

## Is withholding tax the way to beat non-taxation?

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The [FT has just reported](#) that:

*Apple has been forced to pay ¥12bn of back taxes to the Japanese authorities in a new controversy over the US technology group's international tax arrangements.*

*According to local media, the Japanese tax authorities ruled that Apple was liable for withholding tax on royalties paid from a local subsidiary to an Irish holding company.*

I reckon that's about £90 million.

Is this the future? I [mentioned the need for tax withholding from payments to tax havens](#) this morning: here Japan is enforcing them.

Withholding can lead to double taxation, of course. I am not a fan of that. But in the face of no taxation its appeal is all too obvious. Companies need to take rapid note and change their structures in something of a hurry, I suggest.