



How can you
manage your VAT
obligations?

A Practical Guide to Managing VAT

IN THE GCC

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With the introduction of value added tax (VAT) throughout the GCC, potentially starting with the United Arab Emirates and Saudi Arabia from 1 January 2018, many companies will be required to register for VAT and comply with VAT reporting requirements.



What are your VAT compliance legal obligations and associated financial risks?

Without this insight, you are not in a position to decide how to approach managing VAT in your business. Getting to the position of understanding your tax risk profile does not necessarily require significant upfront investment of time, resources and money.

How and where should you embed VAT controls into your business operations?

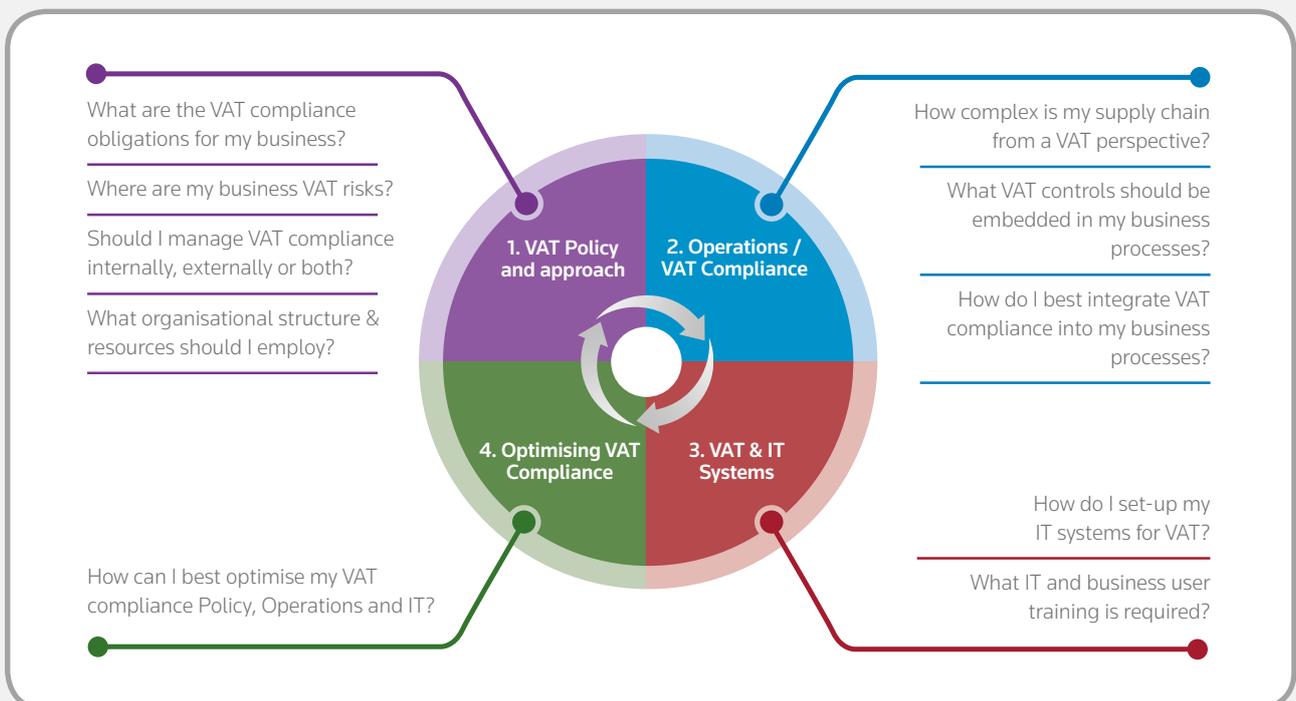
With a high level understanding of your business' tax risk profile, you can begin to focus on how and where to embed the right VAT controls into your business operations, creating a tax organizational structure to manage your VAT framework, supported by a set of integrated VAT compliance processes across the supply chain.

How can you automate as many of the VAT compliance processes as possible?

The integrated VAT compliance processes can be set up in your supporting IT system or systems, e.g. adding VAT to your current invoicing processes and the reporting of the results to the tax authorities.

Policy, risk, operational and I.T. considerations

With a clear understanding of your tax risk profile, how and where to embed the right VAT controls and VAT compliance processes across the supply chain and IT systems, you can then decide on the most appropriate way to drive continuous improvement of VAT compliance across your business.



Each business will differ in terms of VAT maturity, depending on;

- Existing finance processes
- Relationships with current suppliers
- Levels of VAT control requirements for the business
- Supply chain complexities
- Operational level resources
- IT systems
- VAT integration requirements
- Budgets

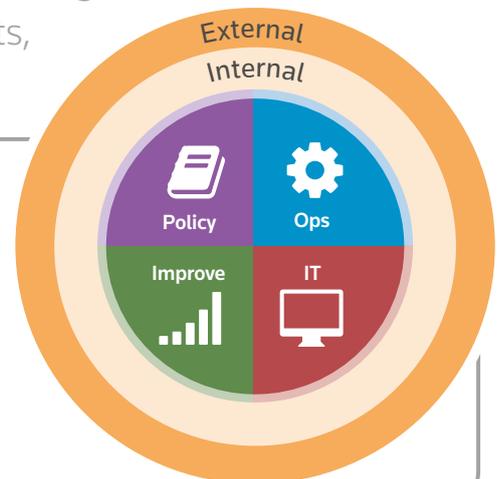
Given the number of variables, there is no one-size-fits-all solution to the VAT implementation challenge, and so businesses will vary in terms of VAT preparation. Understanding how well prepared you are is a critical success factor in successfully managing VAT implementation. Today's ecosystem of trusted VAT advisors and service providers offer everything from a one-stop-shop of VAT advisory, consulting, compliance and tax technology outsourcing services to a selection of external VAT services that match your VAT compliance needs.

Leading practice for VAT implementation includes four steps that any business should consider:



Your VAT compliance model should be tailored according to how your business will manage its VAT requirements, whether internally, externally or a combination.

- **Internal:** establish an internal tax function and VAT compliance processes and adopt tax technology software solutions.
- **External:** outsource your VAT reporting obligations to a trusted VAT advisor.
- **Co-source:** establish an internal tax function and use an external VAT advisor for certain processes and functions.



CONTACT

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