

# Managing Your Tax Risk

## Indirect Taxes



### Tax Risk

Indirect taxes have grown to be a major source of revenues for governments and as such, indirect tax policies, legislation and compliance are all under increased scrutiny by governments and tax officials. A possible reason for this is the shifting of balance from direct tax to indirect tax with much more emphasis on VAT.

Ghana is no exception to this trend. Most businesses are reacting accordingly and are designing and implementing indirect tax strategies, with particular emphases on ensuring compliance and achieving efficiencies.

From a risk management perspective, VAT is important as it can become a huge expense if it is not correctly accounted for. Even minor errors can have a significant cumulative effect where the volume of transactions is significant. In addition, incorrect treatment of Customs & Excise Duties can have significant impact on the bottom line and severely interrupt the production and logistical process in case of flaws in the processes and compliance.

### How we can help you

We are able to provide you with value-adding solutions to the challenges arising from indirect taxes. At PwC, we assist you to optimise the efficiency of your compliance systems and deliver savings including – avoiding the risk of (i) unintended overpayments, (ii) penalties that could arise from underpayments or compliance failures, (iii) VAT cash flow inefficiencies, (iv) inefficient partial exemption planning, (v)

excessive irrecoverable VAT, (vi) omission to consider VAT implications for ad hoc transactions. Where omissions are identified a proactive approach towards correcting errors can result in mitigation of penalties.

Specifically, our services include:

- Tax health checks/compliance reviews of: Value Added Tax (VAT), Excise Duties, and
- Customs duties for importers;
- Technical consultation on VAT, Excise and Customs laws;
- Dispute resolution, including assistance with objections to assessments raised by the GRA on non-compliance with various indirect taxes matters;
- VAT refund audits; and
- Advice on customs post-clearance audits.

### For more information, please contact:

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