

## SUPPLY CHAIN

### Operating Model Effectiveness

Careful management of VAT helps making supply chains as tax efficient as possible and improving VAT costs management while not affecting the business operations.

By reviewing VAT processes and transactions, analyzing applicable savings or administrative simplification available in the existing legislations as well as by using advanced technology, tools and methodology with the aim to maximize any VAT recoveries available will allow businesses to achieve efficient operating model.

#### ACCURATE ANALYSIS

- ▶ A review of the VAT treatment applied to existing transactions in the supply chain to determine whether it is legally correct and applied effectively
- ▶ A review of the way the transactions are structured to determine whether the set up is efficient and available administrative simplifications are considered
- ▶ A review of the reporting processes in place to determine whether the refundable VAT is timely and duly claimed back

#### TAX EFFICIENCY OF THE SUPPLY CHAIN, STRUCTURAL AND PROCESS FLOWS

- ▶ Consider using the VAT group provisions in case of domestic intra-group transactions
- ▶ Ensure that the accounting set up allows tracking transactions for an automated processing of VAT refund claims and administrative simplification (i.e., bad debt relief, VAT quick fixes)
- ▶ Consider automating the VAT reporting processes linked to the supply chain through a detailed review of operating models, enterprise resource planning ("ERP") and tax accounting setup
- ▶ In case of identified risks or opportunities arising from the initial process review, businesses should consider revisiting historical transactions

#### HOW EY CAN SUPPORT

Our network of dedicated tax professionals combines deep technical and industry knowledge, supported by advanced technology, tools and methodologies. We can help you to identify VAT risks and opportunities efficiently and effectively.

#### OUR TEAM



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