

# Update

VAT

PRECISE. PROVEN. PERFORMANCE.

## Introduction of VAT in the Middle East

The agreement of the common framework for the introduction of a VAT system in the Gulf Cooperation Council (GCC) countries will mark the beginning of a new chapter for the region.

Being ready and compliant ahead of the impending VAT deadline makes sound business sense. As an international firm, we have the capacity and capability to fully understand your requirements whilst maintaining the agility to provide bespoke consultancy, advisory and assurance solutions in respect of VAT application and compliance. We seek to ensure that your key stakeholders and everyone within your business can readily understand the impact of VAT and how it will affect them.

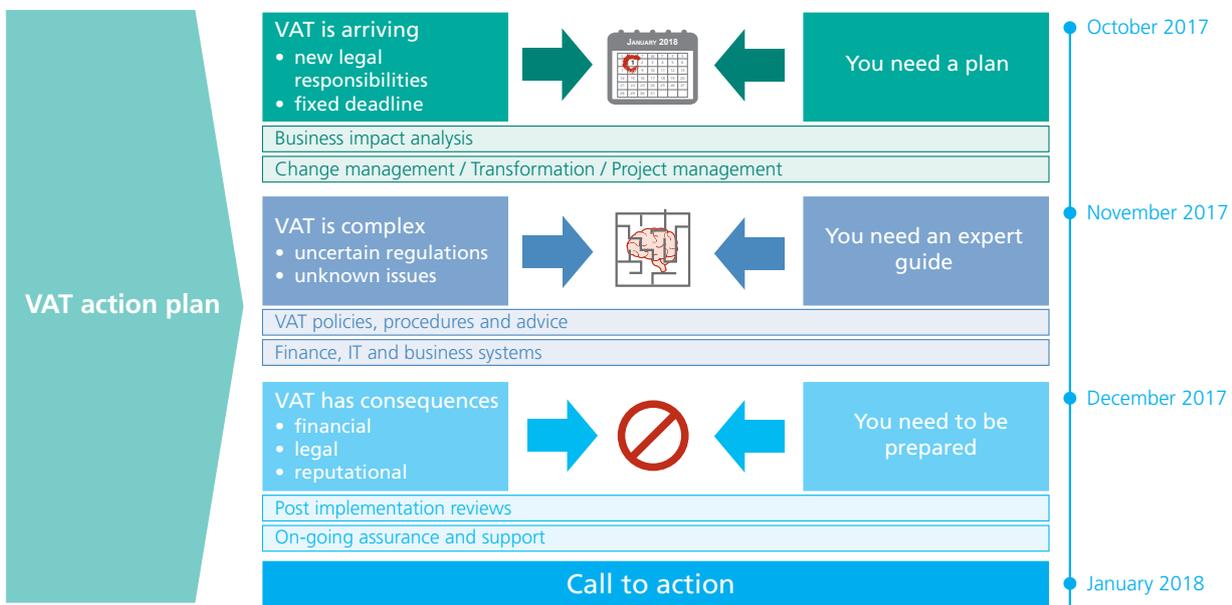
Understanding your VAT liabilities should ensure you remain compliant with legal requirements, maintain a solid reputation and demonstrate the level of integrity expected by customers and suppliers. Further, predicting how consumer or procurement behaviour may change once VAT is established should ensure you are well ahead of those less prepared. Awareness of the implications for your pricing and marketing will put you in a strong position.

Focusing on the key VAT concerns of your business will help ensure continued economic growth, improved resilience and maintenance of consumer, business and public confidence that VAT issues are being handled correctly.

Getting your business VAT policies, processes and controls right from the outset is vital to being able to respond positively to the change in the tax landscape. The need to look at your business processes and develop a clear risk strategy on VAT is essential. The direct tactics and techniques we have developed over the years can be used by your business to ensure VAT readiness and post implementation compliance.

### What do firms need to do?

Getting VAT right first time (and every time) can give your business a competitive advantage during a period of change.



### What are the challenges?

Whatever sector you are in, be it retail, manufacturing, real estate or construction, there are likely to be a number of challenges ahead.

Key challenges and risks to address include:

- ensuring understanding of VAT across the business;
- updating or obtaining IT systems and technology;
- implementing project management and change management;
- ensuring all relevant policies and procedures adequately capture and reflect national VAT law;
- fully understanding the impact on your business, sector and strategy;
- ensuring VAT technical capability is embedded throughout your value chain;
- ensuring legal and regulatory compliance once VAT comes into operation.

Our VAT advisory and consultancy experts can review your organisational design and advise on the most cost effective and efficient organisational structure to support VAT implementation. We can help you define the required tax model and implement the structure.

### What we provide

We can prepare you for the road ahead by supporting:

- VAT change management;
- business VAT transformation;
- development and application of comprehensive training and awareness for VAT implementation and operation;
- VAT risk management.

Our clients comment on our extensive understanding of supply chains and VAT tax process in respect of sales flows and purchase order flows. We involve the whole business including procurement, IT, and finance. We support you to ensure you are ready for VAT implementation and that the right VAT treatments are in place.

Our assurance teams are there to confirm compliance and that returns preparation process is valid and robust. Also, that controls developed to meet VAT requirements generate continuous improvement.

Our IT assurance teams have a wealth of experience in assuring the use of technology to understand how best to automate the amount of VAT required. We can also help facilitate the automation of the preparation and submission of returns.

### Why choose Moore Stephens

We have a wealth of knowledge and expertise in the VAT field, derived from working in steady state countries such as the UK to recent entrants into the VAT arena such as Malaysia (Goods and Services Tax introduced in April 2015). This insight is valuable in making your transition into the VAT environment straightforward. We can apply an integrated approach, taking you through the change cycle from planning and managing the VAT transition, to delivering and implementing the systems, policies and procedures. We are fully equipped to lead you through:

- preparing for the GCC member state VAT framework;
- VAT treaty ratification
- individual national legislation;
- regulation.

Please feel free to contact us to discuss your firm's arrangements.

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