[Company Letterhead]

[Date]

[Recipient Name]
[Recipient Title]
[Client Company Name]
[Street Address]
[City, State, Zip Code]

Subject: Advisory Regarding Potential Corporate Income Tax Exposure

Dear [Recipient Name],

We are writing to formally advise you of certain areas regarding [Client Company Name]'s operations that may result in Corporate Income Tax (CIT) exposure for the fiscal period ending [Date].

Based on our recent review of your financial records and jurisdictional activities, we have identified the following areas of concern:

- **Nexus and Jurisdiction:** Potential tax liabilities in jurisdictions where business activity has increased without formal registration.
- **Transfer Pricing:** Inconsistencies in intercompany transactions that may not align with arm's length principles.
- **Deduction Disallowances:** Non-deductible expenses that have been preliminary categorized as business expenses.
- **Legislative Changes:** Recent updates to tax codes that affect your specific industry or corporate structure.

The estimated potential exposure, including possible interest and penalties, is currently projected at [Amount/Range].

To mitigate these risks, we recommend the following immediate actions:

1. Conduct a comprehensive nexus study for all operating locations.
2. Update documentation for all related-party transactions.
3. Adjust estimated tax payments to reflect current projected liabilities.

We are available to discuss these findings in detail and assist in developing a remediation strategy. Please contact us at [Phone Number] or [Email] to schedule a meeting.

Sincerely,

[Your Name]
[Your Title]
[Firm Name]