

**The world's increasing focus on compliance and its impact on
managing your tax position**

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‘Compliance’, what does it imply?

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- *“In general, compliance means conforming to a rule, such as a specification, policy, standard or law”*
- *“Compliance means conforming to stated requirements defined for example in laws, regulations, contracts and ethical codes”*

Background to increasing emphasis on compliance

- 'We' do not want 'that'...
- 'That' being:
 - tax evasion;
 - 'unfair' or 'aggressive' tax avoidance;
 - money laundering;
 - facilitating crime / terror;
 - major crises in banks or other MNE's.
 - etc.
- Agreed?

It works top down...

- Government <-> 'the public'.
- Lower tiers of government.
- Proxies.
- Citizens, companies.

... and it shifts responsibility,
often accompanied by fear.

- With what exactly (and who is asking)?

“In general, compliance means conforming to a rule, such as a specification, policy, standard or law”

- Some buzz words:
 - Fair share.
 - Aggressive tax planning.
 - Transparency.
 - Ultimate beneficial owner.
 - Tax compliant.

Nevertheless, all things considered you and your client want / need to...

- make sure you provide the required information to:
 - regulated entities like banks;
 - the inland revenue (either about yourself or your client);
 - the auditors;
 - certain bodies, like Chambers of Commerce;
- live by the rules;
- as not complying is not an option.

But, what is 'information' and what are the rules?

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- Not just simple 'facts'.
- It often requires skill, knowledge and experience to determine what the answer to a question should be.
- And the question or the answer to a question could be subject to interpretation, causing the risk of giving a wrong, albeit sincere, answer.

Which provision of information:

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- will not necessarily save you from discussions and penalization.
- may be followed by being shared with an increasing amount of other parties.

Cases..

- Trusts and tax compliance.
- Opening a bank account on behalf of a Trust.
- Being a PEP, and opening a bank account.
- To publish annual accounts, or not.
- The European UBO register (01-01-2017).
- A covenant with the Inland Revenue.

A challenge, for tax advisors.

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- Where does it leave us?

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