



vat's important
Process management

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In our August edition of *vat's important*, we described how important it is to know and keep track of your supply chain. However, for companies that operate internationally, this is easier said than done. How can I make sure that the transaction mapping set up (see our [August Newsletter](#)) is really complied with? Today's newsletter provides valuable tips.

It's a regular occurrence that employees change their position within the company or look for and accept other offers in the market. These can even sometimes leave their position from one day to the next and their email accounts are shut down. In the company itself there can be a lack of adequate handover of open issues and instructions concerning work processes to the successor and, even when this sort of handover takes place, this point or the other usually gets forgotten.

What does this mean for my company?

A switchover in staff often means that not all information is passed on, documents get lost, filing systems are not transparent, and so on. When managerial staff leave, important documentation, copies of submitted invoices, rulings and similar can go missing.

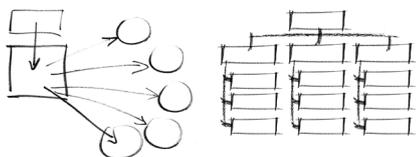
In the best case, the local tax authorities can be requested to send the documentation that had been submitted – which can itself lead to some extremely awkward conversations. The worst-case scenario would be an audit before the documents can be located. A (cost-) intensive, complex and time-consuming catch-up process would be the consequence.

What do I have to think about?

"Processes" are what is required in these situations and these are not limited to ensuring that the tax returns are submitted on time. Rather, it's about guaranteeing compliance with all essential (tax-related) regulations for the company. Which individual actions must be carried out when and by whom, in order to achieve a certain goal?

The following topics can be established:

- Organisational structure of the company
- Who is responsible for what types of tax?
- Who is responsible for meeting deadlines?
- What steps (data collection, draft, review, release) are required up to the submission of the tax declaration?
- Where are documents filed – electronically and/or physically?
- Who must be notified about submission of the declaration in order to be able to continue with further processes (e.g. payment processes and accounting)?
- Where can information on potential legal developments be found?



Processes are „living“ documents and must be regularly evaluated and adapted. Once processes are implemented, adhered to and, when necessary, updated, this will increase the efficiency, transparency and quality of the procedures in place. Processes do not have to be restricted to tax matters per se but they are of great importance in the area of VAT, not least of all because an up-coming audit can be prepared with low costs and time investment and ultimately executed quickly and smoothly.

These days, successful company management is no longer possible without process management. We are happy to assist you in the implementation and optimisation of VAT processes.

With best regards from your VAT team

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