

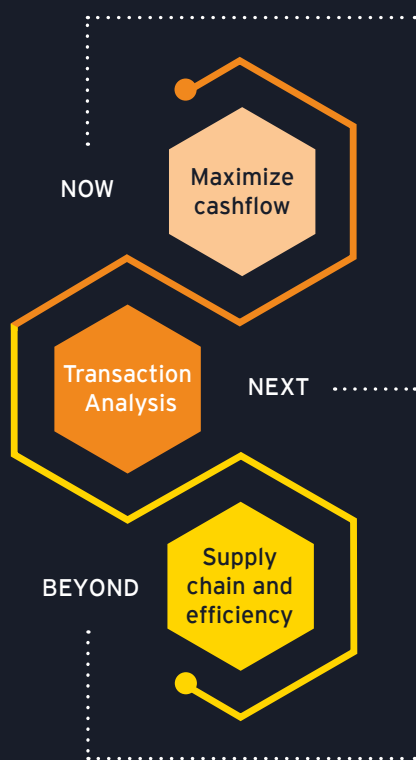
## IMPROVING CASH FLOW THROUGH MANAGEMENT OF INDIRECT TAXES



As an “above the line” cost for financial services businesses, identifying and releasing VAT can generate significant savings. Managing indirect taxes is critical in terms of cost management – particularly in the current COVID-19 environment – and careful assessment of a business’s compliance can deliver substantial and year-on-year benefits.

We can support clients to improve VAT cost management by reviewing Indirect Tax processes, transactions and data to identify opportunities to improve cash flow and reduce costs in both the short and longer term.

### WHAT AREAS COULD YOU CONSIDER?



#### NOW: REQUEST FOR REIMBURSEMENT OF VAT RECEIVABLE POSITIONS

- ▶ Taxable persons have all received a VAT detailed statement in early 2022
- ▶ Reimbursement by the VAT Authorities are only made further to assessments which might take years
- ▶ We assist our clients to collect NOW any VAT receivables from the VAT Authorities

#### NEXT: FIND SAVINGS IN EXISTING PROCESSES/LEGISLATION APPLICATION USING ADVANCED TECHNOLOGY, TOOLS AND METHODOLOGIES MAXIMIZING VAT RECOVERIES AVAILABLE OR MANAGING COSTS TO ENSURE THAT VAT IS PROPERLY APPLIED

- ▶ Reviewing VAT recovery methodologies to assess whether the benefits of the current approach are being maximized and/or whether designing a new method can unlock recoveries
- ▶ Reviewing the VAT treatment applied to existing transactions to determine whether VAT is effectively due or properly accrued. Where it is not, businesses can revisit historical transactions as well as managing costs prospectively
- ▶ Realizing VAT recovery on “trapped” VAT. This may include VAT on expenses, travel as well as foreign VAT (e.g., travel, hotel, restaurant and meeting expenses)
- ▶ Early preparation of single and simplified annual VAT returns to avoid provisional VAT payable assessment

#### BEYOND: OPTIMIZE SUPPLY CHAIN, STRUCTURAL AND PROCESS FLOWS

- ▶ Optimized use of VAT group
- ▶ Optimized VAT management through appropriate accounting treatments (e.g., bad debt relief, VAT on fixed assets and potential regularization)
- ▶ Reviewing operating models, enterprise resource planning (ERP) and tax accounting setup, to enable an efficient and optimized tax reporting process (Automation)
- ▶ Review supply chains to mitigate VAT leakage and minimize administrative costs

### HOW WE CAN HELP

Our network of dedicated indirect tax professionals combines deep technical and industry knowledge, supported by advanced technology, tools and methodologies. We can work with you to identify indirect tax opportunities quickly and effectively.



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