

# VAT SEEMS TO BE THE PROBLEM HERE!

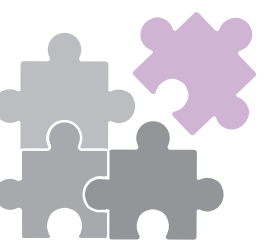
Managing tax-related payments and recoveries as well as account reconciliations.

The client is a multinational company that specialises in manufacturing paints and performance coatings.



## CHALLENGES

The client has registered for VAT payments in 17 European countries, and as such, was facing issues in:

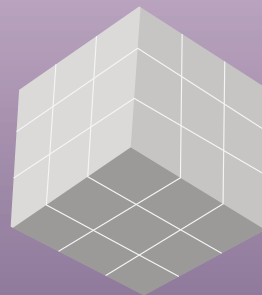


• Portions of documents on VAT accounts unreported in VAT declarations

• Past and potential VAT not deducted from payment

• Loss of possibility for VAT reimbursement as well as lack of sufficient control, leading to high penalties

As per law in each country, the client is allowed to carry out corrections within a limited period of time, and after that period, VAT cannot be reclaimed.



## SOLUTIONS

Infosys BPM was handling the VAT declarations for the client and implemented several measures:

- ▶ Carried out a detailed analysis of open items on VAT reconciliation account for data reported in VAT declarations to amounts with pending on VAT account to VAT payments and recoveries from tax authorities
- ▶ Prepared VAT corrections for previous years for France, Belgium, Sweden, and Poland locations, which were submitted by the client to the tax authorities
- ▶ Cleared reconciliation accounts versus recoveries received from the tax authorities
- ▶ Redesigned the VAT declaration template to enable faster identification of excluded documents that need to be reposted by the P2P team



## BENEFITS

With the Infosys BPM approach, we were able to:

- ▶ Recover €387,356 for the client in France, Belgium, and Sweden locations, with an additional recovery of €134,000 in Estonia, France, Italy, the Netherlands, Switzerland, UK, Sweden, and Germany
- ▶ Recover €110,000 in Poland as well as €116,000 in remaining locations
- ▶ Increase quality for VAT accounts
- ▶ Save time spent on VAT declaration preparation due to reduction in open item



An additional €1,02,8277 for the client is expected to be reclaimed this year from the tax authorities.

For more information, contact [infosysbpm@infosys.com](mailto:infosysbpm@infosys.com)

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