

TAX SERVICES

# SECURING ALL THE DETAILS

International tax and transfer pricing



# ABOUT BDO

AS THE SOUTH AFRICAN MEMBER FIRM OF BDO INTERNATIONAL, WE HAVE BEEN DELIVERING EXCEPTIONAL SERVICE TO OUR CLIENTS SINCE 1963.

WE OFFER A TAILORED APPROACH TO EVERY CLIENT AND ARE AGILE AND QUICK IN RESPONDING TO CLIENT DEMANDS.

WE BELIEVE IN LISTENING TO OUR CLIENTS, UNDERSTANDING THEIR EXPECTATIONS AND DELIVERING THE CALIBRE OF SERVICE ASSOCIATED WITH A LEADING GLOBAL FINANCIAL SERVICES FIRM.

## DELIVERING EXCEPTIONAL TAX SERVICE

The tax profession has a strong role to play in assisting in the development of tax regimes around the world and that they remain effective.

In our daily activities:

- We work in accordance with the ethical framework applicable to our profession, as well as our own firm's stated purpose, values and code of conduct.
- We contribute to the development and operation of a tax system that is fit for purpose and understood.
- We help our clients and our people make informed, balanced and considered decisions on tax, understanding the broader stakeholder context; this includes advising on tax incentives introduced by Governments.

We work with our professional associations to maintain the quality of our tax advice and to ensure that it is undertaken within a robust ethical framework. We welcome comments on the work that we do and continually look for ways to ensure that these frameworks are relevant, up to date and operate to the highest standards.

## INTERNATIONAL TAX AND TRANSFER PRICING

BDO's International Tax and Transfer Pricing practice assists clients in dealing with the international tax consequences of cross-border transactions and intercompany pricing issues. We identify planning opportunities and assist with compliance and audit resolution. We develop sound international tax and transfer pricing policies that are flexible and congruent with your company's overall tax planning.

Our team comprises of economists, tax practitioners and financial analysts to assist with issues such as transfer of tangible products; development, transfer or sharing of intellectual property; provision of beneficial services; and inbound and outbound financial arrangements that involve intercompany funds.

BDO's approach integrates our international and local tax, and transfer pricing resources, and includes the development of cross-border tax strategies.







## BASE EROSION AND PROFIT SHIFTING

The work of the G20 and the OECD on the Base Erosion and Profit Shifting project (BEPS) has stimulated a significant amount of tax reform in countries across the globe. We welcome the work undertaken in developing international consensus of how individual countries should apply their tax rules in a cross border environment.

In producing such reform, it is important that clarity and certainty as to how activities/profits are taxed is provided, so that international investment and trade is encouraged and flourishes. We welcome the opportunity to engage in such areas of discussion and the new G20 project on tax and growth, focussing on addressing areas of tax uncertainty. We recognise the important contribution that business and their advisers can make in ensuring that tax systems operate effectively and do not undermine global trade.

In considering any reform, we would expect a tax system that supports global trade to:

- **Tax profits once** – it should be clear where trading profits will be subject to tax. Allocation of profits will generally follow where the activity, risk or capital is genuinely located, in line with the substance principles of the OECD BEPS action plan. Double taxation should be avoided.
- **Be part of a competitive environment** - Countries which continue to compete to attract investment and tax incentives will play a part as one of the levers. Countries will retain fiscal sovereignty and the ability to choose what and how much (rate and base) to tax. Multinationals should fully understand and can be expected to respond to such incentives.
- **Be transparent** – clarity by governments on how their tax systems work will allow both taxpayers and other governments to understand the approach being taken and the potential impact on their respective countries.
- **Be certain** – Getting certainty at country level of what is intended to be taxed and how will go a long way to ensuring multinationals can make long term investment decisions and then contribute in the way that governments intend.
- **Include effective mechanisms for resolving uncertainties swiftly** – Compliance with the tax system should be effective, efficient and fast, with a speedy resolution to any disputes which arise, whether domestically or cross-border. Efficient processes for agreement with and between tax authorities on the profits attributable to territories, following clear and consistent principles, will be imperative, as will efficient and secure processes for the sharing of information between tax authorities.
- **Provide the opportunity for active cooperation** with taxpayers, to avoid disputes, drive efficiency and deliver an effective tax system with minimal negative distortions.

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# BDO TAX SERVICES

## **CORPORATE TAX CONSULTING**

We advise companies and individuals on their taxes, assist with comprehensive tax planning and implementation thereof.

## **CORPORATE TAX COMPLIANCE**

We assist clients to meet all their legal obligations, including completing and submitting their income tax and/or IRP6 returns. We check your income tax assessments and statements of account, maintain comprehensive tax records on your behalf and assist in lodging objections and appeals with SARS.

## **INDIVIDUAL AND EXPATRIATE TAX**

BDO has extensive experience in assisting with individual, trust, estate, and expatriate tax compliance and consulting. We also advise on improvement of PAYE management processes by identifying cost-saving and planning opportunities, as well as cross-border employment tax services.

## **INTERNATIONAL TAX AND TRANSFER PRICING**

We specialise in international tax planning, the preparation of transfer pricing policy documentation and supporting benchmarking studies, conducting risk reviews and resolving transfer pricing disputes.

## **VAT AND CUSTOMS**

VAT and Customs and Excise duties are increasingly presenting onerous responsibilities to business. BDO advises companies on a wide range of indirect taxes including compliance and reporting, dispute resolution and tax planning and implementation.

## **EXPANDING INTO AFRICA**

For organisations looking to capture business opportunities provided by other African countries, our team can assist in minimising risk and maximising potential. Through BDO's extensive network in almost every African country, BDO is able to identify the latest developments as they pertain to a particular business venture.

## **TAX ACADEMY**

The BDO Tax Academy recognises that one should be able to apply tax technical knowledge in practise. Through a number of tax experts we deliver a range of training workshops plus we can tailor-make a client specific workshop to suit your unique needs. Please direct any requests and queries to [taxacademy@bdo.co.za](mailto:taxacademy@bdo.co.za).

## **TAX PUBLICATIONS AND BDO TAX FORUM**

We produce a range of tax publications to keep clients abreast of changes to legislation and the implications for companies and individuals. If you would like to receive these via email, please subscribe on our website. BDO also hosts a BDO Tax Forum, on an ad-hoc basis and free of charge, which is done through workshops or presentations on tax technical issues, including topical issues, new developments and other areas of interest.

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*"BDO in South Africa provides audit, tax, and advisory services to a broad range of clients - from large JSE-listed companies to individuals and small and medium sized entities."*

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**WE TAKE IT PERSONALLY. FOR FURTHER INFORMATION, PLEASE CONTACT US:**

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