

VAT ideas

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How do you manage indirect tax risk?

In this time of increased regulation (Sarbanes Oxley, Corporate Government) and the resultant focus on VAT compliance, the challenge of effective indirect tax management is ever present. We are assisting clients to identify and manage the indirect tax risk inherent within their business by employing technology based solutions making such a task less labour intensive and deeper in its analysis.

Our easy to use indirect tax risk identification tool www.checktaxrisks.com and our suite of technology based tools are assisting clients to not only manage indirect tax risk but also to identify indirect tax opportunities.

These tools are suitable for all VAT registered clients of any size who wish to introduce a structured approach to identifying and managing indirect tax risk.

For further information please contact Sean Brodie at sean.brodie@ie.pwc.com or 01 704 8619

Too much VAT in the supply chain

VAT is a tax on the final consumer. However, the amount of VAT payable by each entity in the supply chain can be impacted by a number of events. If your supply chain includes business promotion activities, financing, rebates, bonuses, samples or gifts you may be paying too much VAT. Managing VAT as it impacts your part of supply chains will assist you to pay the right amount of tax at the right time.

For further information please contact Caroline McDonnell at caroline.mcdonnell@ie.pwc.com or 01 662 6526.

Not just for beer and cigarettes!

Who within your organisation knows how much customs duty you are paying each year? Often this lack of visibility prevents appropriate actions from being taken to identify opportunities to reduce the duty bill and ensure that customs duty is being handled in a compliant way.

Our customs duty and excise specialists advise clients on a wide range of issues including eliminating duty in a supply chain where dutiable raw materials were imported for manufacturing zero-rated goods, reducing the importation value in complex international supply chains and assisting clients comply with export controls.

For further information please contact Eamonn Flood at eamonn.flood@ie.pwc.com or 01 662 6852.

Have you been denied a VAT reclaim on share/listing costs?

When the Kretztechnik AG case was heard in the ECJ, it was found that the issue of shares on listing a company on a financial market was not a supply for VAT purposes. Historically, in Ireland, Revenue took the view that the

issue of shares was a VAT exempt transaction and as a result the costs associated with the issue were non-deductible. The Kretztechnik AG case reverses this and provides an opportunity for VAT to be reclaimed on present and past costs (subject to the usual time limits).

We believe that this case is supportive of most share issues, regardless of whether the issue is linked to a listing, so don't delay in making your claims.

For further information please contact Colm Blaney at colm.blaney@ie.pwc.com or 01 662 6741.

Opportunity for VAT refund claims on canteen costs

If you operate a subsidised staff canteen you may be entitled to recover previously unclaimed VAT. Claims can be submitted for overpaid VAT paid using either the concessional or statutory basis and claims can be made back 4 years.

For further information please contact David Kenny at dave.kenny@ie.pwc.com or 01 662 6539.

VAT training workshops

VAT was heralded as a 'simple tax'. Thirty years on and most businesses face the complexities of this 'simple' tax on a daily basis. With specialist training you can educate your staff and ensure that VAT is managed correctly and risks are minimised. We are offering a number of half day workshops on:

General VAT Awareness, Financial Services - 27 September 2006

International Supplies of Goods & Services - 16 October 2006

Land & Property - 22 November 2006

For further information please contact Liz Gallagher at liz.gallagher@ie.pwc.com or 01 662 6811.

Keeping up to date with indirect tax developments

Developments in indirect tax rules, regulations and case law are increasing at a very fast rate. Keep up to date with our summary of developments and expert commentary by e-mail.

If you have international operations our subscription based on-line global VAT news and information tool provides details on VAT rules and regulations in over 70 territories.

For further information on these two services please contact Renata Slobodova at renata.slobodova@ie.pwc.com or 01 662 6772.

Are you drowning in invoices?

For companies with high volumes of invoices we can help implement an electronic system that considers your VAT obligations. E-invoicing and e-archiving provide increased efficiency, cost reductions and faster payments.

Our new global publication: Global (E-)Invoicing and (E-)Archiving - Increasing Efficiency and Reducing Costs, seeks to clarify the myths associated with switching to a paperless system and offers a global perspective focusing on the relevant VAT/GST invoicing and archiving rules in 41 countries worldwide.

For further information please contact Jilly Riley at jilly.riley@ie.pwc.com or 01 662 6634.

If any of these articles are of interest to you then please contact your usual PwC contact for more information.