terms, a "Crypto Asset" is a cryptocurrency, not denominated in any fiat currency, that is usable as a means of payment to an unspecified person.

"Currency Denominated Assets" means assets that are denominated in Japanese or any foreign currency and do not fall within the definition of Crypto Asset. For example, prepaid e-money cards would typically constitute Currency Denominated Assets.

Definition of Crypto Asset Exchange Services

Under the PSA, the term "Crypto Asset Exchange Services" (or CAES) means any of the following acts carried out as a business:

(a) sale or purchase of Crypto Assets, or the exchange of a Crypto Asset for another Crypto Asset;

(b) intermediating, brokering or acting as an agent in respect of the activities listed in item (a);

(c) management of customers' money in connection with the activities listed in items (a) and (b); or

(d) management of customers' Crypto Assets for the benefit of another person.

As item (d) (management of customers' Crypto Assets for the benefit of another person) constitutes CAES, management of Crypto Assets without the sale and purchase thereof ("**Crypto Asset Custody Services**") would also constitute CAES. Accordingly, a person engaging in Crypto Asset Custody Services is required to undergo registration as a CAESP. In this context, the FSA Administration Guidelines on Crypto Assets ("**Crypto Asset Guidelines**") describe the "management of customers' Crypto Assets for the benefit of another person" as follows: "[A]lthough whether or not each service constitutes the management of Crypto Assets should be determined based on the actual circumstances, a service constitutes the management of Crypto Assets if a service provider is in a position to transfer its users' Crypto Assets (such as, for example, if such service provider owns a private key with which it may transfer users' Crypto Assets solely or jointly with its related parties, without the users' involvement)." Based on this, it is generally understood that mere provision to users of a Crypto Asset wallet application (i.e., a non-custodial wallet), with private keys being managed by the users themselves, would not constitute a Crypto Asset Custody Service.

Cryptocurrency regulation

General overview

In Japan, there is no omnibus regulation governing blockchain-based tokens. The legal status of tokens under Japanese law is determined based on their functions and uses.

For example, cryptocurrencies and utility tokens such as BTC, ETH, etc. are regulated as "Crypto Assets" under the PSA. Business operators who engage in the business of buying, selling or exchanging Crypto Assets (as well as in the intermediation of such activities), or in the management of Crypto Assets for the benefit of others, are required to undergo registration as a CAESP. Currency denominated stablecoins such as USDC are regulated as "Electronic Payment Instruments" ("**EPIs**") under the PSA. Business operators who engage in the business of buying, selling or exchanging EPIs (as well as in the intermediation of such activities), or in the management of EPIs for the benefit of others, are required to undergo registration as an Electronic Payment Instruments Exchange Service Provider ("**EPIESP**"). However, so-called "algorithmic stablecoins" that are not collateralised by fiat currency, but whose values are linked to fiat currency through algorithms, do not constitute EPIs. This is because they do not qualify as Currency Denominated Assets. Instead, such algorithmic stablecoins will constitute Crypto Assets if they are transferable or tradeable *vis-à-vis* unspecified persons on a blockchain.

So-called "security tokens", which represent shares, bonds or fund interests in tokens, are regulated under the FIEA as electronically recorded transferable rights ("**ERTRs**") to be indicated on securities, etc. ("**ERTRIS, etc.**"). A business operator who engages in the business of offering (including the handling of such offers), buying, selling or exchanging ERTRIS, etc. (as well as in the intermediation of such activities) is required to undergo registration as Type I Financial Instruments Business Operators ("**Type I FIBOs**") under the FIEA.

Tokens other than those mentioned above, such as NFTs, which have no economic function as a means of payment due to their unique characteristics, will not be regulated in principle under the current regulatory framework.

Regulatory framework for stablecoins

As of June 1, 2023, Japan has introduced new legislation in respect of stablecoins. Under the new legislation:

(i) EPIs (i.e., currency denominated stablecoins) are distinguished from other Currency Denominated Assets by the following factors: (i) whether they may be used as payment for consideration to unspecified persons; and (ii) whether they may be purchased from or sold to unspecified persons. Prepaid payment instruments and electronic currencies that are issued by fund transfer service providers would not typically satisfy condition (i), as their issuers would centrally manage the balance of each user and the scope of stores (that is, member stores) that accept the relevant prepaid payment instruments and electronic money. Additionally, digital currencies, notwithstanding that they are issued on blockchains, will not satisfy condition (ii) if their issuers have taken technical measures that restrict the transfer of such digital currencies only to persons who have been verified as unproblematic under know-your-customer ("**KYC**") checks at the time of transaction, and if the issuers' consent or other involvement is required for every transfer of the digital currencies. Consequently, stablecoins issued on a permissionless blockchain would typically be deemed EPIs, as new holders of such stablecoins generally are not required to undergo KYC checks and transfers of such stablecoins do not require the involvement of their issuers.

(ii) Those who are permitted to issue EPIs directly to Japanese residents are limited to banks, fund transfer service providers, trust banks or trust companies that are licensed in Japan. This is because the issuance and redemption of EPIs constitute "fund remittance transactions" (*kawase-torihiki*).

(iii) It is not possible for a CAESP to list EPIs on any exchange or manage EPIs for its users without being registered as an EPIESP.

(iv) An EPIESP is subject to AML/CFT regulations, including a "Travel Rule". Details of the Travel Rule are discussed under "Money transmission laws and anti-money laundering requirements" below.

Regulatory framework for EPIs and ECISBs

In May 2025, the Bill for Partial Amendment of the PSA (the "**Amendment Act 2025**") was enacted. It is expected to come into effect within one year of promulgation. The Amendment Act 2025 introduces new licensing regimes for business operators who engage only in intermediary services for CAES and/or EPI exchanges.

Under the Amendment Act 2025, the regulatory framework for EPIs and Crypto Asset Intermediary Service Business ("**ECISB**") is as follows:

- ECISB means engaging, as a business, in any of the following activities:
  - (i) intermediation by a person other than an EPIESP (for an EPIESP upon entrustment by such EPIESP) of the purchase and sale of EPIs or the exchange of one EPI for another; or
  - (ii) intermediation by a person other than a CAESP (for a CAESP upon entrustment by such CAESP) of the purchase and sale of Crypto Assets or the exchange of one Crypto Asset for another.
- A person who engages in ECISB must register with the FSA as an Electronic Payment Instrument and Crypto Asset Intermediary Service Business Operator ("**ECISBO**"). Because ECISBOs do not accept deposits of users' property, they are not subject to financial requirements.
- ECISBOs must be affiliated with an EPIESP and/or a CAESP. EPIESPs and/or CAESPs that entrust ECISB activities to ECISBOs are, in principle, liable for any damages such ECISBOs may cause to any user in connection with their intermediation activities.
- ECISBOs are subject to certain rules of conduct, including the duties of implementing information security management, conducting supervision of entrusted parties, implementing user protection measures, and prohibiting the acceptance of deposits of money or other property from users. ECISBOs are not subject to AML/CFT regulation, including the duty to perform KYC procedures under the Act on Prevention of Transfer of Criminal Proceeds ("**APTCP**").

Recent developments in respect of NFTs

Recently, digital art and digital trading cards represented by NFTs, which are non-replaceable digital tokens issued on a blockchain, have been traded for considerable amounts. While digital data is inherently free and easy to copy, NFTs are considered innovative because they involve creation of unique, one-of-a-kind data based on blockchain technology.

From the regulatory standpoint, NFTs would not constitute securities or ERTRIS, etc. if their holders do not share in profits or receive dividends. In addition, NFTs that are non-fungible, non-substitutable, and not usable as a means of payment would not constitute Crypto Assets.

According to the Crypto Asset Guidelines, one of the factors for determining whether a token constitutes a Crypto Asset is whether it is "an asset capable of being purchased or sold with legal fiat currency or crypto assets under socially accepted norms". Specifically, a token that satisfies conditions (i) and (ii) below generally will not constitute a Crypto Asset:

(i) The issuer has made it clear that the token is not intended to be used as payment for goods, etc. to unspecified parties. This can be achieved by, for example, stating clearly in the terms and conditions of the issuer or its business-handling service provider, or in the product description, that use of the token as a means of payment to unspecified parties is prohibited, or that the token or related system is designed in a way that does not enable it to be used as a means of payment to unspecified parties.

(ii) In situations where use of the token as a means of payment for goods, etc. to unspecified parties is permitted, certain requirements on the price and quantity of the relevant goods, etc., and on the technical characteristics and specifications of the token, must be met. For example, at least one of the following characteristics must be present:

(a) the minimum value per transaction must be sufficiently high (i.e., JPY1,000 or more); or

(b) the number of tokens issuable, in proportion to the aforementioned minimum value of a transaction, is limited (i.e., not exceeding 1 million).

Regulations for the handling of new Crypto Assets

Under the PSA, a CAESP that proposes to handle a new Crypto Asset is required to notify the FSA in advance. Additionally, the self-regulatory rules of the Japan Virtual and Crypto Assets Exchange Association (the "**JVCEA**"), a self-regulatory organisation established under the PSA, require a member CAESP that wishes to deal in a new Crypto Asset to first conduct an internal assessment of such Crypto Asset and submit an assessment report to the JVCEA. As no new Crypto Asset can be handled if the JVCEA raises any objection, a member is effectively required to obtain the JVCEA's approval before it can begin handling a new Crypto Asset.

Protection of users' property

In Japan, due to a series of incidents involving leakage of Crypto Assets from CAESPs, strict regulations have been introduced for the protection of users' property. Under these regulations, a CAESP that manages users' fiat currency and Crypto Assets must segregate such property from its own property.

For purposes of fiat currency management, such currency must be held in trust with a trust bank or trust company for protection against the CAESP's bankruptcy.

In the area of Crypto Asset management, stringent rules, as set forth below, have been put in place to protect users from leakages of Crypto Assets and from the bankruptcy of a CAESP:

(a) A CAESP must manage users' Crypto Assets and its own Crypto Assets in separate wallets.

(b) A CAESP must manage at least 95% of users' Crypto Assets in wallets that are not connected to the internet (so-called "cold wallets").

(c) A CAESP that manages less than 5% of its users' Crypto Assets in a wallet other than a cold wallet (so-called "hot wallets") must manage the same type and amount of its own Crypto Assets ("**Redemption Guarantee Crypto Assets**") in its cold wallets.

(d) Users are entitled to statutory preference rights to repayment over the segregated Crypto Assets and Redemption Guarantee Crypto Assets as stipulated in the PSA.

In addition to the above, CAESPs are required to have their segregation of fiat currency and Crypto Assets audited annually by a certified public accountant or auditing firm.

Registration process for CAESPs

Applicants for CAESP status are required to be (i) stock companies (*kabushiki-kaisha*), or (ii) foreign CAESPs with an office(s) and representative(s) in Japan and registered or licensed in the foreign country. Accordingly, any foreign entity wishing to register as a CAESP must establish either a subsidiary (in the form of *kabushiki-kaisha*) or a branch in Japan. To date, however, there have been no instances where registration in the form of a branch has been approved by the FSA. Thus far, all foreign CAESPs have established subsidiaries in Japan and have obtained registration of those subsidiaries.

In addition, applicants must have: (a) a sufficient financial base (i.e., a minimum capital of JPY10 million and positive minimum net assets); (b) a satisfactory organisational structure and certain internal systems for the appropriate and proper provision of CAES; and (c) internal systems to ensure compliance with applicable laws and regulations.

Applicants must submit a registration application containing, among others: (i) its trade name and address; (ii) the amount of its capital; (iii) the names of its director(s); (iv) the names of the Crypto Assets it will handle; (v) the contents of and the means by which it will provide the relevant CAES; (vi) the name(s)

of outsourcee(s) (if any) and the address(es) thereof; and (vii) the method by which the management of its users' assets will be segregated from the management of its own assets.

A registration application must be accompanied by certain attachments, including: (i) a document pledging that there are no circumstances constituting grounds for refusal of registration; (ii) an extract of the certificate of residence of the applicant's directors, etc.; (iii) the résumés of the applicant's directors, etc.; (iv) a list of the applicant's shareholders; (v) the applicant's financial documents; (vi) documents regarding the establishment of an internal system for ensuring proper and secure provision of CAES by the applicant; (vii) an organisational chart in respect of the applicant; (viii) the applicant's internal rules; and (ix) a form of the contract to be entered into with users.

During the registration process, the FSA will request for applicants to complete a checklist consisting of more than 400 questions, for purposes of verifying that applicants have established internal systems for the proper and secure provision of CAES. In addition, the FSA will separately prepare a detailed progress chart for purposes of verifying the checking process. The registration process essentially serves as a due diligence exercise by the FSA to determine whether to approve an applicant's registration. To make progress in the registration process, it is necessary for an applicant to add a number of executives and employees with practical experience in Japanese financial institutions to its organisational chart, to develop various internal regulations equivalent to those of financial institutions, to invest in systems to ensure that the services provided are appropriate, and to go through checks by the FSA.

Sales regulation

Overview

Cryptocurrencies (including Crypto Assets) do not fall within the definition of "securities" under the FIEA, and the sale of Crypto Assets or tokens (including initial coin offerings, or "**ICOs**") is not specifically or directly regulated by the FIEA (although a certain type of token may be subject to the FIEA, as discussed below).

Various types of tokens may be issued by way of ICO, and Japanese regulations applicable to ICOs vary according to the scheme of offer involved.

Main types of tokens and applicable regulations

Crypto Asset type

If a token falls within the definition of Crypto Asset, it will be subject to Crypto Asset regulations under the PSA.

According to the JVCEA's "Rules for Selling New Crypto Assets" (the "**ICO Rules**"), there are two types of ICO, which can be described as follows: (i) an offering where a CAESP issues new tokens and sells such tokens by itself; or (ii) an offering where a token issuer delegates the sale of newly issued tokens to a CAESP. Generally speaking, under the ICO Rules, the following requirements apply for both types of ICO:

(i) maintenance of a system for review of the targeted business that raises funds via ICO;

(ii) disclosure of information on the token, the token issuer, the targeted business and the like;

(iii) segregated management of funds (both fiat and Crypto Assets) raised by an ICO;

(iv) proper account processing and financial disclosure of funds raised by an ICO;

(v) safety assurance in respect of the newly issued tokens, their blockchain, smart contracts, wallet tools, and the like; and

(vi) proper valuation of newly issued tokens.

Securities (equity interest in an investment fund) type

The concept of ERTRs is defined in the FIEA, thus clarifying the scope of tokens governed by the FIEA. Specifically, the concept of ERTRs relates to the rights set forth in Article 2, Paragraph 2 of the FIEA. These rights are represented by proprietary value transferable by means of an electronic data processing system, but exclude those rights specified in the relevant Cabinet Office Ordinance in light of their negotiability and other factors. Although Article 2, Paragraph 2 of the FIEA refers to rights of various kinds, tokens issued in "security token offerings" ("**STOs**") are understood to constitute, in principle, "collective investment scheme interests" ("**CISIs**") under the FIEA. CISIs are deemed to be formed when the following three requirements are met: (i) investors (i.e., rights holders) invest or contribute cash or other assets to a business; (ii) the cash or other assets contributed by investors are invested in the business; and (iii) investors have the right to receive dividends of profits or assets generated from investments in the business. Tokens issued under STOs would constitute ERTRs if these three requirements are met.

Simply put, rights treated as "Paragraph 2 Securities" (i.e., rights that are deemed securities pursuant to Article 2, Paragraph 2 of the FIEA) and represented by negotiable digital tokens will be treated as Paragraph 1 Securities unless they fall under an exemption. As a result of the application of disclosure requirements to ERTRs, issuers of ERTRs are in principle required, upon making a public offering or secondary distribution, to file a securities registration statement and issue a prospectus. Any person who causes other persons to acquire ERTRs or who sells ERTRs to other persons through a public offering or secondary distribution must deliver a prospectus to such other persons in advance or at the time of acquisition or sale.

As ERTRs constitute Paragraph 1 Securities, registration as a Type I FIBO is required for the purposes of selling, purchasing or handling the public offering of ERTRs in the course of a business. In addition, any ERTR issuer who solicits acquisition of such ERTR (i.e., undertaking an STO) is required to undergo registration as a Type II FIBO, unless such issuer qualifies as a specially permitted business for qualified institutional investors.

Taxation

Profits realised from the trading of Crypto Assets constitute "miscellaneous income" (*zatsu-shotoku*) for purposes of individual income tax assessment. The tax rate for miscellaneous income is progressive, ranging from 5% to 45% on profits. In addition to this, 10% of such profits are payable to the local government as inhabitant tax.

Taxpayers are able to utilise losses from Crypto Asset trading to offset such profits.

No consumption tax is payable on the sale or exchange of Crypto Assets. However, consumption tax will be levied on lending fees and interest derived from Crypto Assets.

Furthermore, inheritance tax will be imposed upon the estate of a deceased person in respect of the Crypto Assets held by such person.

In respect of corporate tax, corporations holding Crypto Assets with an active market ("**Market Crypto Assets**") at the end of a fiscal year are, in principle, required to obtain a market valuation for such assets and include the difference between the market valuation and book value in their profit and loss accounts. This year-end market valuation taxation on corporations applies to unrealised gains, regardless of the purpose for which the Crypto Assets are held. This has been a significant burden on Crypto Asset-related businesses.

To a certain extent, tax reforms implemented in 2023 and 2024 for the purpose of relaxing the year-end valuation taxation have alleviated such tax burden on corporations. Under the tax reforms, Crypto Assets issued by a corporation that have been continuously held by that corporation itself since their issuance are excluded from market valuation taxation. Additionally, Market Crypto Assets (other than self-issued Crypto Assets) that are subject to transfer restrictions or other conditions can be excluded from market valuation taxation.

Money transmission laws and anti-money laundering requirements

Money transmission

Under Japanese law, only licensed banks or fund transfer service operators are permitted to provide a "fund transfer service". Provision of a "fund transfer service" means, according to a Supreme Court precedent, "undertaking of the task of transferring funds requested by customers, utilising a system of fund transfer without transporting cash between distant parties, and/or carrying out such a task". Technically, Crypto Assets do not constitute "funds". However, it is possible to utilise Crypto Asset transfer as part of a "system of fund transfer", in which case the service provider will likely be deemed to be providing a fund transfer service. Moreover, issuance of EPIs (i.e., stablecoins), which are pegged to fiat currency, would also be deemed engagement in money remittance transactions.

Anti-money laundering requirements

Under the APTCP, CAESPs and EPIESPs are required to: (i) conduct KYC checks on customers and persons with substantial control over customers' businesses for the purpose of conducting transactions and businesses; (ii) prepare KYC records and transaction records; (iii) maintain the records for seven years; and (iv) report suspicious transactions to the relevant authority, among other requirements.

Travel Rule

When a CAESP or an EPIESP transfers Crypto Assets or EPIs to a customer of another CAESP (including any foreign CAESP and EPIESP) at the request of a customer, the CAESP or EPIESP must notify the receiving CAESP or EPIESP of certain identification information, including the names and blockchain addresses, pertaining to the sender and the receiver (the "**Travel Rule**"). However, transfers to a CAESP or an EPIEPS in countries that have yet to implement Travel Rule legislation are not subject to the rule. In addition, when a CAESP or an EPIESP transfers Crypto Assets or EPIs to an unhosted wallet at the request of a customer, it is not subject to the Travel Rule. Nevertheless, even for transactions that are not subject to the Travel Rule, information on the counterparty (name, blockchain address, etc.) must be obtained and recorded. Furthermore, it is necessary in such transactions to investigate and analyse the attributes or nature of unhosted wallets, etc., for purposes of assessing the associated risks.

Promotion and testing

On June 15, 2018, the Cabinet Office of Japan announced the "Basic policy for Regulatory Sandbox scheme in Japan". The Regulatory Sandbox is a scheme to introduce new, outstanding technologies, such as AI, IoT, big data and blockchain, in Japan, and to encourage new ideas for "test projects" in any industrial sector, whether in or outside Japan.

Through the utilisation of this scheme and usage of sidechain and atomic swap technology, test projects were conducted to establish a platform that enables simultaneous delivery of Crypto Assets and settlement in fiat currency, eliminating credit risks to counterparties. This is part of governmental efforts to create a market for professional CAESPs to efficiently conduct covering transactions.

Ownership and licensing requirements

An entity is not prohibited from simply owning cryptocurrencies for its own investment purposes, or from investing in cryptocurrencies for its own exchange purposes. As a general rule, the Crypto Asset regulations under the PSA will not be applicable unless an entity conducts CAES as a business. It should be noted, however, that the sale of certain types of tokens may be subject to regulation under the PSA or the FIEA (as applicable) as discussed under "Sales regulation" above.

Mining

Mining of cryptocurrencies is not regulated in Japan. Mining in itself does not constitute provision of CAES. It should be noted, however, that if a mining scheme is formulated to involve CISIs and includes the sale of equity interests in an investment fund, it will be subject to the relevant FIEA regulations.

Border restrictions and declaration

Border restrictions

Under the Foreign Exchange and Foreign Trade Act of Japan (the "**FEFTA**"), a resident of Japan who has received a payment exceeding JPY30 million, whether made from Japan or from a foreign country, must report receipt of such payment to the Minister of Finance. The same reporting requirement applies to a Japan resident who has made a payment exceeding JPY30 million to a non-resident either in Japan or in a foreign country.

On May 18, 2018, the Ministry of Japan announced that the receipt of payments in Crypto Assets or the making of payments in Crypto Assets, the market price of which exceeds JPY30 million as of the payment date, must be reported to the Minister of Finance.

Declaration

There is no obligation to declare cryptocurrency holdings when passing through Japanese Customs.

Reporting requirements

As explained above, payment or receipt of payment exceeding JPY30 million, whether in fiat currencies or Crypto Assets, must be reported to the Minister of Finance under the FEFTA.

A CAESP and an EPIESP must report to the relevant authority if it detects a suspicious transaction.

Estate planning and testamentary succession

There is no established law or judicial precedent in Japan with respect to the treatment of Crypto Assets under Japanese succession law. Under the Civil Code of Japan, inheritance (i.e., succession to assets by heir(s)) occurs upon the death of the decedent. Theoretically, Crypto Assets will be succeeded to by a decedent's heir(s). However, given the anonymous nature of Crypto Assets, the identification and collection of Crypto Assets as inherited property would be difficult as a practical matter unless the relevant private key or password is known to the heir(s). On the other hand, even if the private key or password is unknown, to the extent that the inherited property can be identified, inheritance tax may theoretically be imposed, which could be problematic. From the perspective of Japanese law, the legal framework surrounding inheritance of Crypto Assets must be updated and enhanced to address these issues.

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