



Global VAT Recovery Services

**A new approach to
VAT Recovery**

KPMG International

www.home.kpmg/VATrecovery

Are you recovering all that you are entitled to?

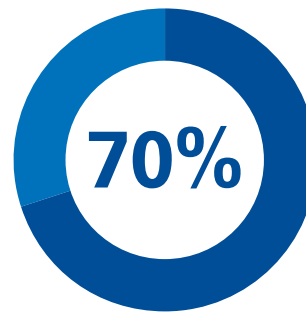
Half of businesses recover only 50% or less of the foreign VAT they incur

50%



have stopped claiming VAT in some countries

Why?



find procedures for refunds generally difficult to contend with

“the amounts incurred are not worth the trouble”

“administration is too difficult”

Companies that do business in the European Union are often entitled to recover the value-added tax (VAT) paid on certain types of business expenses and purchases of goods or services. However, every year, large amounts in recoverable foreign VAT are left unclaimed.

Source: VAT/GST Relief for Foreign Businesses: The State of Play, Organisation for Economic Co-operation and Development (OECD), February 2010.

Did you know?

The Council European Directive 86/560/EEC, known as the “13th Directive” was adopted and has been especially designed for non-EU companies wishing to recover VAT incurred in an EU Member State in which they do not, and are not required to have, a local VAT registration.

The Council European Directive 2008/09/EC has been especially designed for EU companies wishing to recover VAT incurred in a different EU Member State.

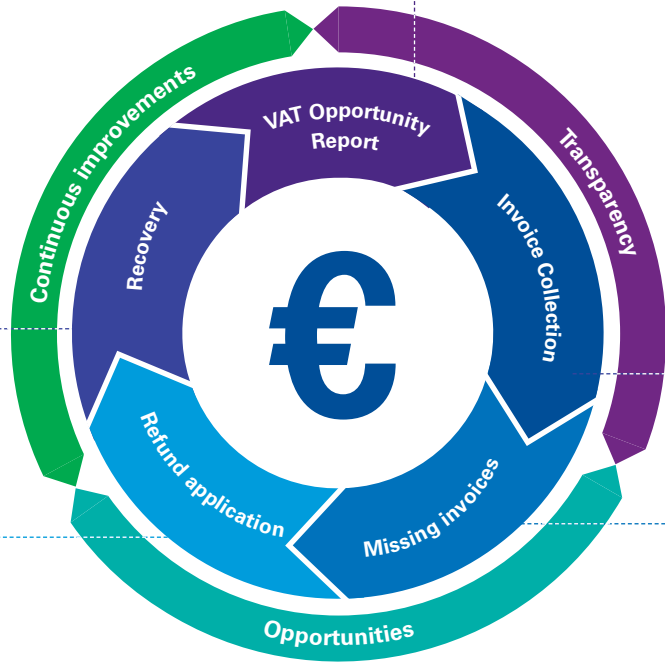
New technology means new VAT opportunities

KPMG’s market leading approach is based on a combination of data analysis and an automated process designed to minimize the manual tasks needed to submit VAT refund claims.

Using proprietary technology, a company’s credit card and/or expenses system data can be analyzed and a VAT Opportunity Report created. The report identifies potential VAT recovery amounts and targeted invoices.

The first step is an analysis of a company’s credit card and/or time and expense system data to create a **VAT Opportunity Report**. This report quantifies the VAT opportunity by country and type of spend.

KPMG VAT professionals manage the VAT refund claims from submission to refund and can analyze the gap between the VAT incurred and VAT recovered to identify methods to improve your overall VAT recovery performance.



Based on the VAT Opportunity Report, a **target list of desired invoices** is created to avoid time consuming manual invoice review and to quickly prioritize what actions need to be taken to maximize VAT recovery.

Our automated VAT recovery solution is used to process the invoices, to run quality checks and to generate highly accurate VAT refund claims and formatted information that we can centrally submit to European tax authorities’ portals (in the case of intra-EU refunds).

Our periodic reporting allows you to follow the status of the refunds from submission of the claims to tax authorities’ decision.

Our automated process can identify when proper documentation is missing by comparing collected invoices and target data, driving efficiency in the retrieval of high-value missing invoices directly from vendors.

Types of recoverable foreign VAT expenses



Car rentals



Hotels



Public transportation, taxi



Conferences and tradeshows



Professional fees



Meals and entertainment



Other goods and services purchased for business purposes

About KPMG's Global Indirect Tax Services Network

KPMG's Global Indirect Tax practice comprises over 1,600 professionals located in KPMG member firms in 94 countries. These professionals combine advanced technical capabilities in indirect tax with deep understanding of industry

and business issues. KPMG's distinctive networking model means member firms' tax professionals combine an international perspective with local experience and insight.

Additional insights

KPMG's Online Tax Rate Tool

KPMG's online tax rate tool allows users to compare corporate, indirect and individual income tax rates for one country, for any given year(s) and compare one tax type across multiple countries, for any given year(s).

www.kpmg.com/taxrates

Global Indirect Tax Compliance Website

Visit KPMG's Global Indirect Tax Compliance website to learn more about KPMG's Indirect Tax Compliance Center of Excellence and how KPMG firms use advanced analytics to help add value to your business while zeroing in on unrealized opportunities.

www.kpmg.com/indirecttaxcompliance

Global Indirect Tax Service Website:

Visit KPMG's Global Indirect Tax Services website to learn more about our bespoke approach to technologies and process management and, how we're driving indirect tax performance.

www.kpmg.com/indirecttax

Going Beyond the Data – Indirect Tax

A series of technical articles written by KPMG Global Indirect Tax Services professionals to help you better understand and prepare to deal with the Big Data revolution in the context of indirect taxes.

www.kpmg.com/taxdataanalytics

How to get started

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