

IFA 73rd Annual Congress London, United Kingdom

OUTLINE

INDIRECT TAXATION AND FINANCIAL SERVICES

SEMINAR C | Tuesday, 10 September 2019 | 13.30 – 15.30

Chair

Jennie Rimmer (United Kingdom)

Panel members

Joanne Clarke (UAE)

Karl-Heinz Haydl (Germany)

Daniel Lyons (United Kingdom)

Bevan Miles (New Zealand)

Saibh Young (United Kingdom)

Secretary

Shan Sun (United Kingdom)

Overview

Indirect Tax is often not given the time and attention it deserves, particularly in the context of planning, M&A and Tax Risk, and the result can be a strain on cash flow and balance sheet reserves. Whether you are an adviser, a policy maker, a Head of Tax or an indirect tax specialist, this session will broaden your understanding of how effective indirect tax management can add real value to the bottom line.

With cash flow always key for business success, the ability to manage indirect taxes is essential. But it is often hard to persuade the front end of the business to focus on it, and to seek advice at an early stage of business change and projects. Equally, seeking funding for tax technology requirements which many be imposed externally (eg Making Tax Digital in the UK, or electronic invoicing for VAT in parts of Europe), where there is no tangible benefit to the business, can be challenging.

This session aims to provide delegates with practical examples of live challenges, jurisdictional differences, and suggestions on how to manage the indirect tax function that is so important to any global business. Our panel of experts bring a diverse range of experience which will allow ideas and thoughts to be shared, challenged and explored.

In order to explore this topic for financial services groups in particular, we will cover the following topics:

- Increased importance of Indirect Tax globally – business impact
- Indirect tax trends in Emerging Markets – why and where?
- Tensions between Indirect Tax policy and practical application
- Managing risk versus increased costs of administration
- Compliance – keeping up with constant business process changes, Indirect Tax Audits – approach and resolution
- Increased use of Technology by Tax Administrations for monitoring Indirect Tax

We will explore:

- the key findings from the OECD's 1998 Report on the Indirect Tax Treatment of Financial Services and Instruments
- some of the significant indirect tax cases and their impact on financial services
- VAT or equivalent taxes being introduced in new locations – what are the drivers, how are the new taxes similar or different from those which have long established. What treatment is given to the classification of financial services businesses? Does the implementation of new Indirect Tax Policy align with reality?
- What items are treated as standard rated, zero rated, exempt in various locations and what is the difference?

- Insurance premium taxes are either payable or not, there is no recovery. This is in contrast with VAT/GST where typically some recovery is available. What is the rationale for this and is it sustainable?
- Do businesses truly understand the impact of indirect tax, and do they give it enough attention? For financial services it is a true cost to the business and yet it can be mitigated to an extent with proactive planning and modelling to ensure maximum recovery where possible.
- Indirect taxes are likely to bear the brunt of change under Brexit. Change will be particularly pertinent for financial services and could increase the expense of doing business in the UK, both through changes to recovery and increased compliance costs in Europe.
- Risk Management