

# Benefit in Kind Reporting

Benefit in kind 'BIK' is any non-cash benefit that you provide for your employee. Usually, the value of the benefit-in-kind is the cost to the employer of providing the benefit less any contribution by the employee. If your employees earn over a specific threshold, tax must be paid on their benefit in kind. BIK typically occurs on private use of company cars; free or subsidised accommodation; food and entertainment; company loans or use of private company assets.

## KEY ISSUES

- Expense Types - Different requirements for each expense type in each country.
- Visibility – difficult to determine which BIK should be taxed.
- Obligations – BIK must be reported each month in advance of the tax office deadline.
- Compliance – Non-compliance could result in tax office audits, fines and penalties.

## WHAT TAXBACK INTERNATIONAL CAN DO?

- ✓ Taxback International pulls in the required data from your financial systems.
- ✓ Taxback International examines pulled data for transactions subject to BIK.
- ✓ Taxback International BIK auditors analyse your transactions and issues you with a compliant BIK report in advance of the monthly reporting deadline.

## THE PROCESS



Automatic data capture



Analytics tools identify transactions subject to BIK



BIK auditors analyse each transaction subject to BIK to calculate the tax liability



Provide BIK report to client