

Rödl & Partner

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IMPLEMENTATION  
OF APPROPRIATE  
TAX RISK  
MANAGEMENT  
STRUCTURES

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As experts in the field, we are always at our clients' side, taking care of the legal and tax aspects of their business activities, always with a view to their success.

# Verification on the correct application of VAT

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The importance of value added tax has increased considerably, due to the large amount of tax revenue it generates and to the constant burden on businesses, when they are subject to tax assessments. Value added tax is always the focus of attention for those who deal with it on a daily basis in both accounting and taxation.

Increasingly complex issues and constantly changing regulations can lead much more easily to errors, especially in complex transactions such as chain transactions.

The risk of having to pay large VAT arrears or to claim large amounts of VAT as refunds can certainly be reduced or avoided if the company has an effective risk management and control system in place. To achieve this, business processes should be constantly monitored and improved and, moreover, regularly adapted to new regulations.

During audits, tax authorities carry out specific VAT checks, increasingly requiring company guidelines and manuals to assess the specific VAT treatment of certain transactions.

Use our VAT audits as an advance audit and/or process analysis: improve your view of the mapping of VAT transactions, identify existing risks and optimise processes in your company.

***Our VAT audit is particularly useful for companies that have not yet implemented a VAT risk management system or want to have systems and processes checked that have already been put in place, for which they have already discovered VAT errors, or fear that they will be assessed for VAT in the future.***

# Project procedure and content

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1. Preliminary meeting with evaluation of the procedure and content of the project (in particular first analysis of available documents and data and first contact with contact persons)
2. Interviews with employees responsible for the various departments dealing with VAT (Tax Department, Accounting Department, etc.)
3. Examination of the appropriate documentation relating to the main transactions - both purchases and sales - with analysis and control of VAT declarations, VAT settlements and tax accounting records
4. Random review of specific transactions according to different review criteria (e.g., according to turnover volume, largest creditors and debtors, most risky transactions and according to random selection)
5. Analysis of documentation relating to the most relevant processes (e.g., review of the timing of VAT registration / calculation of tax in returns, identification and registration of creditors / debtors)
6. Random checking of data and documents (invoices and other supporting documents), checking of records extracted from accounts, analysis of selected contracts (e.g., delivery, rental, transport contracts)
7. Preparation of a short report, including a management letter, if necessary, clearly explaining the most important findings and observations. If you wish, there can also be a further discussion of the results with you and the presentation of further suggestions for activities to be put in place to reduce VAT tax risks. In addition, we also provide training - with a choice of focal points - for employees interested in these issues.



# Costs

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We usually offer such VAT audits at a fixed fee (plus travel costs and reimbursements), depending on the size and scope of the audit.

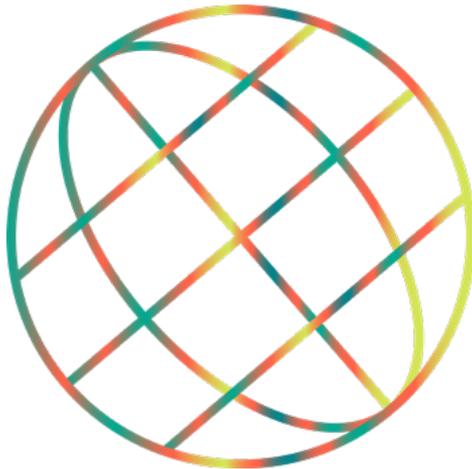
In order to carry out a VAT audit, which is intended to provide a first rough and fast overview, we calculate, based on our experience, at least 25 hours for document review and interviews to be carried out. These hours also include the preliminary meeting and the preparation and transmission of the final report.

On request, as needed and depending on the results, this VAT audit can of course be individually and flexibly extended - both after and during the audit - to a more comprehensive VAT audit (VAT Review). An extension is possible in terms of time and/or content as well as in technical terms, e.g., with the inclusion of our tools for further data analysis.

## Reference target

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Company management, tax and accounting department, internal audit department, VAT specialists.



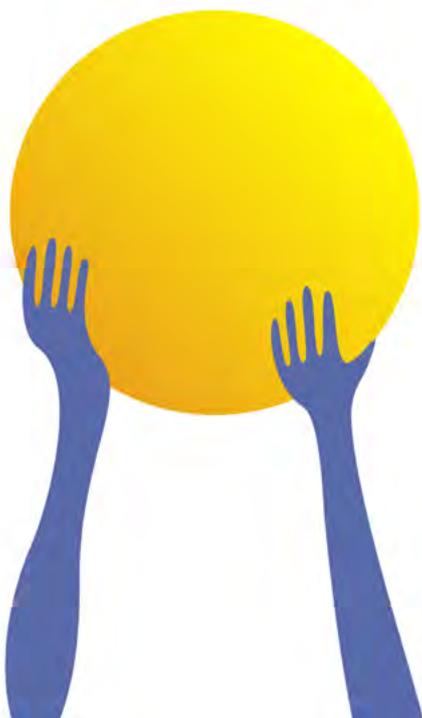
# Contacts

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# Rödl & Partner

As attorneys, tax advisers, management and IT consultants and auditors, we are present with 106 own offices in 48 countries. Worldwide, our clients trust our 5130 colleagues.

In Italy, Rödl & Partner is present in Milan, Rome, Padua and Bolzano, with more than 200 professionals who provide assistance to both national and international clients. The consulting activity covers all areas of business law, international taxation and BPO services. Moreover we offer audit services, provided by Rödl & Partner Audit S.r.l.



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