



# Compliance Services

Crowe Horwath International



Audit / Tax / Advisory

Smart decisions. Lasting value.

The professionals of Crowe Horwath International's member firm network are experts in delivering compliance services to multinational corporations (MNCs). This brochure outlines compliance services offered by our member firms.

For international companies, managing compliance with national tax and reporting regulations can be complex and challenging. Whether operating in existing or new markets, it is a challenge to understand local requirements and to maintain awareness of changes and their implications. Reporting deadlines vary considerably. The form and content of national tax, financial reporting and other compliance requirements can be a challenge to understand at an organization's parent level.

Compliance services delivered by Crowe Horwath International's member firms are designed to both respond to current issues organizations face and anticipate the implications of future changes. At Crowe Horwath International, our member firm experts work with clients to develop compliance strategies that are fit for purpose in the tax system of today and tomorrow.

Our professionals are experts in the laws and regulations in their countries. This expertise is there to support MNCs understanding and compliance with the regulations in the places where they conduct business.

## Our experience

We combine cutting edge technology with deep industry expertise to offer MNCs efficient and effective strategies for complying with regulations, meeting consumer demands, and protecting their valuable reputations.

With a worldwide network of professionals who are specialists in the delivery of audit, accounting, taxation and regulatory compliance services, we work alongside each individual client helping them decide on the best way to comply with the regulations in the markets where they do business. Our professionals offer deep expertise in the laws and regulations of their country helping make compliance more cost-effective and efficient.

Crowe Horwath International provides a one-network solution for MNCs. Compliance engagements are project-managed using collaborative resources that facilitate the sharing of information and the reporting of results.

The member firms of Crowe Horwath International are committed to providing clients with an excellent service experience. For compliance engagements, this means that clients are briefed about local requirements and the implications of changes, and are aware of the progress of compliance reporting engagements, including meeting national filing deadlines.

The partners and professionals you work with undergo extensive training to keep technical skills up-to-date. For example, in-person technical training is offered on a regular basis where attendees have the opportunity to collaborate with leaders, subject matter experts, and each other to share information and best practices in standards, practice and regulation.



## Statutory Audit

In many countries, the law requires that financial statements of companies (and other legally established forms of business) receive an annual audit from a registered firm of independent auditors. Crowe Horwath International member firms can support MNCs in understanding statutory reporting requirements.

Law prescribes the form and content of the financial statements, and the standards that have to be applied for the conduct of the audit. Financial statements usually have to be prepared in accordance with national Generally Accepted Accounting Practices (GAAP). National GAAP often is closely related to International Financial Reporting Standards (IFRS), although there can be significant local differences in application. The form of the financial statements may be influenced by the country's tax code, because the financial statements are also used for tax reporting.

The audit firm will need to be locally registered and conduct the audit in accordance with the country's framework of auditing standards. In most countries, national audit standards are

identical to, or closely related to, International Standards on Auditing (ISAs). The law of the country prescribes the form of the audit report to be delivered.

The legal structure of an MNC is often very different from its commercial structure, meaning that the audit of the group financial statements has a very different focus from the audit of individual statutory financial statements. In many MNCs, statutory audits will be required for components that are immaterial to the audit of the group financial statements. The deadlines for filing audited statutory financial statements are considerably longer than those for publishing the audited results of the group.

The differences in the requirements for statutory audit, means that MNCs can gain value and efficiency from separating the statutory audit of some or all of the legal components of the group from the audit of the group financial statements.

## Corporate Income Tax Compliance

Our member firm experts help MNCs develop a tax-efficient global structure. We bring together experienced global tax resources with in-depth knowledge of tax legislation, regulations and reporting requirements worldwide.

We work with clients to develop tax strategies that are fit for purpose in the tax system of today and tomorrow. We help our clients understand their current obligations and how their taxation may change in the future.

Corporate income tax compliance services include:

- Computation and assistance in preparation and submission of annual corporate income tax returns and related advance corporate income tax payments;
- Assistance in preparation and submission of any periodic tax return and annual tax report for both resident and non-resident corporate bodies;
- Preparing or reviewing tax strategies for multinational organizations and
- Advising on the implications of changes in fiscal policy, whether at the national or multinational level.

## Corporate Income Tax Accounting

Crowe Horwath International member firms support businesses in their accounting for corporate income taxes and preparation of their tax provisions. With our support, a business can improve the efficiency and accuracy of the tax compliance and provision process. Risk is reduced and tax reporting becomes timelier.

Our services are customized for each client and include:

- Providing expert staff to support the accounting function;
- Provision of technical support to help with the application of tax laws and regulations, and accounting standards and
- Outsourcing of the tax accounting and provision process.

The corporate income tax accounting service covers:

- Year-end tax calculations and accounting entries;
- Opening tax entries for new financial years; and
- Assisting with applying new tax rates, changes in the group structure and composition, and the entry into new countries.

Our tax specialists can review an MNC's tax accounting to effectively structure both tax planning and tax financial reporting.

## VAT / GST Compliance

Over 200 countries have adopted a Value Added Tax (VAT), Goods and Services Tax (GST) or a comparable sales tax regime. In addition, in most countries, customs duties are levied on importation of goods. Such taxes are called "indirect taxes" because the tax is borne by the end consumer but paid to the tax authorities by retailers and other service/goods providers. In 75% of the countries that levy such a tax, indirect tax is the largest part of the state income. In the European Union, VAT and Customs duties account for approximately EU1.9 trillion of income each year.

Countries have extensive and demanding indirect tax regulations. The member states of the European Union have adopted a VAT and customs regime that is standardized, although each member state has implemented additional regulation.

Penalties for non-compliance are severe and can be as much as 100% of the tax due. Indirect tax is in general levied over the gross turnover or value and not just over the profit. The financial risk is high.

When a company trades in a country where an indirect tax is levied, in most situations, a local registration is necessary. Furthermore, local indirect tax returns have to be filed periodically or at entry of the goods/services. In general, the filing period can vary between monthly, quarterly and/or yearly returns.

Crowe Horwath International's member firm indirect tax specialists assist clients with the registration and filing of returns. In the European Union, a client can choose to have one point of coordination for all European Union member states. The indirect tax specialists can also assist with the set-up of the supply chain in order to minimize the indirect tax burden. It can be very beneficial to use local indirect tax rules to mitigate severe administrative or financial disadvantages.

Our member firms help clients with:

- Minimizing supply chain disadvantages;
- Advising on customs procedures;
- Advising on the indirect tax implications of transactions;
- Registering for indirect tax purposes;
- Filing of special rulings;
- Applying for special regimes to minimize a trade burden and
- Filing of periodical indirect tax returns.



## Financial Reporting Support

Crowe Horwath International's member firms provide clients with support in the application and implementation of International Financial Reporting Standards (IFRS) and United States Generally Accepted Accounting Standards (US GAAP).

Financial reporting support includes:

- Assistance in the preparation of financial statements and/or consolidation returns that comply with IFRS and US GAAP;
- Reconciliation between national GAAP and IFRS or US GAAP;
- Application of new IFRS and US GAAP requirements;
- Design and testing of IFRS and US GAAP reporting systems;
- Training in IFRS and US GAAP requirements and
- First time IFRS adoption.

Our network of IFRS and US GAAP experts follow closely developments in accounting standards. This expertise can be applied to support clients with their efficient and compliant application of accounting standards at both group and component levels.

## Outsourced Accounting

Companies often seek assistance with their financial or management accounting, or with their accounting procedures.

The member firms of Crowe Horwath International offer services that provide companies with a permanent or temporary accounting solution. Solutions are customized to meet the individual client's requirements.

As a network with member firms in over 130 countries, Crowe Horwath International member firms can provide efficient cross-border accounting solutions, including:

- Preparation of monthly management accounts and reports;
- Permanent or interim staffing;
- Support at new business locations;
- Management of payrolls, including payroll tax support and
- Outsourcing to a shared service location.

## Supply Chain Compliance

International manufacturers, suppliers, and distributors are experiencing unprecedented regulatory and reputational pressure to investigate and disclose the details of their supply chain.

The US Conflict Minerals Rule under the Dodd-Frank Act introduced a new level of product disclosure aimed at combating the humanitarian crisis in the Democratic Republic of the Congo. Hundreds of thousands of public and private companies are impacted. The European Union and other countries are evaluating similar legislation.

Human trafficking laws in the US and the UK have introduced new reporting and disclosure requirements. Genetically modified foods, sustainable palm oil, and a host of chemicals commonly used in consumer products are also subject to various tracing regulations.

The scope of supply chain reporting will grow, through a combination of legislation and best practice expected by stakeholders.

Our member firms have developed deep expertise in these regulations and assist companies in many industries with the design, implementation and management of compliance procedures.

We combine cutting edge technology with deep industry expertise to offer our clients efficient and effective strategies for complying with regulations, meeting customer demands, and protecting their valuable reputations.

## Global Mobility Services

The relocation of employees across international borders as well as the deployment of frequent business travellers internationally is a common occurrence for organizations seeking to extend their global presence.

This international activity brings immense complexity in the form of income tax and regulatory requirements, payroll reporting and withholding, employment law and immigration as well as social security compliance.

At Crowe Horwath International, we understand the increased complexity of international mobility and the related compliance requirements. Our Global Mobility Services (GMS) team members use their knowledge of both individual and corporate tax compliance along with the personal experience accumulated from the international assignments that they have worked on.

We apply all our experiences to the proper focus on planning and processes and attention to detail to affect a comprehensive and efficient solution for your international executives.

Our GMS compliance and advisory portfolio includes:

- Employer compliance risk mitigation and cost reduction reviews;
- Minimizing corporate tax risks associated with international executives;
- Payroll reporting and withholding requirements;
- Individual income tax planning and compliance;
- Global equity compensation reporting along with trailing liability management;
- Employment law review and immigration requirements and
- International social security planning.

Crowe Horwath's GMS team helps companies navigate the maze of uncertainty and avoid pitfalls associated with a globally mobile workforce.

## Contact Information

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## About Us

Crowe Horwath International is ranked among the top 10 global accounting networks with more than 200 independent accounting and advisory services firms in over 130 countries around the world. Crowe Horwath International's member firms are committed to impeccable quality service, highly integrated service delivery processes and a common set of core values that guide decisions daily. Each firm is well established as a leader in its national business community and is staffed by nationals, thereby providing a knowledge of local laws and customs which is important to clients undertaking new ventures or expanding into other countries. Crowe Horwath International member firms are known for their personal service to privately and publicly held businesses in all sectors and have built an international reputation in the areas of audit, tax and advisory services.

[www.crowehorwath.net](http://www.crowehorwath.net)