



indirect taxes

who are we?

PKF is a global network of legally independent firms bound together by a shared commitment to quality, integrity and the creation of clarity in a complex regulatory environment.

With offices in 440 cities, we operate in 150 countries across 5 continents, and specialise in providing high quality audit, accounting, tax, and business advisory services to international and domestic organisations in all our markets.

where we operate

440 cities

150 countries

5 continents



right people
right size
right solutions

how can we help you?

We have teams of experts throughout the PKF network who can provide services tailored to your needs, from consulting through to complete out-sourcing, in each of the following areas:

VAT & GST Compliance out-sourcing

Our teams of experts can perform a complete range of Indirect Tax compliance services, including the preparation and submission of all returns and the maintenance of the appropriate documentary support.

Indirect Tax Training

If you believe you have the resources to support an effective compliance function, PKF can provide training to your teams to ensure that the skills, and up-to-date knowledge necessary for effective compliance are instilled and maintained.

Planning & Compliance reviews

To help you identify potential problems, opportunities, or inefficiencies PKF can review your VAT or GST systems and documentation and identify opportunities for improvement in processes and cash flow, as well as potential areas of contention.

Representation

Whether you are in dispute with the Tax Authority, or in the process of claiming refunds, PKF experts can help you ensure that your case or claim is professionally presented, technically sound, and properly supported in terms of documentation and evidence.

Other Indirect Taxes

If your business is subject to other forms of Indirect Tax, such as Stamp Duty, Insurance Premium Tax, or Special Sales Taxes, our experts can provide a similarly comprehensive range of compliance, training, and consulting services to assist you.



why do you need us?

A response by many countries to the Global Financial Crisis was to increase the (already high) rates of VAT or GST in an effort to reduce Government budget deficits. Despite the economic recovery of the last few years, these rates have been maintained. Theoretically the “cost” of indirect taxes is borne only by the ultimate consumer of goods and services, and businesses therefore act merely as collection agents. In practice however compliance issues, cash-flow impact, and regulatory inconsistencies often prove expensive and inconvenient.

At PKF we believe that businesses need to mitigate the potential impact of Indirect Tax issues by adopting the following 4 principles:

1. Do it right, or not at all

There are many differences in the details of the VAT or GST systems implemented around the world, but one thing they generally all have in common are severe penalties for non-compliance, even in cases of unintentional or mere clerical errors. If you do not have the resources or skills in-house to maintain an accurate and timely compliance function, you may wish to consider out-sourcing this.

2. Focus on cash flow

Although VAT and GST should not theoretically cost your business anything, there is often a significant cash flow impact when there are timing differences between the collection of output taxes on sales, and the offsetting of input taxes on purchases. Even greater impact can arise if you are an exporter, and therefore eligible for refunds of your input tax, or if you are making sizeable capital investments. Careful planning, and robust refund application procedures can significantly reduce the negative impact on your cash flow.

3. The devil is in the detail

Indirect taxes are simple in concept, but in many jurisdictions have been rendered complex by the introduction of hosts of exceptions and exemptions. You really need to understand the impact of these on your outputs (sales) and inputs (purchases) in order to ensure the accurate calculation and reporting of your indirect tax liability. If you have exempt (rather than zero-rated) outputs, your ability to take credit for all input tax is likely restricted. If you are “importing” services, are you required to self-assess?

4. It's all in the timing

Timing is an extremely important issue in Indirect Taxes. When does your liability arise? On delivery? On invoicing? On receiving payment? When is the Return due? What happens if you forget to claim an input item this month? Can you claim it in next month's Return?



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