

# GLOBAL GROWTH COMES VIA KEY INTERNATIONAL TAX PLANNING

## Overview

An existing RSM tax client, this U.S.-based industrial products company was looking to expand its production and brand globally, but was challenged by complex international tax structuring needs. How could the company grow the business abroad, while addressing critical concerns around base erosion and profit shifting (BEPS), as well as evolving international tax laws? Enter RSM's global tax structuring professionals.

## Business concern

The client saw an opportunity to expand its innovation and production efforts by partnering with an organization in the European Union. As a result, a research and development facility was established along with a product distribution network. The possibility for growth was exciting for the client, but tax structuring and compliance seemed like an ever-shifting challenge. Becoming a multinational company meant implementing a global tax structure that would not only address current business needs, but future expansion and changing tax laws. The structuring plan needed to be comprehensive and flexible.

## Our approach

Because of RSM's deep knowledge of the client's industry and company, as well as the RSM team's eagerness to listen to and understand the organization's objectives and goals, a specific tax structuring plan was developed, in collaboration with the company's CFO and leadership team, with flexibility, simplicity and tax efficiency as primary objectives. The intent was to have a plan that would easily accommodate new strategic territories and unforeseen opportunities as the business expanded. In addition, RSM helped the client address BEPS compliance issues by incorporating an intellectual property box regime to minimize taxes. The approach was not a one-and-done effort, however. RSM continues to stay engaged with the client on expansion efforts, keeping the company's leadership abreast of changing tax considerations, as well as providing trusted advice on a variety of financial and operational concerns affecting the entire organization in its various global locations.

## Outcome

The client has successfully maintained foreign research and development operations while addressing BEPS and realizing optimal tax considerations. The company has also continued to expand its operations from country to country each year utilizing the flexible global tax structuring plan RSM developed, each time tweaking the dynamic structure to accommodate the new territory. Also, because of RSM's vast resources across the firm, and global network through RSM International, additional services have been provided to the client in the following areas:

- Global employer services to help transfer employees abroad and provide tax effective compensation and compliance
- Annual tax return services and tax compliance consulting
- Recommended improvements to the company's global distribution center and enterprise resource planning systems

As the client grows, RSM continues to stay committed to the company's strategic vision and opportunities, and provides services and advisory on an ongoing basis.

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**+1 800 274 3978**

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