

www.pwc.com

*Spring 2011*

# *Hotline No 62*

English version

- UK tax reform: How will it benefit global operations of Japanese MNC's
- Current VAT opportunities
- Managed exits
- Equality Act consolidates discrimination rules from October 2010 and incorporates stronger laws on pay and recruitment

---

## Editorial comments



Yohei Sekiguchi  
Valuation  
Senior Associate

I would like to offer my heartfelt wishes to everyone who was affected by the recent earthquake in Tohoku prefectures, Japan. I wish a speedy recovery of the afflicted area and PwC will endeavour to do our very best in helping Japan restore their lives.

The damage caused by this earthquake is serious and there are wide-ranging problems, at the time of writing this article, I am not yet certain the whole extent of damage, but the accident of the Fukushima Nuclear Power Plant is likely to give significant impact on the energy policy worldwide. After the accident, many governments such as in Germany, Italy and Switzerland have announced that they are immediately reviewing their energy policy by nuclear power (at least temporarily frozen). From now on, these movements may continue to call for a change to much safer and sustainable renewable energy.

The scale of projects of M&A in the renewable energy sector in 2010 tends to be smaller than the previous year although the number of the projects has increased. In the light of this trend, M&A dealings in this area are expected to be more active. Currently China, Australia and India are the centre of the M&A in Asia-Pacific region and it seems necessary in future for Japan to enter in this renewable energy field through M & A more positively at home and abroad.

In cross-border projects, the complex issues such as laws and regulations, accounting systems, taxation and human resources strategy of the country where a target company is located must be tackled. PwC can support Japanese companies by offering a comprehensive and seamless M&A service to manage increasingly complex cross-border deals. Please feel free to contact us for further assistance.

## UK tax reform: How will it benefit global operations of Japanese MNCs?

***The UK government has recently announced changes to the UK corporate tax regime which are transformational to the UK landscape. When combined with the recent changes to the Japanese Controlled Foreign Company (CFC) rules (rules which seek to stop diversion of profits out of Japan), it is clear that now is the time for Japanese multinationals operating in the UK or Europe to address whether their tax strategy in EMEA is suitable for the coming years. It will be possible for Japanese multinationals to reduce their effective tax rate in EMEA and achieve a lower overall group effective tax rate even if profits are repatriated to Japan. Further the UK and Japanese changes facilitate group reorganisations aimed at reducing costs, increasing operational efficiency and simplifying corporate structures.***

---

## *Opportunities are now plentiful*

In recent times the UK has suffered fiscally. Several multinationals, that have for many years been loyal to the UK, have migrated their headquarters out of the UK often citing the complexity and unpredictability of the UK tax regime as one of the factors in their decision. The UK government clearly needed to take stock of the situation and has gone a long way in a relatively short period in taking steps to address what they consider to be the key concerns of business. The hope is that the reforms will stem the tide of migrations and make the UK tax regime more attractive.

## *The UK is “Open for Business”*

Over the last few years the UK government has been attempting to create a favourable UK tax environment for international business operations.

Although not explicitly introduced to encourage investment, the first change in the landscape can be traced back to 1999 when advance corporation tax, a form of withholding tax on dividends, was abolished resulting in 0% withholding tax on dividends paid out from the UK.

In 2002 the UK took the first of many planned steps along this journey to encourage investment by introducing a capital gains exemption for the disposal of substantial shareholdings. This was followed some years later by the introduction of a dividend exemption in 2009. In the intervening period there has been a protracted consultation process on the taxation of foreign profits of UK companies which has resulted in the latest proposed changes to the UK's CFC rules, the introduction of a branch exemption, and the proposed introduction of a 10% patent box. A consultation document issued in late 2010 saw the UK government declare the UK was “Open for business” and it provided a clear road map for the next five years explaining how each of the elements of the reform will be approached.

The key proposals for reform are

- Corporate tax rate will reduce by 2% in 2011 and 1% per annum thereafter to achieve a 23% headline rate by 2014
- There will be no significant changes to the UK's interest deductibility rules
- From 2011 UK companies can elect for their foreign branches to be exempt from UK tax
- From 2011 the UK's CFC rules will be relaxed to exempt most genuine foreign businesses
- From 2011 there will be a blanket CFC exemption for up to three years for many companies not previously controlled by the UK including finance companies
- Further CFC changes in 2012 will provide a partial exemption for CFCs undertaking non-UK financing activities at an effective rate of under 6%, and
- From 2013 the UK will introduce a patent box 10% tax regime

## *UK as a Regional Holding Company*

The UK offers many non-tax incentives for investors including its infrastructure, access to capital markets, and its place as a respected G7

---

territory, which are all critical to any decision on where to locate a new regional holding company. Add to this the English language, transport links, the UK's strong links with Japan and the large Japanese community in the UK, and it is clear why so many Japanese companies already have a UK presence to varying degrees.

From a UK tax perspective the improved CFC regime, capital gains and dividend exemption, along with 0% withholding tax on dividends paid to Japan, now make the UK a more attractive location for creating a regional holding company for Europe and beyond. It is unusual for a regime that offers such exemptions to allow tax relief for interest deductions and under the proposed tax reform the UK retains its pre-existing interest deductibility regime. The interest deductibility regime is multi faceted and includes various pieces of tax legislation which can be difficult to navigate but in very many cases where there is a good commercial purpose for borrowing, for example to fund capital expenditure of acquisitions, a tax deduction should be available in principle. For Japanese investors the recent introduction of the dividend exemption in Japan makes the UK more appealing still. The 0% withholding tax on dividends means there is no tax leakage on dividends to Japan, compared to other territories which impose withholding tax on dividends such as Germany at 15%, where the withholding tax suffered becomes a real cost to the business since it is not creditable against Japanese tax.

It is pleasing to note that the increased attractiveness of the UK is complementary to the recent Japanese CFC reform. In 2010 the Japanese CFC rules were revised and may provide more flexibility for Japanese MNCs for example to use a UK holding company or potentially even as a Principal company in the value chain as referred to below.

In addition to the proposed changes to the UK CFC regime there is an additional blanket exemption for three years which would mean any new UK regional holding company would not need to comply with the UK's CFC rules in many cases for three years so long as the companies acquired by the UK were not previously under the control of the UK. This gives a comfortable window to allow for compliance with any administrative requirements. After three years to the extent that the foreign subsidiaries are active and don't undertake significant transactions with the UK they should continue to be outside of the scope of the UK CFC rules once the exempt period expires.

### *Simplified group structures and centralising business in the UK*

International business drivers continue to push groups towards centralising key activities to deliver synergies, cost efficiencies and better business practices. Many Japanese groups have significant presence in the UK through existing business operations and the new regime offers the opportunity to capitalise on this and expand activities in the UK. Any increased risk in the UK could be matched by increased profit recognition in the UK taxed at the lower rate of 26% currently (reducing to 23%) compared to the current Japanese rate of approximately 40%.

Another business model that has become increasingly popular amongst Japanese investors is a single European company with overseas activity in foreign branches. To date Germany has proved a popular choice for this type of arrangement partly due to its branch exemption. The UK introduction of a branch exemption means that the UK is a viable alternative – all the more so given the 0% withholding tax on dividends from the UK to Japan.

Taking this to another level if a UK single European entity could site an entrepreneur in a branch in a lower tax jurisdiction the entrepreneur's profits

## UK Corporate tax Reform – What is changing and when?

### From 1 April 2011

- Branch Exemption (for accounting periods starting on or after Royal Assent in after July 2010)
- CFC interim improvements (for accounting periods starting on or after 1 January 2011)

### From 1 April 2012

- Full CFC Reform (likely to be for accounting periods starting on or after April 2012)

### From 1 April 2013

- 10% UK Patent Box (applies to profits arising after 1 April 2013 in respect of patents commercialised after 29 November 2010)

would also be subject to a lower level of tax. This would achieve an effective reduction in the tax rate not only of the single European entity but also the overall group, provided the Japanese CFC rules do not trigger an apportionment in Japan. This would not be required either, if the overall tax rate of the single entity does not reach 20% or below, or the single entity otherwise meets the active business exemption in the Japanese CFC rules (i.e. broadly, sufficient substance and a “good” main business).

During the economic downturn many groups have been looking at corporate simplification and entity reduction as a way of cutting costs. The proposed UK branch exemption should facilitate groups wanting to undertake entity rationalisation in Europe. The branch exemption is proposed to operate on a company by company basis and is by election only. If an election is made into the branch exemption it will be irrevocable. The exemption will apply to all accounting periods following the accounting period in which the election is made and there are loss transitional rules and anti-diversion rules which need to be considered as part of any overall decision to elect for the exemption to apply.

## *Tax efficient group financing*

The decision as to whether to use equity or debt to finance group activities requires many factors to be considered, not least the cost of finance. With one particular new exemption non-Japanese inbound investors to the UK have the opportunity to set up offshore finance companies under the UK that can be subject to an effective tax rate under 6%. This will not work for Japanese investors into the UK as it will fall foul of the Japanese CFC rules. However the use of an offshore finance branch held by the UK may provide the opportunity to achieve a similarly low rate. In order to achieve the less than 6% rate the finance branch would need to be in a very low tax territory or have undergone some tax planning to reduce the local tax liability. A higher rate of overall tax would be due if some tax was paid in the overseas finance branch but double tax relief may be available to some extent. The UK government’s intention is to put foreign companies and foreign branches on an equal footing from a UK tax perspective and as such it is hoped a foreign finance branch may also be able to benefit from the less than 6% rate. This may be an attractive proposition for Japanese groups who have sizeable UK operations.

## *Reducing the UK tax burden - Interest deductions in the UK*

Given the difference in headline corporation tax rates it has been common practice for Japanese parent companies to equity finance UK subsidiaries. However in some instances debt finance is used. There have been many years of uncertainty in the UK around the UK’s interest deduction regime. What is now clear is that the existing interest deduction regime will remain and it looks increasingly generous in light of the other components of the UK corporate tax system. UK companies should broadly be entitled to a tax deduction for interest expense if it has been made for bona fide commercial reasons, is structured on an arm’s length basis to satisfy transfer pricing rules e.g. thin capitalisation, and satisfies the UK’s anti-avoidance legislation. If Japanese groups have faced thin capitalisation concerns, perhaps due to a downturn in profits, the new regime provides an opportunity to resolve these issues relatively simply. By transferring overseas trading subsidiaries under UK control for equity the consolidated UK earnings should increase thereby providing sufficient support for UK interest deductions. The moving of trading subsidiaries under the UK purely to eliminate thin capitalisation issues is unlikely to prove attractive to many Japanese investors. However when combined with the factors outlined above that make the UK a more attractive holding location a driver for change is evident and restructuring foreign subsidiaries under the UK could provide multiple benefits.

### For further information

Bo In Kim  
Tel: 020 7804 6737  
bo.in.kim@uk.pwc.com

---

## *Changing times*

The message from the UK government is that the UK is “Open for business”. For Japanese groups many of which have UK presence already there are interesting and exciting opportunities to consider to facilitate reorganisations that could bring cost reductions and increased operational and tax efficiencies. The changing landscape means that at the very least a review of how Japanese multinationals are structured in the UK and EMEA is now due.

## *Current VAT opportunities*

### *Bad debt relief in historic periods*

#### *Background*

In the UK, where you account for VAT on an invoice basis and have made supplies of goods or services to customers where you have not been paid, you have to pay the VAT over when you issue the invoice. If the invoice is not paid, you can claim bad debt relief to recover VAT declared on the unpaid amounts (provided certain conditions are met).

A recent court case has held that the UK law was too limited in historic periods, and businesses may now be entitled to make claims for those periods.

As such, there is now an opportunity to submit retrospective claims for VAT bad debt relief in the period 1973 to 1989 where a business has not already done so. Other bad debt relief claims could be available for the period 1990 to 2002, depending on the facts of the business.

Businesses should consider reviewing historic accounts, to determine the levels of bad debts suffered. If businesses did write off significant amounts of bad debts in years 1973 to 1989, a claim should be considered.

#### *Is this claim likely to be paid?*

Providing that evidence can be brought to show that a business has a right to make a claim, and the amount claimed is correct (or based on sound principles if estimated), we would expect HMRC to make a repayment.

#### *Many businesses do not have detailed records going back beyond six years. Can those businesses make a claim?*

Claims can be made on an estimated basis, using the information that is available. As this is an opportunity arising due to errors on the part of the UK, and the UK record keeping requirements are for six years, HMRC should accept claims made on a reasonable basis of estimation.

As an example, if published accounts show bad debt amounts written off by year, that information could be used as a basis for estimation. If only turnover figures are available for the earlier years, the relationship between bad debts and turnover in more recent periods could be calculated, and applied to the retrospective periods to calculate the claim that a business could make.

---

## *Will making a claim involve a lot of work for the business?*

Making a claim doesn't have to be a time consuming exercise. PwC can discuss where the data needed to prepare a claim may be stored (whether in a computer system, annual accounts, historic tax computations or somewhere else), and complete any research, calculations or sampling that may be required to put a claim together. Alternatively, a business may consider that the most efficient way to extract the data is to do this in house.

## *If a business was smaller in the earlier periods, is it worth making a claim?*

This will be a decision to be taken on a business by business basis, but please bear in mind that interest should apply to any such claim. For the earliest periods (some businesses will be able to claim back to 1973), there may be almost 40 years of accrued interest, which could produce a total claim which is more than double the size of the VAT amount.

## *What are the next steps?*

PwC would be happy to arrange a call or a meeting free of charge to discuss whether it is likely that a business is entitled to make a claim.

## *VAT and samples*

### *Background*

The UK has historically required businesses to account for VAT when certain samples of goods are given away. The UK would allow the first sample to be given 'VAT free', but any subsequent samples given to the same individual would be subject to VAT.

This policy cost businesses money. As samples are given away free of charge, where businesses were required to pay VAT on those samples, it would cost the business money as the business would be required to pay VAT.

Following a recent court case, the UK has accepted that this policy was wrong. The UK is now inviting claims from businesses that have given away samples and declared VAT on those. Providing the claim is made on the basis of actual records, we would expect the claim to be paid.

## *Can all businesses that give items away make a claim?*

Not all goods given away are samples. Where business gifts are given away, VAT may still be due (in particular, where the value of gifts exceeds £50). Samples are goods that are examples of products that business intends to supply, are given away to persons who will purchase those goods or influence others to buy those goods, and in quantities to allow the recipient to consider their quality.

We are aware from discussions that some businesses did not account for VAT on samples (i.e. some businesses did not comply with the historic law), and these businesses will not be able to make a reclaim, as tax was not accounted for.

---

## *How long can a claim be made for?*

In the UK, VAT can be reclaimed for a period of four years. Therefore, we would advise businesses that think they may have declared VAT on business samples to review this in the near future, to ensure that potential claim periods do not expire. If a business delays making a claim for six months, it will lose the right to make a claim for the six months that fall out of time.

Some businesses are considering whether extended VAT reclaims are possible, due to legal arguments relating to the time limitation periods. If a business has distributed a lot of samples it may be worth considering whether an extended claim is possible, but the core opportunity is the four year claim.

### *For further information*

Yuichi Sugiyama  
Tel: 020 7804 0210  
yuichi.x.sugiyama@uk.pwc.com

## *What are the next steps?*

The first step is to review the level of samples distributed, and whether VAT has been declared on those samples in the most recent periods. If VAT has been declared, a claim should be considered. PwC would be happy to arrange a meeting to discuss the opportunity further, and how the claim process works.

## *Managed Exits*

These were referred to in the Spring edition of the Hotline last year. This article considers (i) why these assignments are likely to become more frequent and (ii) explains how we can assist clients when they require our services.

### *What is this all about ?*

A Managed Exit is a project involving the wind down of a business and disposal of its assets, under the control of the company's directors but outside any formal insolvency process. It is often undertaken for an overseas client looking to close down its UK operations, following a transfer of manufacturing activity to another jurisdiction.

### *Why are we seeing more of them?*

Economic trends (see below) mean that many multinationals are considering transferring activities in the UK and mainland Europe to new locations, making these assignments increasingly frequent. Projects of this nature tend to be complex, requiring careful planning and the use of specialist teams that few firms are in a position to provide.

In recent years there has been a massive transfer of manufacturing and assembly activity from the western world to developing economies, in particular those in South and East Asia. This has been driven by a number of factors, principally:

- lower wage rates and other operating costs (as well as less regulation and lower tax rates)
- increasing demand for consumer goods in the developing world
- less favourable market conditions in the 'old economies', combined with deteriorating gross margins, profitability and cash flow. In the UK this has been exacerbated by the depreciation of sterling against the Euro and

---

US dollar, which has substantially increased the cost of imported goods and services.

As a result many multinationals have closed down their European activities and set up in lower cost locations. Ten years ago, following the enlargement of the European Union, this transfer would typically have been to Eastern Europe, now it is increasingly to China, India and other developing economies.

### *How can we help our clients?*

PwC is able to add significant value to clients in Managed Exit assignments as they withdraw from the UK and Europe and, in many cases, set up new operations overseas. Often the client will not have the resources and experience to manage the exit process and there will be a clear need for a trusted adviser to support them. The steps to be followed will usually include:

- Creating a Project Plan that identifies the key objectives to be achieved
- Securing support for the Plan from the parent company / head office
- Execution of the Plan by local management
- Periodic reporting of progress to the parent company's board

We can assist the client at each stage, from initial consultation through to the detailed execution of each stage of the plan.

### *At what stage will clients need our help?*

This will depend on the nature of the company's operations, the issues arising and the extent to which they are able to manage the Exit process using their own resources. Typically the areas where we can assist will include:

- Project Plan: review and challenge, based on our experience of similar assignments
- Cessation of Trade: advice on handling customers, suppliers and employees
- Employees: consultation and redundancy processes
- Pensions: consultation with trustees, winding up the scheme
- Corporate and indirect taxes: optimal use of trading losses, advice on the timing of asset disposals, negotiations with HM Revenue & Customs to resolve enquiries, preparation of corporation tax computations
- Personal taxes: structuring termination packages and incentivising remaining staff
- Sale of freehold and leasehold properties
- Collection of book debts, disposal of stock and work in progress
- Formal liquidation of the legal entity, once it is commercially and legally dormant

---

## *Who to contact*

We keep close to our tax and audit colleagues (as well as other intermediaries) to make sure that we are ready to assist as soon as their clients have decided to wind down some or all of their activities, Even where we have an existing relationship as auditor or tax advisor there are very few instances where we cannot assist.

# *Equality Act consolidates discrimination rules from October 2010 and incorporates stronger laws on pay and recruitment*

*The Equality Act, which came into force in October 2010, is undoubtedly the most significant piece of discrimination legislation for a generation. It repeals many of the current statutory provisions and replaces them with a single Act covering all aspects of discrimination. In addition to harmonising and strengthening the law on equality and diversity, the Act also introduced key changes that employers need to address. A multidisciplinary solution underpinned by employment law is required.*

The Equality Act 2010 repealed nine major pieces of legislation, and reduced around 100 statutory instruments into a single Act for England, Wales and Scotland. The legislation which was replaced includes:

- the Equal Pay Act 1970;
- the Sex Discrimination Act 1975;
- the Race Relations Act 1976;
- the Disability Discrimination Act 1995 (except in relation to Northern Ireland);
- the Employment Equality (Religion or Belief) Regulations 2003;
- the Employment Equality (Sexual Orientation) Regulations 2003;
- the Employment Equality (Age) Regulations 2006;
- the Equality Act 2006, Part 2;
- the Equality Act (Sexual Orientation) Regulations 2007.

## *Gender Pay Reporting*

For the first time employers in the private sector are faced with the possibility of being required to tackle gender pay inequalities outside the context of equal pay claims. The Act contains a reserved power to make regulations requiring all private sector employers with over 250 employees to publish information about the differences in pay between their male or female employees.

---

The Government has held back from implementing a fixed timetable for the introduction of the mandatory gender pay disclosure preferring to initially try the route of voluntary disclosure. However, in its “Equality Strategy” (published in December 2010), the Government re-affirmed its commitment to equal pay and to the voluntary gender pay disclosure regime. The Government will annually review the levels of compliance by employers. It is clear that if the voluntary reporting regime does not achieve required results, the next step will be mandatory reporting.

In addition to promoting equal pay, the Act renders “secrecy clauses” regarding pay discussions between colleagues unenforceable in certain circumstances. Taken together, it is clear that clients can no longer ignore their gender pay gaps and are advised to resolve any issues they may have.

### *Recruitment and positive action*

New provisions regarding positive action will take effect from 6 April 2011. Employers will be able to take positive action when recruiting and promoting equally qualified employees and will be able to adopt measures to train or encourage under-represented groups to apply for jobs and overcome any perceived disadvantages. The provisions are complicated and recruitment policies should be reviewed and training undertaken to ensure that clients are aware of the new obligations.

### *Pre employment questionnaires and monitoring*

The use of pre-employment health questionnaires by employers is severely restricted and is only valid for prescribed reasons and after an offer of employment has been made. Whilst diversity monitoring is permitted, this must be undertaken carefully to ensure that it does not infringe the new provisions. Employers need to ensure that their recruitment practices comply with the new provisions.

### *Public Bodies*

There are specific provisions for public bodies with additional pay reporting obligations and an obligation to comply with a new single “equality duty”.

### *Action plan*

There is no doubt that the Equality Act is an extensive and exciting piece of legislation, which our clients need to comply with. A multidisciplinary solution underpinned by employment law is required.

### *Further information*

The Government Equalities Office has published two Statutory Codes of Practice (Employment and Equal Pay) to accompany the Equality Act 2010. The codes provide a detailed explanation of the discrimination and equal pay provisions of the Act and apply legal concepts in the Act to everyday work-related issues.

#### *For further information*

Yukiko Fukuda  
Tel: 020 7804 9207  
yukiko.fukuda@uk.pwc.com

---

## *New joiner*



### *Yasuhiro Wada*

Financial Advisory  
Japanese Certified Public Accountant  
Tel: 020 7213 8858  
[yasuhiro.x.wada@uk.pwc.com](mailto:yasuhiro.x.wada@uk.pwc.com)

Joined Coopers & Lybrand (then ChuoAoyama Audit Corporation) in 1993. Through experience on audits for domestic and foreign manufacturing industries, service industry and the financial institutions, I was engaged in establishing and evaluating internal controls, internal audit work, risk management, and IFRS advisory for major financial institutions in Japan. I was seconded to PwC London in February 2011 and I've been providing advisory services mainly for Japanese financial institutions since then.

## PwC Global Network for Japanese Practices in Europe

### • United Kingdom (London)

1 Embankment Place, London WC2N 6RH  
Johji Sato +44 20 7213 5407  
[johji.sato@uk.pwc.com](mailto:johji.sato@uk.pwc.com)  
Bo In Kim +44 20 7804 6737  
[bo.in.kim@uk.pwc.com](mailto:bo.in.kim@uk.pwc.com)  
Yukiko Fukuda +44 20 7804 9207  
[yukiko.fukuda@uk.pwc.com](mailto:yukiko.fukuda@uk.pwc.com)

### • Belgium (Brussels)

Susumu Moriyama (also Middle East) +32 2 710 7432  
[steve.moriyama@pwc.be](mailto:steve.moriyama@pwc.be)  
Yasuyuki Saeki +32 2 710 7430  
[yasuyuki.saeki@pwc.be](mailto:yasuyuki.saeki@pwc.be)  
Yoshinobu Yokoyama +32 2 710 7430  
[yoshinobu.yokoyama@be.pwc.com](mailto:yoshinobu.yokoyama@be.pwc.com)

### • France (Paris)

Fumishi Yokota +33 1 5657 8362  
[fumishi.yokota@fr.landwellglobal.com](mailto:fumishi.yokota@fr.landwellglobal.com)

### • Germany (Düsseldorf)

Kenji Muneyuki +49 211 981 2267  
[kenji.muneyuki@de.pwc.com](mailto:kenji.muneyuki@de.pwc.com)  
Ryoichi Ikeda (also Munich) +49 211 981 7375  
[ryoichi.ikeda@de.pwc.com](mailto:ryoichi.ikeda@de.pwc.com)  
Kuniaki Okazaki +49 211 981 7495  
[okazaki.kuniaki@de.pwc.com](mailto:okazaki.kuniaki@de.pwc.com)

### • Hungary (Budapest)

Yasuyuki Saeki (also Brussels) +32 2 710 7430  
[yasuyuki.saeki@be.pwc.com](mailto:yasuyuki.saeki@be.pwc.com)

### • Luxembourg

Naoki Kubo +352 49 48 48 2165  
[naoki.kubo@lu.pwc.com](mailto:naoki.kubo@lu.pwc.com)

### • The Netherlands (Amsterdam)

Masanori Yagi +31 20 568 4156  
[masanori.x.yagi@nl.pwc.com](mailto:masanori.x.yagi@nl.pwc.com)  
Haruhisa Shirato +31 88 792 7313  
[h.shirato@nl.@nl.pwc.com](mailto:h.shirato@nl.@nl.pwc.com)

### • Norway (Oslo)

Thorbjørn Grindhaug +47 95 26 05 10  
[thorbjorn.grindhaug@no.pwc.com](mailto:thorbjorn.grindhaug@no.pwc.com)

### • Poland (Warsaw)

Susumu Moriyama (also Brussels) +48 22 523 4971  
[steve.moriyama@pwc.be](mailto:steve.moriyama@pwc.be)

### • Sweden (Stockholm)

Gunnar Andersson +46 8 55533860  
[gunnar.andersson@se.pwc.com](mailto:gunnar.andersson@se.pwc.com)

### • Switzerland (Zurich)

Remi Nakamura +41 58 792 42 27  
[remi.nakamura@ch.pwc.com](mailto:remi.nakamura@ch.pwc.com)

### • Turkey (Istanbul)

Bilgutay Yasar +90 212 326 6094  
[Bilgutay.Yasar@tr.pwc.com](mailto:Bilgutay.Yasar@tr.pwc.com)

### • Japan

#### Aarata Audit Corporation

Masaki Horie +81 80 6515 3839  
[masaki.horie@jp.pwc.com](mailto:masaki.horie@jp.pwc.com)  
[www.pwcaarata.or.jp](http://www.pwcaarata.or.jp)

#### Zeirishi-Hojin PricewaterhouseCoopers

Hiroyuki Suzuki +81 3 5251 2411  
[hiroyuki.suzuki@jp.pwc.com](mailto:hiroyuki.suzuki@jp.pwc.com)  
[www.pwc.com/jp/tax](http://www.pwc.com/jp/tax)

#### PricewaterhouseCoopers Co., Ltd

Shiro Uchida +81 3 3546 8480  
[shiro.s.uchida@jp.pwc.com](mailto:shiro.s.uchida@jp.pwc.com)  
[www.pricewaterhousecoopers.co.jp/index.html](http://www.pricewaterhousecoopers.co.jp/index.html)

Our Global Network for Japanese Practices has offices in various locations as listed above in Europe to provide wide range of services throughout Europe for Japanese business. Our professional staff understand the needs of Japanese companies and both our local and Japanese staff can provide the same high standard of service throughout the network.

---

[www.pwc.com](http://www.pwc.com)  
[www.pwc.com/jp](http://www.pwc.com/jp)

**Published by:**

PwC Global Network for Japanese Practices  
London, UK

**Editors:**

Johji Sato                      Bo In Kim  
Yuichi Sugiyama      Michiko Nakamura

This publication has been prepared for general guidance on matters of interest only, and does not constitute professional advice. You should not act upon the information contained in this publication without obtaining specific professional advice. No representation or warranty (express or implied) is given as to the accuracy or completeness of the information contained in this publication, and, to the extent permitted by law, PricewaterhouseCoopers LLP, its members, employees and agents do not accept or assume any liability, responsibility or duty of care for any consequences of you or anyone else acting, or refraining to act, in reliance on the information contained in this publication or for any decision based on it.

© 2011 PricewaterhouseCoopers. All rights reserved. "PricewaterhouseCoopers" and "PwC" refer to the network of member firms of PricewaterhouseCoopers International Limited (PwCIL). Each member firm is a separate legal entity and does not act as agent of PwCIL or any other member firm. PwCIL does not provide any services to clients. PwCIL is not responsible or liable for the acts or omissions of any of its member firms nor can it control the exercise of their professional judgment or bind them in any way. No member firm is responsible or liable for the acts or omissions of any other member firm nor can it control the exercise of another member firm's professional judgment or bind another member firm or PwCIL in any way.