

(1) Request for re-examination

~ Simplified, prompt and fair remedies for taxpayer rights ~

A request for re-examination is intended for review by the District Director of the Tax Office of its own disposition. And it aims to pursue the remedy of the rights and interests of citizens and to ensure the appropriate operation of public administration with simplified, prompt and fair procedures. Thus, when a request for re-examination is filed, we endeavor to listen intently to taxpayers' claims, conduct fair examinations and consideration, and process requests appropriately and expeditiously.

(2) Request for reconsideration

~ Remedy for taxpayer rights by a fair third-party institution ~

A request for reconsideration can be directly filed without undergoing a request for re-examination. A request for reconsideration can also be filed when a taxpayer files a request for re-examination but is still dissatisfied with the disposition determined for the request for re-examination.

The National Tax Tribunal is an organization whose mission is to pursue remedy of the legitimate rights and interests of taxpayers and to contribute to ensuring the proper operation of tax administration. It makes decisions on requests for reconsideration from the position of a fair third party. Important posts such as the Director-General of the National Tax Tribunal, as well as the Directors of the Tokyo and Osaka Regional Tax Tribunals, are appointed from among those people who have held the position of judge or public prosecutor. For the position of appeal judges of the National Tax Tribunal, specialists in the private sector such as Certified Public Tax Accountants and lawyers are employed as officials with fixed terms.

In handling a request for reconsideration, the National Tax Tribunal organizes and clarifies the points under dispute. It then fully examines the contents of the documentary evidence, etc., presented by the person requesting reconsideration and the District Director of the Tax Office, conducts its own tax examination and strives to properly and quickly handle the request for reconsideration.

The Director-General of the National Tax Tribunal may make a decision without being bound to the legal interpretation indicated in the NTA Commissioner's notice, and the decisions will not be more disadvantageous to taxpayers than those made by the District Director of the Tax Office. The decision is a final ruling given within the NTA, against which the District Director of the Tax Office, etc. are not entitled to file litigation, even if dissatisfied.

※ When a taxpayer is dissatisfied with the action taken by the NTA Commissioner, the taxpayer may file a request for reconsideration against the NTA Commissioner.

(3) Litigation

~ Remedy by law ~

Even after the decision by the Director-General of the National Tax Tribunal, taxpayers who remain dissatisfied are entitled to file litigation.

Response to complaints from taxpayers

The NTA receives from taxpayers such reactions as complaints, requests, criticism, or consultation on problems they have, not only with regard to requests for review of decisions by the NTA, but also about tax administration in general including the attitude of officials and the methods of tax examinations. The NTA believes it essential to respond sincerely to a variety of opinions from taxpayers in order to obtain their understanding and confidence and to make use of tax administration. We also endeavor to give a prompt and accurate response from the perspective of taxpayers.

Since July 2001, the NTA has appointed Taxpayer Support Officers to properly respond to taxpayer complaints on decisions made in relation to taxpayers' rights and interests, for example by explaining the procedures to remedy taxpayer rights.

(4) Trend in remedies for taxpayer rights

~ The NTA has set the standard length of deliberations for a request for re-examination to 3 months and is striving to finish processing requests for re-examination within 3 months in principle. ~

a. Request for re-examination

- **Target** The NTA has set the standard length of deliberations for a request for re-examination to 3 months and is striving to finish processing requests for re-examination within 3 months in principle.
- **Result** In FY2020, 99.9% of requests for re-examination were closed within 3 months. 999 re-examinations were requested in the fiscal year (957 in taxation and 42 in tax collection). Of these, 10.0% of taxpayer claims were approved in whole or in part by recognizing new facts, etc.

b. Request for reconsideration

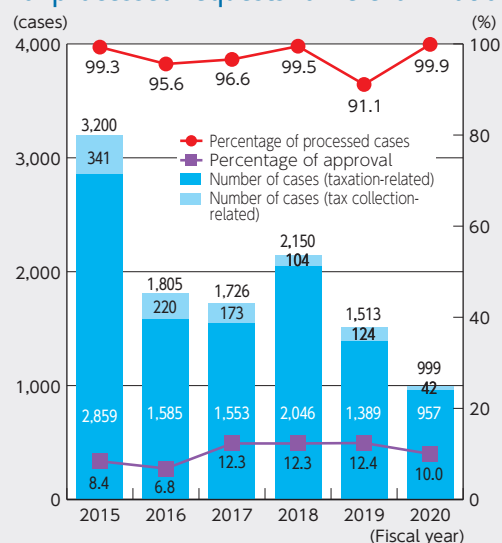
- **Target** The NTA and the National Tax Tribunal have set the standard length of deliberations for a request for reconsideration to 1 year and are striving to finish processing requests for reconsideration within 1 year in principle.
- **Result** In FY2020, 83.5% of requests for reconsideration were closed within 1 year. There were 2,328 requests for reconsideration in the fiscal year (2,177 in taxation and 151 in tax collection). Of these, 10.0% of taxpayer claims were approved in whole or in part by recognizing new fact, etc.

c. Litigation

For litigation, 180 cases were closed in FY2020 (157 in taxation, 21 in tax collection and 2 in the National Tax Tribunal). Of these, 7.8% of taxpayer claims were approved in whole or in part.

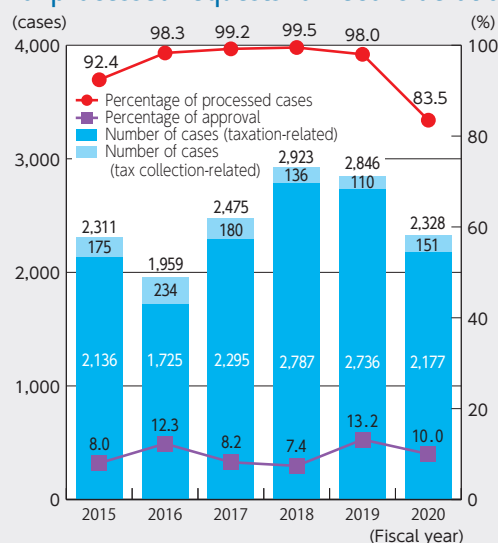
※ The NTA and the National Tax Tribunal provide information such as the leaflet of revision of the request for review system for national tax, overviews of the requests for re-examination, the requests for reconsideration and litigation and cases of decisions on requests for reconsideration, to deepen understanding about remedy for taxpayer rights. These are on the NTA website and on the National Tax Tribunal website (<https://www.kfs.go.jp> [in Japanese]).

■ Percentage of processed requests for re-examination within 3 months, and number of processed requests for re-examination



- ※1 These figures are provisional numbers as of the end of April 2021.
- ※2 Percentage of processed cases is calculated excluding MAP cases, public prosecution-related cases and international taxation cases, as well as, in FY2020, cases in which re-examination requests could not be processed within three months due to interruptions by natural disasters, etc. or taxpayers' conditions.
- ※3 Figures for FY2015 indicate the number and percentage of processed requests for reinvestigation before the revision.

■ Percentage of processed requests for reconsideration within 1 year, and number of processed requests for reconsideration



- ※1 These figures are provisional numbers as of the end of April 2021.
- ※2 Percentage of processed requests in FY2017 and ensuing years are calculated by excluding the retention period of cases in which reasons to suspend the inquiry occurred, such as MAP cases and public prosecution-related cases.