

CONTENTS

From the Commissioner 1

I About the NTA 5

1 Assignment and missions of the NTA... 5

- (1) Assignment of the NTA 5
- (2) Missions of the NTA 5

2 Concepts for management of tax administration... 7

- (1) Enhancement of services for taxpayers 7
- (2) Proper tax examination and collection 7
- (3) Proper management of liquor administration 8

- (4) Promotion of administrative work efficiency and enhancement of organizational foundations 8
- (5) Policy evaluation and improvement of tax administration 8

3 Overview of the national tax organization... 9

- (1) National revenue and taxes 9
- (2) NTA budget and number of personnel 9
- (3) Organizational structure of the NTA 10

II Enhanced Taxpayer Services to Promote Proper Filing and Payment 11

1 Providing information, etc. 11

- (1) Information provided on the NTA website 11
- (2) Tax education 13
- (3) Briefings for taxpayers 14
- (4) Tax consultation 14
- (5) Advance inquiries 15

2 Centralization of taxpayer contact points... 15

3 e-Tax (online national tax return filing and tax payment system) 16

4 Filing for tax return 17

- (1) Promotion of filing using ICT 18
- (2) Response to diverse taxpayer needs 19

5 Proper withholding tax system operation... 20

6 Certified Public Tax Accountants (CPTAs) system 20

- (1) Promotion of document attached by CPTAs to tax returns 21
- (2) Promotion of e-Tax usage 21

7 Cooperation with private organizations... 21

III Proper Tax Examination and Collection 27

1 Promotion of proper and fair tax administration 27

- (1) Priority matters addressed in the tax examinations 28
- (2) Information collection 29
- (3) Criminal investigation 29

2 Reliable tax payment 33

- (1) Establishment of voluntary tax payment 33
- (2) Reduction of tax delinquency 34
- (3) Office of Tax Collections Call Center 35
- (4) Auction by Internet 36
- (5) Accurate and efficient management of claims and liabilities 36

3 Addressing international transactions... 37

- (1) Changes in the environment surrounding international taxation 37
- (2) Addressing international taxation 38
- (3) International tax avoidance 39
- (4) Transfer pricing issues 39
- (5) Exchange of information under tax treaty and tax information exchange agreement 40

4 Mutual Agreement Procedure (MAP)... 41

5 Cooperation and coordination with foreign tax authorities 42

- (1) Cooperation for developing countries 42
- (2) Participation by tax authorities in international conferences 43

IV Remedy for Infringement of Taxpayer Rights 44

- | | |
|--|--|
| (1) Request for reinvestigation.....45 | (4) Trend in remedies for infringement of taxpayer rights.....45 |
| (2) Request for reconsideration.....45 | |
| (3) Litigation.....45 | |

V Proper Management of Liquor Administration 47

- | | |
|--|---|
| (1) Initiatives to ensure safety of liquor and enhance quality levels.....47 | (4) Providing information to liquor business operators and development of the environment for export.....48 |
| (2) Response to social demands.....48 | |
| (3) Initiatives to develop a fair trading environment in liquor.....48 | |

VI Promotion of Administrative Work Efficiency 49

1 Optimization of operations and systems...49

VII Statistics 51

- | | |
|-----------------------------------|---|
| ○ Tax revenues and budget.....51 | ○ Criminal investigation.....54 |
| ○ Tax returns and taxation.....52 | ○ Remedy for infringement of taxpayer rights...54 |
| ○ Tax examinations.....53 | ○ Tax consultations.....55 |
| ○ International taxation.....53 | ○ Taxpayer satisfaction.....55 |
| ○ Delinquency.....53 | |

* The fiscal year ranges from April 1 through March 31 of the following year (i.e. fiscal year 2011: April 1, 2011 to March 31, 2012), while the operation year is from July 1 through June 30 of the following year (i.e. operation year 2011: July 1, 2011 to June 30, 2012).