

HOW TO BE VAT-AUDIT READY



Good reasons to be audit-ready

By June 2019, KSA's GAZT had conducted more than 205,000 field visits by the audit teams since the implementation of the VAT and registered thousands of VAT violations



The cost of filing incorrect tax return in KSA

50% of the value of the difference between the calculated VAT and the VAT due.



Penalties in UAE

Recurring failure to maintain VAT records and documentation incurs fines up to Dhs 50,000.²



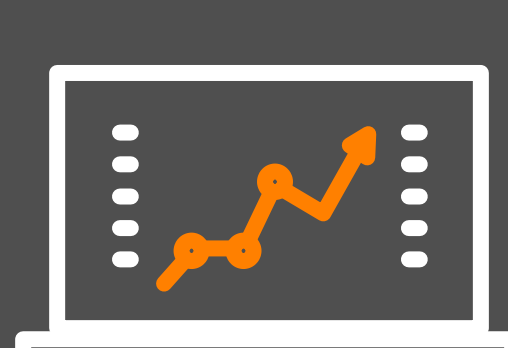
Errors in the calculation of input VAT in Bahrain

The penalty for tax evasion is imprisonment up to 5 years and the maximum fine is 3 times of the VAT due

Right resources. Right outcomes.



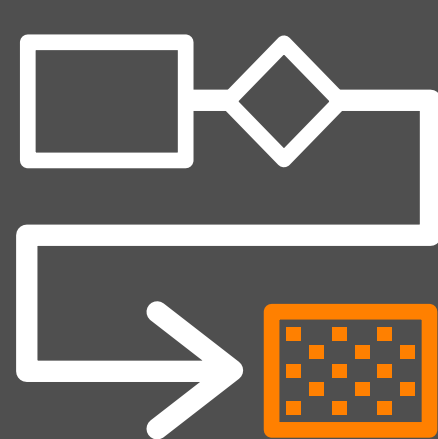
Only **4%** of businesses use a dedicated tax engine.



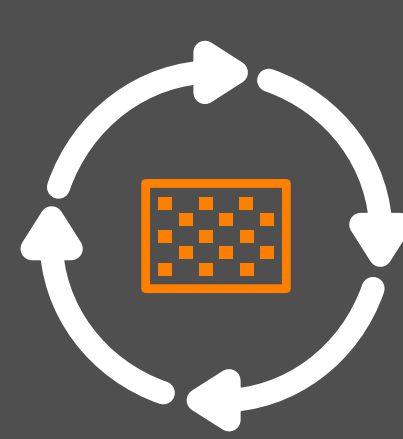
67% still handle VAT using a legacy ERP system.¹

To avoid penalties and inefficiencies, you need to be confident your business is VAT-compliant.

Companies face two main challenges



Identifying the right systems.



Implementing correct processes.

Three easy steps to VAT confidence



1. Conduct a health-check of your processes and workflow.

With the right processes, half the battle is won.



2. Review your technology solutions.

Where are the gaps? What are you spending most of your time on? What might happen if you don't change?



3. Consider your options.

More staff? Better processes? A revamp of your IT systems?

Future VAT trends to watch



Potential implementation of electronic invoicing in KSA.



Governments are accessing more and more data from taxpayers.



Very soon, the tax office might require VAT reports in real time.



More GCC countries are about to jump on board with VAT. Get ready for the future of compliance.

A clear plan for VAT

With VAT-specific systems and processes, you can avoid penalties and compliance risk, and confidently meet reporting needs. If you need to transition, today's the day.

Get more insights

Sources
1. http://onesource.tax.thomsonreuters.com/VAT_Filing_Survey_with_ACCA
2. https://www.zawya.com/uae/en/economy/story/Fees_and_Fines_UAEs_tax_authority_releases_list_of_tax_penalties_and_administrative_charges-ZAWYA20171003045024/
3. <https://www.vat.gov.sa/en/news-media/press-releases/gazt-carries-out-157-field-inspections-and-issues-187-violations-against>