



IMPORTANCE OF PREDICTABILITY AND LEGAL STABILITY FOR TAXATION

The Eighth IMF – Japan High-Level Tax Conference
For Asian Countries in Tokyo

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Kazuki Yawaka
Mitsui & Co., Ltd.

Agenda




1. About our company
2. Tax issues faced by Japanese companies
in Asia
3. What we expect



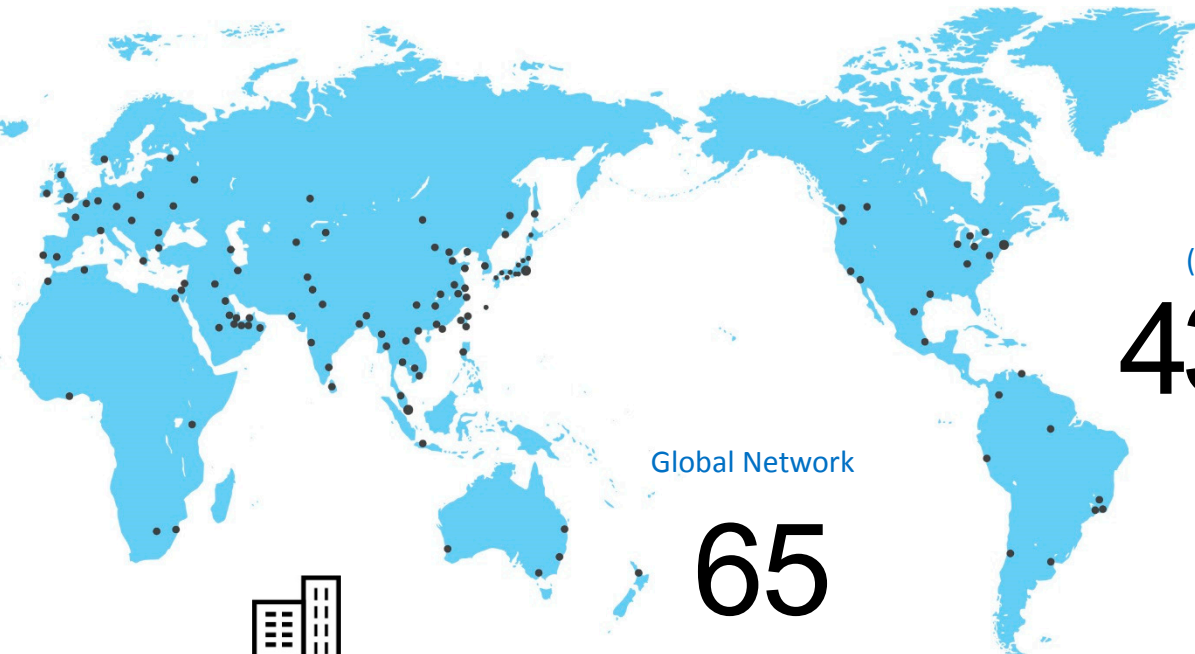
About Our Company

(As of March 31, 2016)


Number of Offices
and Overseas
Trading Subsidiaries

138

(As of Mar 1, 2017)




Number of
Employees
(consolidated)


43,611

Global Network

65

countries/regions

(As of Mar 1, 2017)


Number of Subsidiaries
and Equity
Accounted Investees

462

Tax issues faced by Japanese companies in Asia (1)



Tax Audit

- Concerned about the various understandings and interpretations of tax laws by each tax auditor or each local region within the same country.
- Concerned about the aggressive attitudes by some tax auditors aiming to raise tax revenues. In some cases taxpayers are urged to file amended returns to include tax audit findings, resulting in the taxpayers to lose chance to take remedial actions against such assessments made by tax auditors.

Tax issues faced by Japanese companies in Asia (2)



Transfer Pricing Taxation

- Concerned about the transfer pricing adjustments made by tax auditors without sufficient understanding of the business characterization of the taxpayer.
- In some cases, tax auditors apply inappropriate transfer pricing methods to the transaction and select comparable companies whose functions are larger than the actual functions of the taxpayer.

What we expect

- Remedy measures for tax disputes
 - judicial system
 - Mutual Agreement Procedures (MAP)

- Promotion of understanding for tax system and tax reform
 - information session by tax authorities
 - helpful commentary or guidelines

- **Predictability and legal stability for taxation**
 - ➔ *Important key factor for industries to start or expand business*



Thank you for your kind attention!