



The Deloitte Tax difference
Japanese Tax Solutions

Deloitte Tohmatsu Tax Co.

The Deloitte Tax Difference

In a changing, challenging and often complex tax environment, we strive to provide specific tax solutions that address your unique business requirements. We will work closely with you to ensure your organization is able to benefit from seeing the global picture while paying attention to Japan's country-specific details and issues.

We offer our clients:

- A dedicated team of tax specialists with a focus on Japanese tax issues
- A tax practice with the breadth and depth of capabilities to assist you across a variety of tax areas
- The ability to work with you to put in place sustainable tax solutions that are aligned with your wider business strategy
- The experience and insight gained from offering a wide range of tax compliance and tax advisory services to companies of different sizes and from a wide range of industries
- A selection of tax tools that can be tailored to your specific needs
- An unparalleled global network

Your Challenge

The Japanese market holds significant potential for domestic and foreign businesses alike. However, the specific dynamics of Japan's unique laws, regulations, and business practices, as well as cultural and political issues, present constant challenges for businesses of all sizes. As a result, every business decision you make in Japan involves intricately intertwined issues, not the least of which is the decision's tax implications. Against this backdrop, even the most sophisticated global organizations can struggle to meet all its challenges and tax needs.

Foreign companies that are investing in Japan face many tax related challenges. They have to stay on top of their local and global tax compliance responsibilities and manage their effective tax rates with a view to the group's overall tax situation.

Cross-border tax issues

Successfully and efficiently managing cross-border tax issues and compliance processes, as well as tax planning, requires experience in the highly specialized domestic and cross-border tax areas, as well as an awareness of the interaction of the various tax systems.

Proactive

Effectively managing a company's tax position involves more than just compliance with the tax rules. The international alignment of tax advisory services in the hands of capable tax specialists can lead to the proactive identification of tax structuring opportunities resulting in a global business that is arranged in a tax efficient manner.

Do you have access to the required resources?

Our Approach

Local specialization, global reach

Deloitte Tohmatsu Tax Co., the Japanese tax member firm of Deloitte Touche Tohmatsu Limited, can help you to deliver more speed, accuracy and value to your organization.

Our tax professionals understand not only the intricacies of tax law, but also the business, political, and cultural nuances of Japan. We can offer the local insights you need to make informed tax and business decisions. We can also help you align the tax strategies associated with your company's business activities in Japan with your overall global tax and business strategies to achieve the most tax-efficient global tax position for your company. Our professionals provide comprehensive tax solutions through a strong global network, with seamless, consistent service wherever our clients operate.

People

We provide experienced, highly qualified professionals when and where needed. We have a wealth of tax and accounting experts, including individuals who have experience working in a variety of industries and those who have previously worked for the Japanese tax authorities.

Access to tax professionals can help reduce the strain on your in-house tax department. Additionally, leveraging our professionals gives you access to the required specialist knowledge on short notice and without increasing head count.

The excellence of our people makes it possible for us to provide innovative yet pragmatic advice.

Technology

Deloitte offers various proprietary IT tools. These include Deloitte Online, which is a web-based communication and collaboration tool. It is easily accessible to members 24 hours a day, 7 days a week through the Internet, and its security features keep engagement information private and confidential.

These tools improve efficiency and flexibility both for the Deloitte team and your tax and finance functions around the globe. They can be tailored to your specific needs and are designed to facilitate the management of global compliance engagements and enhance the benefits of using a global tax provider.

Information

Having access to current information and updates on recent developments is key. We provide regular updates on current tax developments through newsletters and client seminars. Our "Inbound Tax Newsletter" on

www.deloitte.com/jp/inboundtaxnewsletter

keep you up to date on topics of interest to inbound investors into Japan. In addition, there is Deloitte's award-winning Dbriefs series, live webcasts that give you valuable insights on important developments affecting your business in Asia Pacific, including Japanese tax matters.

Furthermore, there is an online database, Deloitte International Tax Source, which places worldwide tax rate data and other crucial tax material within easy reach.

Adding value

Business transactions and changes in the tax law can impact your local or worldwide tax position. To determine the potential for cash flow improvement and tax cost savings, we can review your company's tax profile with "fresh eyes" and provide you with an analysis of potential tax risks, general comments on the overall tax position, and recommendations for optimization. Beyond improving cash flows, saving tax costs and managing the effective tax rate, a tax review can help update your in-house tax department on recent tax and accounting developments and provide a different perspective on your organization's tax position.

Reducing risks

Many tax departments are being asked to do more with less. Complex and increasing regulation, coupled with resource shortages and technology constraints, make it difficult for many companies to complete their tax provisions on an efficient and timely basis. Without appropriate data input, resources and technology, companies face a greater risk of being noncompliant with a wide range of tax laws and regulations, as well as potentially entering into disputes with tax authorities and other regulatory bodies.

As businesses continue to expand globally, leading-edge tax departments will play increasingly important roles in risk management and the overall performance of the enterprise.

As one of the largest audit and tax advisory networks globally, with clients of all sizes and in virtually all industries, we assist many clients in tax matters and are up-to-date on current issues and topics in tax audits.

Our clients benefit from best practices and economies of scale accumulated over time as a result of the ongoing professional exchange within Deloitte's specialized services, not only in the case of a tax audit, but also in the tax planning and tax compliance stages.



Inbound issues

The challenges for foreign companies investing into Japan can be different from those for Japanese multinationals investing abroad. Our dedicated, highly specialized tax professionals have the knowledge and experience to assist you with your tax compliance obligations and can contribute additional value to your company. We can help you design, implement and monitor your compliance processes.

With direct involvement in your tax planning and compliance, we will be positioned to identify tax planning opportunities. Our professionals will work with you to gain the benefit of their local experience and knowledge of your business and tax issues.

Drawing on Deloitte's extensive global network and the deep country-specific knowledge of its professionals, we can offer internationally aligned tax advisory services that go beyond compliance activities to include the identification of tax structuring opportunities on a global level.

A truly global, integrated approach to business issues

Our services

Our team of authorized tax practitioners, certified public accountants, economists, and other specialists share a commitment to providing the highest quality of diversified services, including:

Business Tax

We provide a wide range of tax advisory and compliance services, for both privately held and publicly listed companies in Japan, as well as for the local subsidiaries of groups that are headquartered overseas.

Our services include:

- Corporate tax planning, including advice related to domestic restructurings, acquisitions, and disposals
- Direct tax compliance, including covering the consolidated tax return system
- “Health checks” to reveal exposures and identify opportunities
- Preparation of advance ruling requests to the tax authorities
- Tax audit support
- R&D tax credit calculations and claims

Business Process Solutions

We provides niche outsourcing services and technical skills to foreign national companies either moving into Japan, operating in Japan or expanding in Japan.

- Financial Management & Accounting outsourcing (Business start-up support, Bookkeeping, Tax compliance, etc.)
- Human Resources Management (Payroll processing, HR administrative support, etc.)
- Chief Financial Officer Services

Indirect Tax

Due to the recent change of Japanese consumption tax as well as foreign VAT/GST regulations and complicated expansion of FTA/EPA around the world, the businesses may face indirect tax or customs duty risks which cause significant tax costs potentially.

We help clients gain global competitive advantage by advising on the effective indirect tax management under your existing supply chains or proposed business operations.



International Tax

We offer a variety of international tax services for inbound and outbound transactions, efficiently using the international network of Deloitte Touche Tohmatsu Limited.

We can assist in devising a more tax-efficient international business structure.

Our services include:

- “Inbound” tax advisory services for companies/funds investing into Japan, or with established operations in Japan, including tax efficient cross-border financing, repatriation of funds and supply chain planning
- “Outbound” tax advisory services, such as establishing, or restructuring, overseas entities, including anti-tax haven rules
- Planning related to the use and location of holding companies, financing companies, etc
- Advice on obtaining double tax treaty benefits

Financial Services Tax

Our practical tax solutions incorporate an in-depth understanding of the regulations and other issues that affect the financial services industry.

In addition to tax compliance services for financial services clients, our specialist team provides services that include:

- Advice on tax issues related to financial instruments
- Tax efficient investment into Japan’s capital markets
- Distressed debt and securitization projects

Transaction-related Tax

We provide services to assist domestic and foreign clients (corporate groups, private equity funds, etc) with transactions and tax efficient investment structures.

Our specialist service offerings include:

- Domestic and overseas M&A transactions, including tax-related due diligence
- Domestic and overseas business reorganizations
- Advice on the tax aspects surrounding recovery and corporate turn-arounds
- Post-acquisition restructurings
- Tax efficient investment into Japanese real estate assets, including advice on J-REITs, TMK and TK structures
- Leasing transactions

Global Employer Services

The movement of people from country to country increases the challenges of the global business environment for employers and employees alike. With a wide range of global tax knowledge and understanding, our full-time GES team is ready to help you stay competitive in the market for talent and manage the specific challenges of your global workforce.

Our services include:

- Global employer tax services: Benefit from responsive Japan individual income tax compliance and consulting to take advantage of cost-saving opportunities and reduce tax liabilities
- Our experience in International HR Consulting allows us to provide assistance in policy design that helps both companies with existing programs and those looking to introduce new programs with particular support for Japanese entities dealing with moving employees out of Japan and intra-company transfers away from Japanese HQ
- Global incentive plan consulting to ensure that your plans are a valuable retention and recruitment tool rather than being an expensive burden, misaligned with the company’s goals
- Global mobility due diligence and tax audit support



Transfer Pricing Consulting

As tax practitioners and economists who specialize in transfer pricing, we utilize our extensive experience to help you achieve your transfer pricing objectives, while minimizing tax audit risk.

Our services include:

- Evaluation of transfer pricing taxation risks, and suggested mitigation actions
- Development of sound transfer pricing policies, including preparation of proper documentation
- Preparation for, and assistance with negotiating, an Advance Pricing Agreement (APA)
- Audit defense and competent authority services
- Advising on tax efficient supply chain arrangements, and other opportunities to reduce a group's effective tax rate

Tax Dispute Resolution

We have considerable experience in assisting companies to resolve tax disputes with the Japanese tax authorities. Our expertise in this area includes personnel who were formerly tax auditors for the Japanese tax authorities.

Our services include:

- Providing guidance in dealing with tax audits that are complex in nature and/or involve significant amounts of tax
- Advice on dispute resolution procedures to reduce tax risks and increase certainty, and improve the working relationship with the tax authorities
- Assistance in preparing and applying for administrative appeals
- Assistance in planning arguments and preparing litigation briefs, if a satisfactory mutual agreement cannot be reached

US Tax

Our U.S. Desk provides comprehensive U.S. tax services, especially in relation to income tax matters.

Our services include:

- U.S. tax consulting and compliance
- Qualified Intermediary (QI)
- International transportation income U.S. income tax return preparation

Tax Management Consulting

Deloitte helps businesses meet the challenges of multi-jurisdictional tax operations, including compliance, reporting and risk management for direct and indirect taxes. Our TMC team helps businesses to understand and transform their processes, technology and resourcing models and where appropriate offer global outsourcing capabilities. We also provide support around improving compliance quality and corporate value through the use of state-of-the-art technologies.

Our key services are:

- Tax Strategy, Risk Management and Operating Models
- Tax Technology
- Global Tax Compliance Outsourcing



Our Knowledge

Having access to current information and updates on recent developments is key. We provide regular updates on current tax developments through newsletters and seminars.

Japan Inbound Tax Newsletters



We regularly issue bulletins on Japanese tax developments of interest to foreign multinationals investing in Japan. Please see the link below for further information: www.deloitte.com/jp/inboundtaxnewsletter

Taxation and Investment Guides and Country Highlights



The Guides provide an overview of the investment climate, taxation and operating conditions for most major trading jurisdictions, while the Highlights series offers major tax rates and investment information for almost 150 jurisdictions: www.deloitte.com/taxguides

Deloitte International Tax Source (DITS)



The Deloitte International Tax Source (DITS) is an online database featuring tax rates and information for 65 jurisdictions worldwide. DITS includes current rates for corporate income tax, domestic withholding tax, withholding tax on dividends, interest and royalties under tax treaties, value added tax/goods and services tax/sales tax and a five-year table of statutory corporate income tax rates for all DITS jurisdictions. A notes system provides further details and context for the rates, and there is a monthly round up of tax treaty developments.

Please see the link below for further information: <https://dits.deloitte.com/>

Dbriefs Webcast (Online education)



Staying sharp to all the latest issues and strategies is a challenge. That's why Deloitte offers Dbriefs, free live webcasts that give you valuable insights on important developments affecting your business in Asia Pacific. Many of the Japan related Dbriefs are presented in English language and also Japanese language versions. Please see the link below for further information on the series, and details of how to register: www.deloitte.com/ap/dbriefs

Global Economic Outlook / Asia Pacific Economic Outlook



We offer timely insights from Deloitte Research's team of economists about the trends and events that are shaping the marketplace:

Global Economic Outlook www.deloitte.com/economicoutlook

Asia Pacific Economic Outlook www.deloitte.com/apac

Deloitte Review



Our semiannual business journal showcases original research and provocative viewpoints, focusing on hot topics of interest to executives and clients:

www.deloitte.com/us/deloittereview

To learn more about Deloitte insights, please visit www.deloitte.com

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Inbound Group

The Inbound group provides value to clients investing into Japan or considering a strategic move in or into Japan. The group has extensive experience in optimizing our clients' tax position at all stages of the business cycle, from establishing the business in Japan, meeting the on-going Japanese tax compliance requirements through to tax efficient repatriation of profits or possible exit strategies.

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Deloitte AP ICE, Limited (Hong Kong)

The Asia Pacific International Core of Excellence (AP-ICE), is a resource designed to help multinationals deal with complex tax issues. It is a Hong Kong-based team of highly experienced tax

professionals from 15 tax jurisdictions. While specializing in the tax systems of their home jurisdictions, they can identify and address how foreign tax considerations impact a multinational's business drivers and tax planning. The AP-ICE team can help with everything from "one-off" questions to assisting in coordinating significant cross border projects.

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Deloitte provides audit, consulting, financial advisory, risk advisory, tax and related services to public and private clients spanning multiple industries. Deloitte serves four out of five Fortune Global 500® companies through a globally connected network of member firms in more than 150 countries bringing world-class capabilities, insights, and high-quality service to address clients' most complex business challenges. To learn more about how Deloitte's approximately 245,000 professionals make an impact that matters, please connect with us on Facebook, LinkedIn, or Twitter.

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