[Date]

[Recipient Name]
[Recipient Title]
[Company Name]
[Address]

Subject: Management Letter regarding Undisclosed Post-Merger Tax Liabilities

Dear [Recipient Name],

We are writing to formally notify management of certain tax compliance liabilities identified following the recent merger between [Acquiring Entity] and [Target Entity], effective as of [Merger Date].

During our post-merger integration audit and reconciliation process, the following undisclosed tax obligations were identified:

- **Tax Jurisdiction:** [Name of City/State/Country]
- **Tax Type:** [e.g., Sales Tax, Corporate Income Tax, VAT, Payroll Tax]
- **Audit Period:** [Start Date] to [End Date]
- **Estimated Liability:** [Amount and Currency]
- **Nature of Non-Compliance:** [Brief description, e.g., Unfiled returns, Nexus underestimation, or incorrect exemptions]

These liabilities were not disclosed during the due diligence phase or represented in the final closing balance sheet. Consequently, these findings may impact the final purchase price adjustment or trigger indemnification clauses as specified in the Merger Agreement dated [Agreement Date].

We recommend the following immediate actions:

1. Engagement of a specialized tax consultant to quantify the full exposure.
2. Review of the Representations and Warranties Insurance (RWI) policy, if applicable.
3. Formal communication with the former shareholders/sellers regarding potential indemnity claims.
4. Voluntary Disclosure Agreement (VDA) filings where appropriate to mitigate penalties.

Please provide your feedback regarding these findings by [Date] so we may finalize the accounting treatment and compliance strategy.

Sincerely,

[Your Name]
[Your Title]
[Department Name]