

11<sup>th</sup> Annual Conference

# Maximize Shareholder Value through Effective Tax Planning 2010

Redefining Success:

Managing Tax through Turbulent Times

12 November 2009, Shangri-La Hotel



## Synopsis:

With the global economic slowdown, tax authorities around the world are doing their utmost to protect their tax revenue and becoming more vigilant in their search for abusive tax practices. There are also increasing calls from the international community for greater transparency and more international cooperation to curb all harmful tax practices. These phenomena have made managing the potential exposure to tax controversies more pertinent than ever.

Corporations are looking for ways to achieve cost saving and to reduce cash leakage, in these turbulent economic times. An effective tax management function can contribute to this strategy. There is no doubt that efficient tax planning schemes, if implemented properly, can help to reduce the cost of doing business and increase liquidity. At the same time, one cannot lose sight on another critical element of effective tax management, namely managing tax controversies. Significant resources can be consumed in managing and resolving disputes with tax authorities when they arise.

Communications between the tax function and operations units are necessary for the real time identification and monitoring of tax risk arising from the misalignment of the business operations and the tax environment. Performing periodic health checks is a useful way to identify potentially problematic areas before they appear on the radar of the tax authorities. Conducting a "tax audit" internally will allow the opportunity for fresh eyes to seek out weaknesses in the business and finance functions.

Planning ahead and continuous monitoring could ease any uncertainties that may arise, especially as your businesses evolve and change.

Our conference this year will hence focus on recent developments which indicate that the tax management environment is more challenging than ever and discuss the responses that the corporations can consider when facing these challenges.

We trust that you will find these sessions useful, and look forward to seeing you at the conference.

**Remark:** This seminar can count towards CPD hours for both accountant and CPA (subject to confirmation by the relevant authorities)

## Agenda

08:00 – 08:30	Registration
08:30 – 09:00	Welcome and Opening Address Keynote Speech from the Revenue Department (T)**
09:00 – 10:10	PwC Tax Panel: Managing tax through turbulent times (E)*
10:10 – 10:30	Coffee Break
10:30 – 11:15	<u>Breakout session 1</u> A. How best to utilise your BOI Incentives (E)* B. Managing cost of employment benefits through tax management (T)** C. VAT -Must-know issues in downturn (T)**
11:15 – 12:00	<u>Breakout session 2</u> D. TP – in a recession (E)* E. How to accelerate your tax refund through turbulent times (T)** F. Updates on MOC practice & investigation (T)**
12:00 – 13:15	Lunch
13:15 – 14:00	<u>Breakout session 3</u> G. Customs & Excise Duties in Uncertain Times (E)* H. How best to utilise your BOI Incentives (T)** I. How to accelerate your tax refund through turbulent times (T)**
14:00 – 14:45	<u>Breakout session 4</u> J. Safeguarding tax deductions for cross border payments (E)* K. TP- in a recession (T)** L. Managing cost of employment benefits through tax management (T)**
14:45 – 15:15	Coffee Break
15:15 – 16:00	<u>Breakout session 5</u> M. How to accelerate your tax refund through turbulent times (E)* N. Safeguarding tax deductions for cross border payments (T)** O. How best to utilise your BOI Incentive (T)**
16:00 – 16:45	<u>Breakout session 6</u> P. VAT - Must-know issues in downturn (E)* Q. Utilising corporate income tax saving opportunities in a weak economy (T)** R. TP- in a recession (T)**

**\*(E) = Session conducted in English**

**\*\* (T) = Session conducted in Thai**





## PwC Tax Panel – Managing tax through turbulent times

Our panel of tax partners will provide an update on the challenges and opportunities in the coming year. They will discuss the potential impact on your business, insights on what can be expected during the current turbulent times, and the tools you need as a business leader to manage taxation issues.

### It's your choice:

Each participant has the choice of attending sessions in either Thai or English, depending on specific interest. Our topic experts will be in the following sessions to share their experience.

#### ✓ How best to utilise your BOI incentives

The Investment Promotion Act of 1977 (the BOI Act) provides a number of tax and non-tax incentives to investors and grants the Board of Investment the discretion to stipulate conditions under which promotion will be granted, as well as responsibility for the overall administration of the BOI Act. The BOI Act clearly states that all other laws, rules and regulations dealing with matters governed by the Act, or that are contrary to, or inconsistent with its provisions, are replaced by it. However differences of opinion still arise between the BOI and the Revenue Department, whose interpretations seem always to apply tax privileges so as to maximise tax revenues rather than enhance the privileges granted.

The Thailand Board of Investment (BOI) has announced a special package of incentives in six target sectors. This session will elaborate on the various incentives provided, with emphasis on how to optimise both existing and new incentives, such as those for relocation. It will also provide an in-depth update on the Revenue Department's current interpretations, as well as help to prepare participants for challenges if and when they arise.

#### ✓ Managing costs of employment benefits through tax management

Because of the global financial crisis, employee costs management has become an important item on the agenda of many organisations; especially expatriates' international assignments, which can be too expensive if not managed well. The challenge is to make compensation packages sufficiently attractive to retain and motivate top-quality talent, while being fully compliant with the tax and labour laws.

In this session we will discuss ideas to reduce overall employee costs without losing skilled and talented workforce, with a checklist on how to review:

- Employee benefits policy – to ensure it provides competitive benefits with the least tax costs;
- Roles and responsibilities of international assignees and their packages – to ensure they are watertight; and
- Operational structure – to ensure maximum benefits to both employee and employer.

#### ✓ VAT – Must-know issues in a Downturn

Indirect taxes have become a major source of revenues for the Revenue Department. Indirect tax policies, legislation and compliance are all under increased scrutiny by tax officials. Taxpayers should formulate indirect tax strategies with particular emphasis on ensuring compliance and achieving efficiency. From a risk-management perspective, VAT is important, as it can become a significant expense if not correctly accounted for, due to the tremendous volume of transactions and the cumulative effect of minor errors. In this session, some common VAT pitfalls and tips to increase VAT recoverability and efficiency will be discussed. An optimal VAT position can reduce tax risks and create the opportunity to make material savings, whilst helping to gain a clear competitive advantage in tough market conditions.

#### ✓ TP – in a recession

In these uncertain economic times, tax revenue shortfalls have put pressure on the Revenue Department to be more aggressive in transfer pricing (TP) audits of multinational companies, with the objective of collecting more taxes. This practice is not expected to end any time soon. Multinationals should therefore ensure they are fully aware of the areas the Revenue Department focuses on in TP audits, and be prepared to defend their TP practices.

The TP session aims to address how companies can make the most out of these difficult conditions. Our guidance and key messages should at least provide you with valuable information to identify possible TP challenges and help you manage TP risks in the current economic climate.

#### ✓ How to accelerate your tax refund through turbulent times

Many taxpayers face difficulties in obtaining a tax refund subject to tax investigation, or even to make the decision to request a refund. This presentation will focus on the Revenue Department's current criteria in deciding whether to conduct a tax investigation and/or provide a tax refund to taxpayers. We will also address other considerations, including prescription and interest on a cash refund. Our tax investigation team will share some of the common issues involved in revisiting a company's tax status and meeting the Revenue Department's criteria so as to expedite the tax investigation process and obtain a faster cash refund.



### ✓ Safeguarding tax deductions for cross-border payments

Cross-border payments made to related parties, whether in the form of management fees, shared costs or royalties, are frequently scrutinised by the Revenue Department. Securing deductions for such payments places a large administrative burden on the taxpayer, and during a tax investigation, time and resource constraints may prevent companies from mounting an effective defence. However, forward planning when arrangements are put in place can significantly improve chances of securing the appropriate tax treatment.

This session will take a practical look at planning for cross-border payments, focusing on the Revenue Department's documentation requirements, Thai withholding tax obligations, and foreign tax credits. At the end of the session, attendees should have a robust understanding of the steps needed to secure the right outcome to any investigation.

### ✓ Customs & Excise Duties in Uncertain Times

Although some businesses may be seeing light at the end of the tunnel, the economic recovery is presently very fragile. As the Customs and Excise Departments are stepping up their revenue collection efforts, businesses should be ready for increasing scrutiny from the authorities in the future. Companies should equip themselves with the knowledge and understanding of available facilities that could aid in compliance with various Customs and Excise issues, even when a definitive determination or ruling has yet to be reached. Using the right facility for your issue could mitigate your exposure. Most importantly, you need to understand the latest trends in the authorities' perspectives on each technical area. These will be discussed in our session, along with the latest position regarding the drafts of the new Customs Act and Excise Act.

### ✓ Updates on MOC practice & investigation

Ministry of Commerce to crack down on breaches of the Foreign Business Act.

The Foreign Business Act (FBA), enacted in 1999, provides the legal foundation for Thailand's government to control what types of businesses foreigners and foreign majority-owned companies may become involved in. Until now, the Ministry of Commerce of Thailand (MoC) has taken a lenient approach, and has not attempted to seriously monitor foreign business operations. However, the MoC has now mobilised a team tasked with investigating potential violations. Recent efforts have resulted in penalties being imposed on a foreign company.

An investigation can arise either from a report made to the MoC or from the MoC initiating its own enquiries. To avoid such risks, this session will elaborate on the MoC's investigation of the MoC and the effects on the company, as well as provide participants with an in-depth update on the MoC's current FBA interpretation. It aims to help prepare participants for the challenges if and when they arise to avoid penalties that include fines, imprisonment and termination of business.

### ✓ Utilising corporate income tax saving opportunities in a weak economy

When times are tough, companies are more careful in utilising their limited resources and making investment decisions. Businesses aim to reduce their operating expenses and cut unnecessary costs. As corporate income tax makes up a significant portion of a company's expenses, it is worth seeking opportunities to reduce such tax. Companies may be in a position to take advantage of substantial tax savings from utilising incentives available under the tax laws, as well as deductions of timing differences.

Participants who register before 15 October 2009 will receive a discount

Type of participant	Normal Rate	Enrol before 15 October 2009
Non-PwC client: first participant	THB 15,000	THB 12,750
Non-PwC client: additional participant/s	THB 13,000	THB 11,050
PwC client: first participant	THB 9,000	THB 7,650
PwC client: additional participant/s	THB 8,000	THB 6,800

### Event Details:

**Date:** Thursday 12 November 2009

**Venue:** The Grand Ballroom, Shangri-La Hotel

**Who should attend:** Managing Directors, Chief Executive Officers, Finance Directors, Chief Financial Officers, Financial Controllers, Chief Accountants, Tax Managers and Tax Lawyers

**Language:** The sessions will be conducted in Thai and English

**Dress Code:** Business

### How to register

Register via PwC's website [www.pwc.com/th](http://www.pwc.com/th) Fax enrolment to (66) 0 2286 2666

### For more information

Please call (66) 0 2286 9999 or 0 2344 1000 and speak to Chuthamas ext: 4351, Fonthip ext: 4209, or Dudsadee ext. 4208