

GLOBAL TAX SERVICE

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With GlobalCollect and KPMG active in 156 countries, we can help you navigate the global tax landscape with confidence

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GlobalCollect's clients do business on five continents. KPMG has a tax expert wherever your business needs to expand, covering all areas of tax, including tax compliance.

Our organizations have teamed together to assist you in avoiding the pitfalls – and maximizing the opportunities – involved in doing business overseas, and setting up overseas entities. For non-EU businesses wanting to establish a presence in the EU, we have a dedicated team and an established process in place to ensure that this can be executed as smoothly and efficiently as possible.



KPMG Meijburg & Co
Tax Lawyers

So what should you consider?

Value Added Tax

That indirect taxes such as Value Added Tax (VAT) should be managed properly to avoid an additional cost of business. Sales activities in the EU typically have VAT implications in the EU. If you are non-compliant with EU VAT rules, this could have severe implications (assessments, interest charges and penalties) in multiple EU member states. If you consider that VAT rates have increased over the years and go up to 27%, it is fair to conclude that the stakes are high.

Withholding taxes

That withholding taxes may be due. A lot of countries within the EU levy withholding taxes in case of crossborder payments. Important questions are whether these withholding taxes can be reduced, based upon applicable tax treaties and whether the withholding taxes can be credited by the recipient against (corporate income) tax that may be due locally.

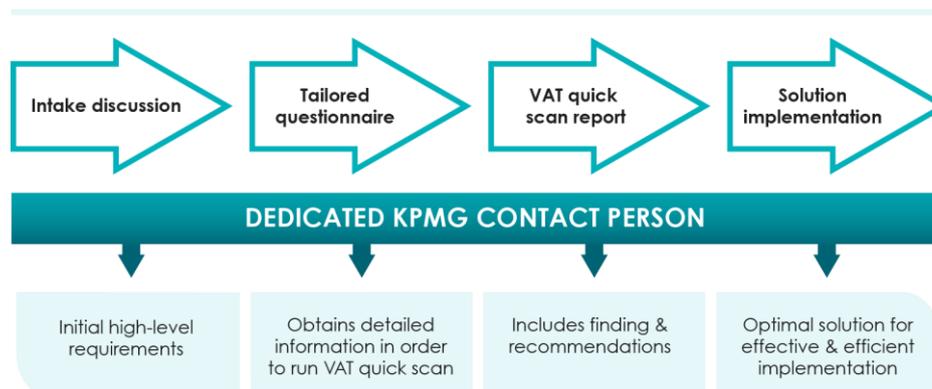
Overall tax structure

That your overall tax structure may be improved by establishing an entity within the EU. When choosing the preferred location various tax aspects play a role, in particular VAT, corporate income tax (how are profits allocated to the EU-entity - 'transfer pricing' - and taxed with corporate income tax) and applicable tax treaties. 'Substance' is becoming more important in that respect. In addition, aspects like labor costs should be taken into consideration as well.

What we offer?

We offer a solution that focuses on getting ready VAT wise to start operating a business in the EU. For operational activities "on the ground" in the EU, we have developed a tax quick scan that will help you to get started, and that provides you with the building blocks to start building your own tax control environment, covering all EU member states and beyond, all tailor made to your needs. We apply a light version of the tax quick scan if you operate your business from the US (i.e. no physical presence in the EU).

Establishing an entity within the EU requires a more tailor-made approach, thereby looking at your envisaged business activity and your existing global tax structure.



Contact your GlobalCollect Account Manager to start optimizing your tax position

www.globalcollect.com/services/payment-knowledge