

Every year, large amounts in recoverable foreign VAT are left unclaimed. Your company may be one of them.



If your company does business in the European Union (EU), you are often entitled to recover the value-added tax (VAT) paid on certain types of business expenses and purchases of goods or services without needing a local VAT registration.

However, according to a survey by the Organisation for Economic Co-operation and Development (OECD) in 2010, over half of 308 businesses surveyed do not claim VAT in some countries. The remaining half that do claim VAT recover 50 percent or less of the foreign VAT they incur.

But with standard VAT rates in the EU mostly standing at 20 percent and higher, you can have a positive impact on your company's bottom-line by properly recovering your VAT spend.

Why KPMG?

Over 70 percent of responding to the OECD survey said they do not try to recover the VAT because they find the procedures for refunds too onerous.

KPMG has developed proprietary software that will help companies streamline VAT refund-related tasks. For example, by identifying and collating relevant VAT invoices more effectively.

How can KPMG help?

KPMG in Singapore is working with its member firm in Luxembourg to help clients identify VAT opportunities for purchase of goods or services, and business travel and entertainment expenses in the EU.

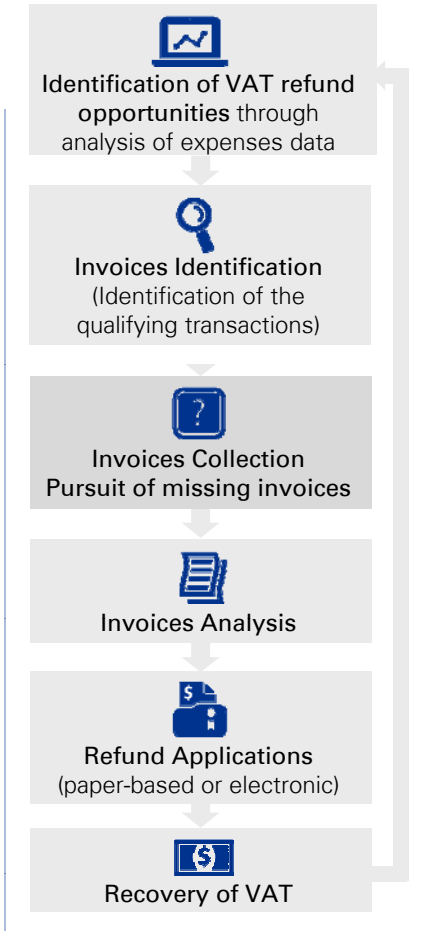
The work is done using proprietary KPMG software and the automated process is more efficient than the manual approach used by many other companies. Such VAT Recovery Services will help companies access cash in recovered funds that may have previously left unclaimed.

The types of recoverable foreign VAT expenses include:

- Car rentals
- Conferences and tradeshows
- Hotels
- Professional fees
- Public transportation
- Meals and entertainment
- Other goods and services purchased for business purposes

Our tax professionals will also help you become more knowledgeable about where you are incurring VAT, how much you have recovered, how much you have left unrecovered and how you can correct this in future, potentially leading to larger future refunds.

VAT recovery process: our approach





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