

# Construction Withholding Tax

Effective risk management und strategic planning during the pre-phase

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Greenfield investments present a high level of complexity, with effective risk management and strategic planning serving as critical factors in the early-on decision-making process for the investments.

## Your key questions, challenges and objectives



- You are expanding your business into Germany and your operations require significant construction work
- You are dealing with various suppliers for the construction of your new facilities
- Under German tax rules, you will have to deal with construction withholding tax implications when it comes to paying your suppliers for construction work
- Depending on the situation, you may have to withhold certain taxes from your supplier bills and remit them to the tax authorities
- Having a process for construction withholding tax is important to ensure that you do not experience any unforeseen delays in your construction work because of tax issues



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## How we support



- In an initial workshop we can determine where you and your team stand and fill any potential knowledge gaps on German construction withholding tax
- We can assist you in establishing an internal process for you to handle your construction withholding tax compliance
- As an alternative, you can outsource the process to us, and we take care of it for you

## Examples of relevant credentials

**Pre-phase – Site selection**  
and state subsidies

**Pre-phase –**  
Other

**Build phase –**  
Core business

**Build phase –**  
Support processes



**Construction of Large Production Site in Germany**  
Assistance with construction withholding tax, including advice on establishing a compliance process to handle construction withholding tax with contractors

**2021**



**Planned Large Investment into German Construction Project**  
Design of a workshop on construction withholding tax, including education of relevant people on how to administer construction withholding tax

**2023 – ongoing**