



THE POWER OF BEING UNDERSTOOD

VAT COMPREHENSIVE OPPORTUNITY REVIEW (VATCOR)

To internationally active middle market companies—especially those that are new to the global marketplace—value added tax (VAT) can be an intricate form of taxation. Essentially, VAT is a system by which governments raise revenue through the value added to a product at each stage of production. Due to complexity inherent in this method, companies often rely on automated accounting functions and local finance personnel to actively manage the obligations that come with VAT compliance.

While this approach might help meet minimum compliance requirements, it does not ensure that a company is strategically managing the opportunities and risks that are present in a VAT environment. In addition, tax authorities are increasingly focusing on VAT because a substantial gap exists between what the authorities expect to collect and what is actually remitted.

Companies should take steps to prepare for potential tax authority scrutiny as well as to avoid the risk of penalties that might apply for any errors that an inspection could discover.

Making informed VAT decisions

The first step is for management to understand its global VAT position and how effectively the business is managing it.

RSM's VATCOR provides a comprehensive and strategic assessment of your VAT environment to allow you to make informed decisions and mitigate potential risk. Our approach follows a tested methodology to prioritize your needs:

- First, we work with you to build a detailed picture of your organizational structure and understand key transactional information. This analysis allows us to identify potential opportunities and to assess risks.
- Based on our assessment of the compliance obligations arising from your transaction flow, we then consider local VAT compliance functions, map the process, and analyze the design of the process and its effectiveness.
- Finally, based on your accounting system configuration and the logic embedded in it, we examine the extent to which the business has effectively automated the VAT decision-making process, down to the transactional level.

Identifying opportunities and risks

Ultimately, we deliver an assessment that identifies opportunities to:

- Create VAT savings
- Improve VAT compliance efficiency and accuracy
- Improve operational and structural efficiency
- Reduce transactional risk
- Improve understanding and knowledge of VAT within the organization

Our findings are reviewed and supported by international RSM member firms to ensure technical accuracy, help you develop a strategic plan and prioritize your next steps.

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