



# Tax management and accounting

We provide confidence about reporting your income taxes in your financial statements.

## Our tax reporting and strategy proposal

Tax authorities are increasingly reviewing the taxes paid by companies and their calculation procedures, so reporting your tax liabilities correctly and accurately in your financial statements is becoming more important than ever.

We can help you set up tax accounting processes that match your functions regardless of what GAAP you are using, and we can add value to your company in the following essential areas:

- Reporting taxes (VAT and corporate income tax) in your accounting records according to the Accounting Act, IFRS, and your group accounting policy
- Transitioning in tax reporting from local GAAP to group accounts, including an assessment of differences between GAAP, as well as documenting and calculating the impact on your company
- Processing your payroll and preparing your tax returns
- Preparing your financial statements and management reports
- Preparing or reviewing your annual or quarterly tax accruals

We can also supply your wider, practical tax accounting needs, which include the following:



Staffing – providing support during understaffed periods by preparing or checking your tax figures for your local or group accounts (through co-sourcing or outsourcing);



Process – advising on your tax reporting technology because we have helped many entities improve efficiency and understanding by implementing third-party technological solutions;



Technology – advising on market-leading tax reporting processes by focusing on efficiency, quality and insight to ensure your proposed business model matches its function;



Training – tax accounting courses to introduce your management, finance and tax functions to applicable rules and future forecasts.

## Key questions

- Do you have any new tax reporting requirements according to unknown or new GAAP? Do you know the impact on tax payments made in cash? Will your financial statements have deferred tax consequences?
- Are you making any transactions that would need a separate set of financial statements?
- Is your finance function being transformed? Is your year-end reporting time limit becoming shorter? Have you evaluated your proposed tax reporting model?
- Have you made any material adjustments to figures appearing in your tax reports for past years leading to an unstable effective tax rate?
- How high is your confidence about your tax calculations and tax returns? What tax reporting risks lie beyond the scope of your auditors' work?

## We can add value to your company

Focusing on your wider tax strategy helps you better understand the different elements of your tax reporting and accounting processes, and helps you work efficiently within your company.

Here are a few situations you might find yourself in:

- You seek confidence that tax reporting in your financial statements is as accurate as possible, and you are trying to create processes and procedures for obtaining the data and information you need early on.
- You would like to shorten the closing period for your tax reports by transforming your processes without compromising the accuracy of your figures.
- You seek a better understanding of how your financial statements affect your taxes in order to make better decisions.
- You seek a higher efficiency in predicting effective tax rates depending on proposed transactions and scenarios.
- You would like to make meeting deadlines easy in your finance function, who might not have access to specialist advice on complicated tax accounting issues.
- You would like to avoid preparing inferior financial statements in order to avoid statutory audit problems capable of leading to an overrun in terms of funds or management resources.
- Lack of information about your local GAAP requirements and on how to report taxes in your accounting records increases the risk of error in your company.

## Other areas to consider

We can help you improve the way your company handles tax matters, including the following:



Revise your present accounting and tax strategy to bring it into line with your overall business strategy underpinned by a robust governance structure;



Evaluate your tax compliance model and technologies to improve efficiency;



Consider potential improvements in special tax areas, such as transfer pricing, capital investment, employment taxes, VAT, and customs expenses.

## Contacts



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For more details of the areas we can help you with, please visit [www.pwc.lv](http://www.pwc.lv).



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