

Guidance note (End User Identification scheme in Japan)

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1. Introduction

The purpose of this document is to provide some instructions and recommended practice on how the Peppol Certified Access Point Providers (APs) in Japan can meet the requirements of the “Know your customer” principle in the Peppol Compliance policy.

The Internal Regulations -Use of Peppol Network (v1.0 Approved 2021.11.16) (IR) - requires the APs to collect the certain information of their end users and to conduct the verification of the information. The purpose is to ensure the APs have a certain minimum knowledge about their end users to avoid misuse and fraud.

At the same time, the IR allows some exceptions since not all jurisdictions have solutions allowing the APs to collect and verify the information required. So, the IR has the caveats saying “*except in cases when this is not feasible with reasonable efforts. Such cases may include, but are not limited to, the lack of automated means*”. The implication of this caveat is that the requirement becomes void and cannot be enforced when such an automated means to capture the information required doesn’t exist.

Japan Peppol Authority (Japan PA), considering the situation in Japan, clarifies what the APs in Japan should do in the context of the “End User Identification” to meet the requirements by the IR in this guidance note.

2. Guidance

2.1 Collection of the certain information of the end users

The APs in Japan must collect all information of their end users required by the IR. The collection means is not limited to automated means provided by public authorities. It is also allowed to collect the information manually.

2.2 Verification of the collected information of the end users

The APs in Japan must verify the information collected. It is recommended the APs to utilize automated means described below.

	Corporate	Individual Business*
Authoritative sources (Available Automated means)	<ul style="list-style-type: none"> ✓ Corporate Number Publication site ✓ Registration Number for Qualified Invoice Publication site 	<ul style="list-style-type: none"> ✓ Registration Number for Qualified Invoice Publication site
Information to be verified	<ul style="list-style-type: none"> ➤ Legal Identifier ➤ Legal Name 	<ul style="list-style-type: none"> ➤ Legal Identifier ➤ Legal Name

* In this context, “Individual Business” only means a taxable individual business with registration number for Qualified Invoice purpose.

Regarding “non-registered Individual Business (e.g. a Consumption Tax-exempt individual business)”, there is not an automated means to provide the information from the authoritative sources.

So, the APs shall collect the information of non-registered individual businesses and make best efforts to verify the information of such businesses in their own best way.

2.3 Verification of the end users’ information at software provider level

If the contracted software/accounting service provider does the verification of the information of the end users in accordance with the IR and this guidance note, instead of the APs, the APs would not always implement the verification by themselves.

Even though the APs do not implement the verification by themselves, they remain fully responsible for the verification of the end users’ information collected appropriately.

2.4 Proof of ownership

The IR also requires APs in Japan to ensure that the information has been provided by the entities it concerns.

It is recommended to adopt the following measures.

- Stipulating the measures for the prevention of fraud applicants in the contract or terms of use agreed upon with the end users
- Checking via official webpage, email, or telephone number
- Leveraging the evidence of existing business activities (e.g. bank, utility bills, rate bills)

If the APs consults Japan PA about the way to ensure the proof of ownership, Japan PA makes the decision on a case-by-case basis.

Note that, regarding the information of the existing end users, it also needs to be ensured the proof of ownership. If it has not been previously implemented, the necessary action should be undertaken by the APs or the contracted software/accounting service providers within around 24 months.

2.5 Updating the end users' information

The APs are required to collect and verify any updates of the end users' information described in this guidance note periodically. In addition, the proof of ownership of the information updated is also ensured in accordance with 2.4.

3. Further information

Japan Peppol Authority plans to ask a clear explanation about the concrete ways to identify the end user to APs in the process of the accreditation. The APs are recommended to implement it described in this guidance note.

4. Contact us

For more information and clarification regarding the end user identification required, please email us at jp-peppol@digital.go.jp

Version history

Version	Date	Change
1.1	13 th May 2022	Clarification and editorial amendments
1.0	22 nd Mar 2022	Initial published version