

## MAP Report 2011

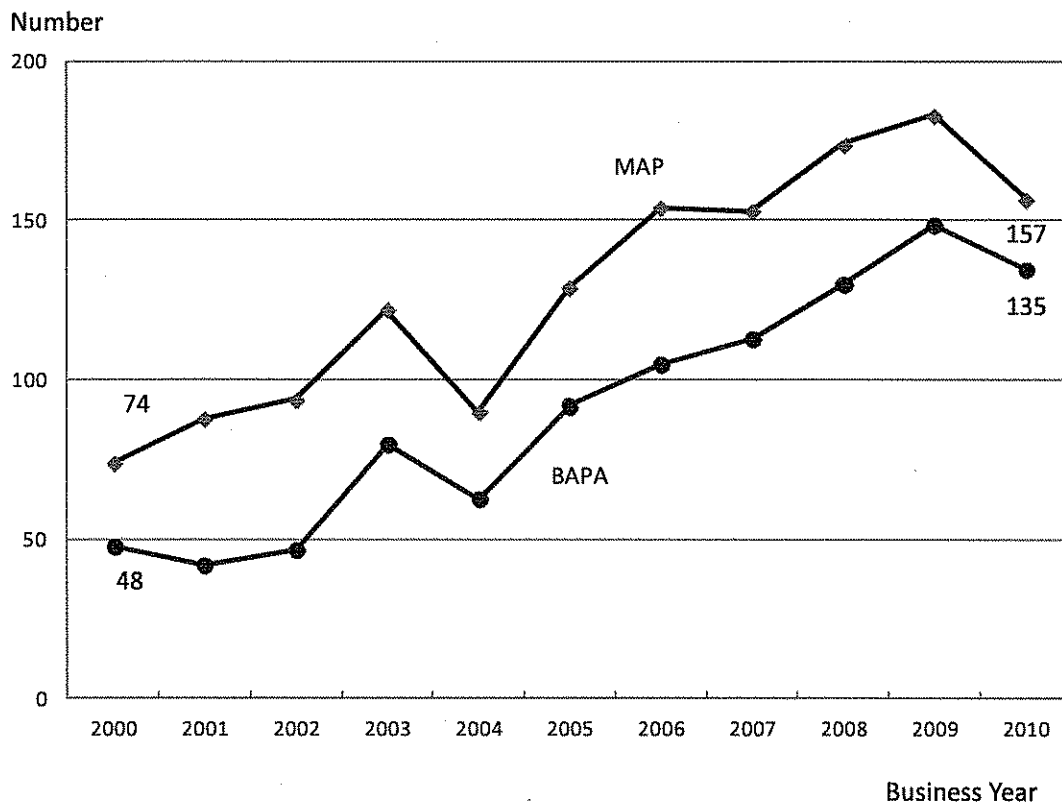
### 1. Recent Trends in the number of Mutual Agreement Procedures (MAP) cases received

The number of MAP cases received has decreased from the last year. More than 90% of those MAP cases are related to transfer pricing. Also, the cases on Bilateral Advance Pricing Arrangements (BAPA; an APA accompanied by MAP) account for the majority of the increase in the total MAP cases in recent years.

During the 2010 business year (July 2010 until June 2011), the National Tax Agency (NTA) received 157 MAP cases, of which 135 were on BAPA. Compared to the statistics a decade ago (2000 business year), the number of MAP cases has doubled, and the number of BAPA cases has almost tripled.

Chart 1 below indicates the trends in the number of MAP cases and BAPA cases received over the past decade.

Chart 1 Trends in the number of MAP and BAPA cases received



(Notes)

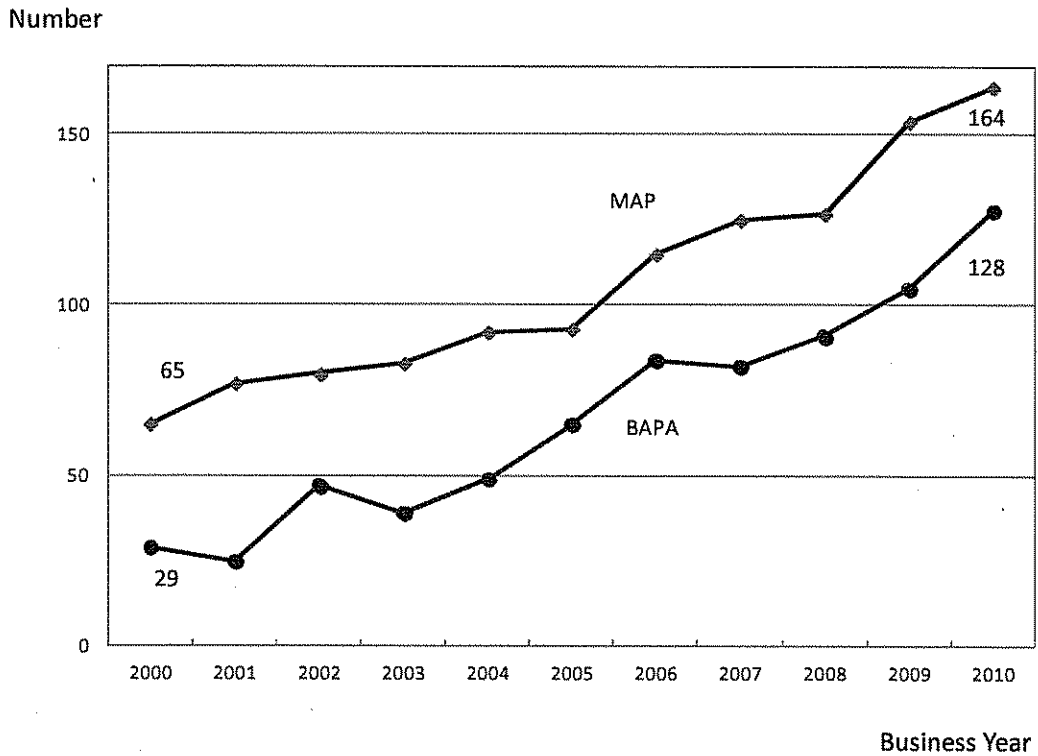
- 1 The business year runs from 1 July to 30 June in the following year.
- 2 The number of MAP cases consists of both cases in which the NTA received MAP requests from taxpayers in Japan, and cases in which the NTA received MAP requests from foreign tax authorities.
- 3 MAP cases on compensating adjustments and amendments to a previously agreed APA are counted in the years when MAP requests on those particular issues are made.

2. Summary of the MAP update

a. Number of MAP cases disposed in the 2010 business year

The number of MAP cases disposed in the 2010 business year was 164 .

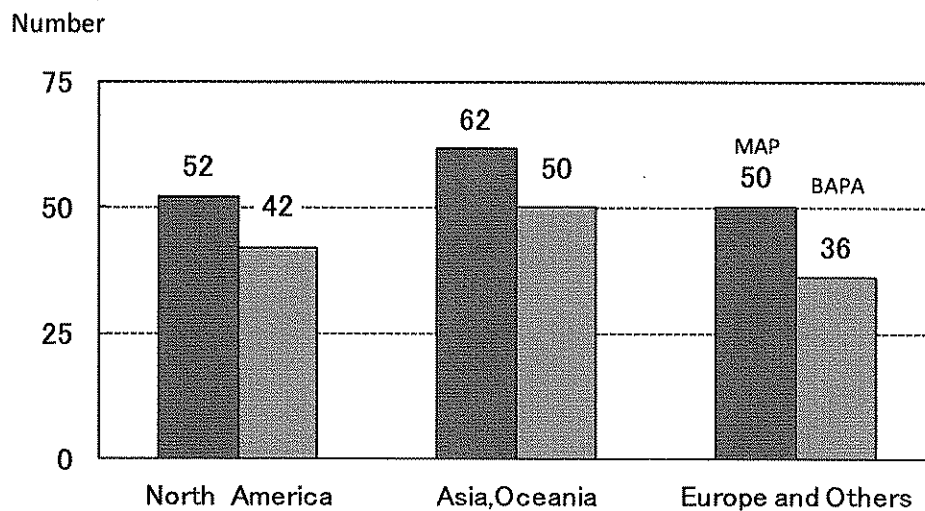
Chart2 Trends in the number of cases disposed



b. Number of MAP cases disposed by region

The number of MAP cases disposed, as categorized by region, is shown in Chart 3 below.

Chart3 Number of MAP Disposed of by Region



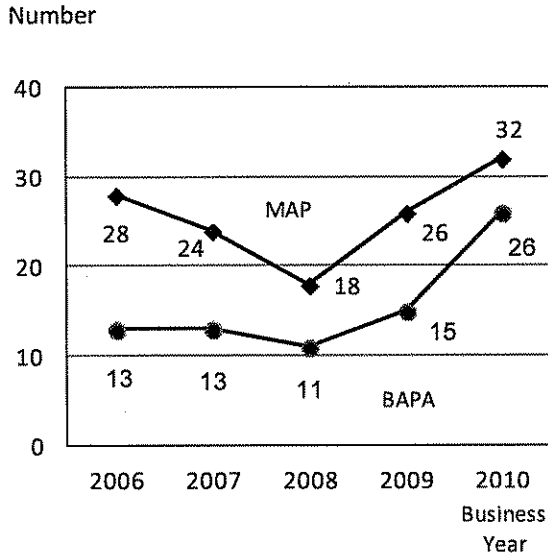
(Note)

The treaty partners from which the NTA received the largest numbers of MAP cases in the 2010 business year were (1) U.S.A., (2) Australia, and (3) United Kingdom.

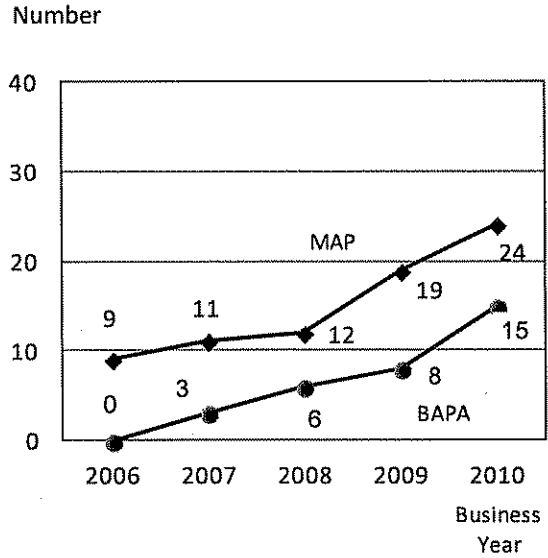
c. Number of MAP cases with Non – OECD countries

The number of MAP cases with Non-OECD countries are shown in Chart 4 below.

Chart4 Trends in the number of MAP cases received with Non-OECD countries



Trends in the number of Disposed MAP cases disposed with Non-OECD countries



d. Average processing time on a MAP case

The average processing time on a MAP case in the 2010 business year was 24.8 months, and that on BAPA was 25.6 months.

**Treaty Partners with MAP cases** (as of June 30 2011)

Europe	Asia Pasific	North America
(OECD member countries)		
Bergium ※	Australia ※	Canada ※
Czech ※	Korea ※	United States ※
Denmark		
France ※		
Germany ※		
Ireland ※		
Italy ※		
Luxembourg ※		
Netherlands ※		
Spain		
Sweden ※		
Switzerland ※		
United Kingdom ※		
(OECD non-member countries)		
	China ※	
	India	
	Indonesia	
	Malaysia	
	Singapore ※	
	Thailand ※	
13 countries	8 countries	2 countries

Note 1. Countries with active MAP cases as of June 30 2011.

2.The symbols "※" indicate countries with APA cases.

## The number of MAP cases in recent years

Business Year		BAPA	Transfer Pricing Taxation	Others	Total
2008	Received	130	30	14	174
	Disposed	91	23	13	127
	End Inventory	261	64	26	351
2009	Received	149	27	7	183
	Disposed	105	33	16	154
	End Inventory	305	58	17	380
2010	Received	135	14	8	157
	Disposed	128	27	9	164
	End Inventory	312	45	16	373

## (Notes)

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- 3 MAP cases on compensating adjustments and amendments to a previously agreed APA are counted in the years when MAP requests on those particular issues are made.