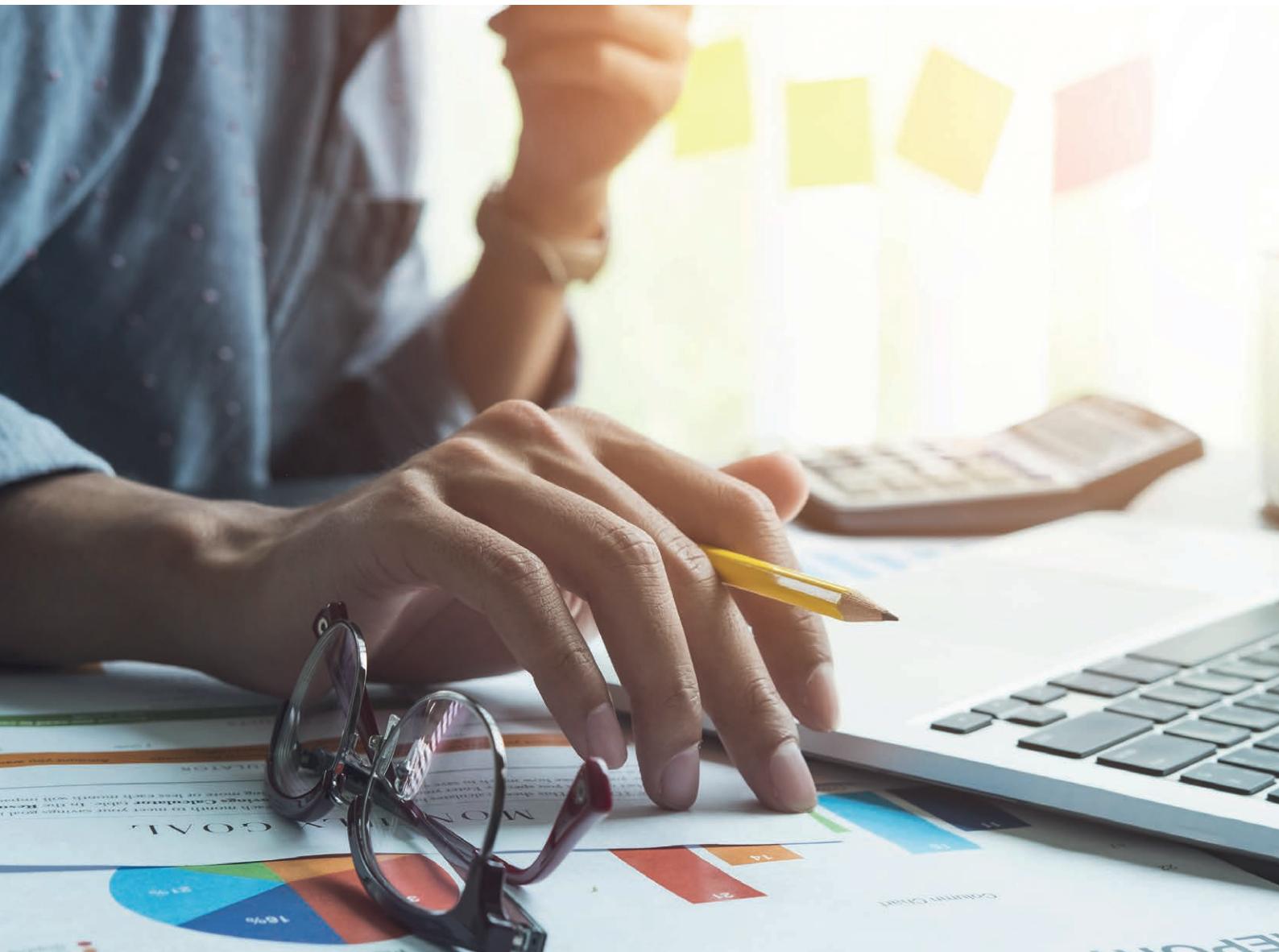


THOMSON REUTERS

ONESOURCE™

A Practical Guide to Managing VAT IN THE GCC



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Getting Ready for VAT in the GCC?

Based on our extensive experience both globally and in the region, here are some key questions answered for companies in GCC nations still to introduce VAT between 2020 and 2021.

1. Have you performed a VAT impact assessment?

Without this critical insight, you are not able to understand how VAT impacts your company – from capturing the correct VAT treatment of each sale and purchase transaction you perform daily to its impact on each of our internal functions. VAT implementation impacts every single department across your enterprise; and the only way to fully understand the associated consequences and risks is to perform that exercise with a tax advisor.



2. Have you reviewed your IT systems?

Your IT systems will be greatly impacted by VAT. You need to be confident that you have the necessary tools to produce VAT compliant invoices with all mandatory fields from the VAT Law, and record VAT on every sale and purchase transaction in your core accounting systems. You'll also need to have the right data output to produce a VAT return for each period.

Amending IT systems takes time and you should begin your preparations as soon as possible by identifying technology gaps and relevant solutions based on the systems you currently have internally (these could be legacy, custom in-house or branded ERP systems, for example). With a thorough understanding of the VAT technology options that are available to you, you can cut complexity and future-proof your organization by automating certain processes from the start with the right technology.

3. Have you designed your compliance process?

From the moment you issue/process an invoice until you file a VAT return, each step of the process needs to be mapped out according to your company and supply chain. Which internal/external resources need to be involved, at what point, and with what dataset? All these questions need to be answered so you can identify which steps of the VAT compliance process you want to manage in-house and which steps you might want to outsource. Both options have different costs & consequences for your organisation.

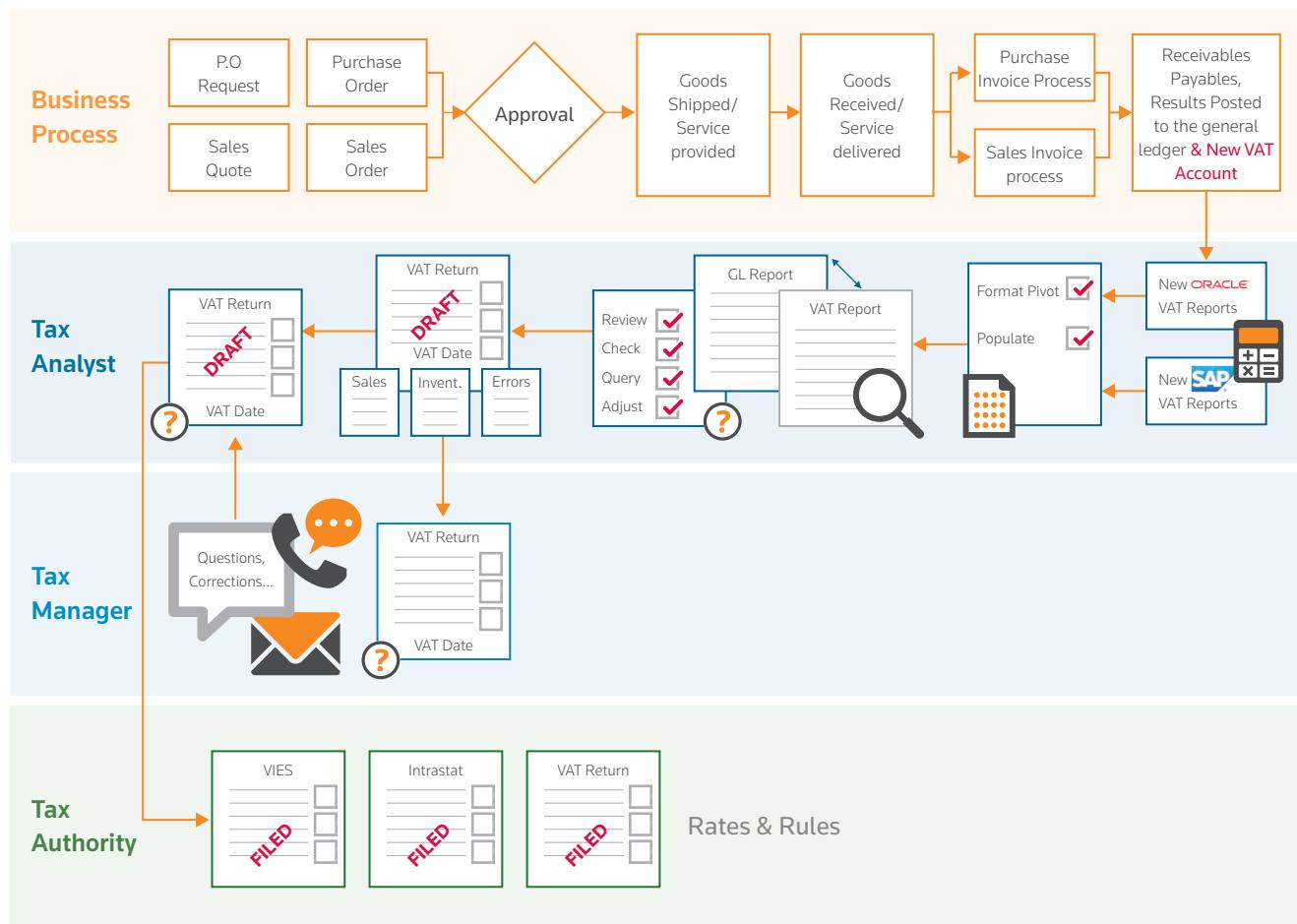
4. Have you trained your teams for VAT?

As all departments in your organization will be impacted by VAT, every internal stakeholder needs to be trained for effective VAT management and compliance. From accounts payable through to marketing, every employee must be aware of what VAT compliance means for your business and what is expected of them going forward.

“VAT is not a finance nor an IT project – It should be treated as a company-wide initiative with a project management function setup to lead it internally.”

Here is a high-level example of what your Order to Cash and Procure to Pay processes will look like when you introduce VAT:

VAT return preparation process



Thomson Reuters' best practices for VAT implementation, based on thousands of clients worldwide and the in GCC region, include four key steps that any business should consider in partnership with their tax advisors:

Preparing for VAT



CONTACT

For more information on how to get ready for VAT in your country, please contact:



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Visit mena.thomsonreuters.com/en/vat-tax-gcc.html for more information.

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Thomson Reuters provides trusted answers as a dedicated partner serving consultancy and accounting firms, corporations and governments. Blending intelligence, technology and human expertise, we provide leading tax and accounting solutions for a fast-paced and evolving world. We work in partnership with globally trusted Tax Advisors and system integrators to help you through your VAT compliance journey.

The intelligence, technology and human expertise
you need to find trusted answers.

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