

Tax Dispute Resolution Services

For the mitigation of tax dispute risks
and the early resolution of conflicts

Unexpected imposition of additional taxes and penalties

The number of cases where significant differences in the opinion of tax examiners and taxpayers over the determination of facts and interpretation of tax law is increasing. Recently, this trend is most often seen in regard to transactions argued to be entered into for a tax avoidance purpose.

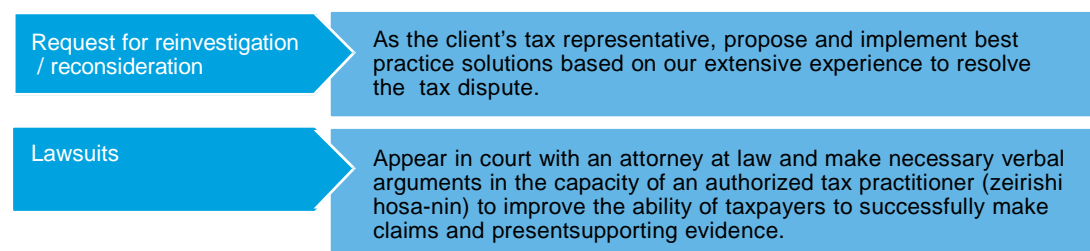
A transaction carried out without an intent to avoid tax may be viewed as a tax avoidance scheme during the course of a tax audit, which could subject the taxpayer to unexpected taxes and penalties.

Such risk can be mitigated by appropriately dealing with tax audits, including putting systems into place to always be fully prepared for a possible audit.

Effectively utilize tax dispute resolution procedures and tax accountants!

If the tax auditors issue a tax correction determination, taxpayers who disagree with the determination may request a reinvestigation/reconsideration or file a lawsuit (these procedures are collectively referred to as tax dispute resolution procedures). Although some taxpayers may be reluctant to challenge the authorities, the recent tax dispute procedures are more accessible to taxpayers than ever before, and taxpayers' arguments are being increasingly accepted. Moreover, the efficient use of tax accountants to expedite the procedures will further promote the speedy settlement of disputed tax issues.

Role of tax accountants in tax dispute procedures



Typical requests for advice

- We are currently undergoing a tax audit. Since we disagree with the findings of the tax authorities, we are considering filing an appeal and even a lawsuit. How should we prepare for such proceedings?
- Though the results of a tax audit were delivered, we are not sure whether to file an amended tax return or to file an appeal following the issuance of a tax correction determination.
- A transfer pricing audit is nearly over, and we are likely to receive a tax correction determination. However we have yet to decide whether we should request mutual agreement procedures or file an appeal.

Tax dispute resolution services of Deloitte Tohmatsu Tax Co.

Service	Details
Advice on preparation for tax audits and on the handling of ongoing audits based on earlier developments	We advise our clients on the preparation and filing of relevant documents prior to a tax audit or at an early stage of a tax audit as well as help them develop strategies for an ongoing tax audit that has reached the stage where the results are somewhat predictable.
Advice on exit strategies for tax audit	We advise our clients on whether to file an amended tax return or to seek remedies against a tax correction determination. We also assist clients who have received a tax correction determination relating to transfer pricing transactions by filing a request for mutual agreement procedures.
Assistance with filing appeals	We prepare or review requests for reinvestigation/ reconsideration and provide explanations or make arguments to officials in charge of the reinvestigation/ reconsideration on behalf of our clients.
Assistance with tax lawsuits	We help our clients by introducing lawyers, by advising by advising clients on claims and the presentation of evidence to be provided in lawsuits, and by making verbal arguments in court in the capacity of an authorized tax practitioner (zeirishi hosa-nin).

Please visit our website (www.deloitte.com/jp/tax/support-en) for a more detailed description of our tax dispute resolution services.

Contact information

Deloitte Tohmatsu Tax Co.

Masahiko Kobayashi	(Certified public tax accountant)	masahiko.kobayashi@tohmatu.co.jp
Tetsuya Okugawa	(Certified public tax accountant)	tetsuya.okugawa@tohmatu.co.jp
Kanji Ariyasu	(Certified public tax accountant)	kanji.ariyasu@tohmatu.co.jp
Shingo Iizuka	(Certified public tax accountant)	shingo.iizuka@tohmatu.co.jp

Corporate Info. www.deloitte.com/jp/en/tax
Tax Services www.deloitte.com/jp/tax/s/en

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