



Indirect Tax Complexities

April 2022

For Discussion Purposes



Indirect Tax

Sales Taxes

Sales tax rules are constantly changing and increasing in complexity. Managing your tax obligations can become overwhelming and lead to cash flow implications, lost opportunities and time consuming audits.

It is more important than ever to pay careful attention to compliance processes and reporting obligations for:

- Goods and services tax (GST/HST);
- Quebec sales tax (QST) and provincial sales tax (PST);
- Value added taxes (VAT) in European Union;
- Sales and use tax in the United States.



Trade and Customs

KPMG can offer invaluable assistance through the development and implementation of strategies to help manage import costs and address compliance issues. We will examine the application of customs duty to your business in order to identify instances where duty has been paid in error or duty that, while correctly paid, is recoverable.

Risk Management

- Pre-Audit Reviews
- Compliance Procedures Manual
- Security Review
- Customs Duty Recovery Review
- Fines and Penalty Mitigation

Advisory /Recovery Services

- Tariff Classification
- Rules of Origin
- Customs Valuation
- Duty Relief
- CARM



Environmental Levies

Environmental Levies are of growing importance when considering a business' supply chain management. Across Canada, businesses are required to become "stewards" and consider the overall environmental impact of the products that they sell or distribute. Whether you are a brand owner, the first importer or a franchisor, there may be different implications on environmental levies that you may be liable to pay

Stewardship Programs includes:

- Paper and Product and Packaging (Blue Box)
- Electronics
- Municipal Household Hazardous Waste (Orange Drop)



Payroll Taxes

Businesses in Canada are legislatively required to be compliant with various government authorities. There are more than 200 federal and provincial payroll regulatory requirements. Payroll taxes are a significant cost of doing business. Even a slight error in calculation of payroll taxes may lead to significant costs.

Payroll taxes includes:

- Canada/Quebec Pension Plan (CPP, QPP)
- Employment Insurance (EI, QPIP)
- Employer Health Tax (EHT, HE Levy)
- Workplace Safety and Insurance Board levies (WSIB/ WCB /CSST)
- Other Tax Credits and Incentive Programs



Service Lines



Reverse audit services

You can add value to your bottom line or reduce proposed assessments by identifying missed indirect tax credits and overpayments. A reverse audit can help you identify missed opportunities and determine the root causes of these missed credits and rebate claims. Our global data and analytics tools provide deep insight into transactional data to help identify opportunities and risks. Leveraging the analytical capabilities of these tools, we can transform your data into knowledge and benchmarking statistics to help you meet your indirect tax requirements.



Advisory services

Your industry, corporate structure, national and international sales, intercompany transactions, global procurement strategies, location sites and upcoming expansions can all affect your indirect tax obligations. We can help you meet your indirect tax challenges, review your options for upcoming transactions and manage your tax costs and risks.



Indirect Tax litigation and dispute resolution services

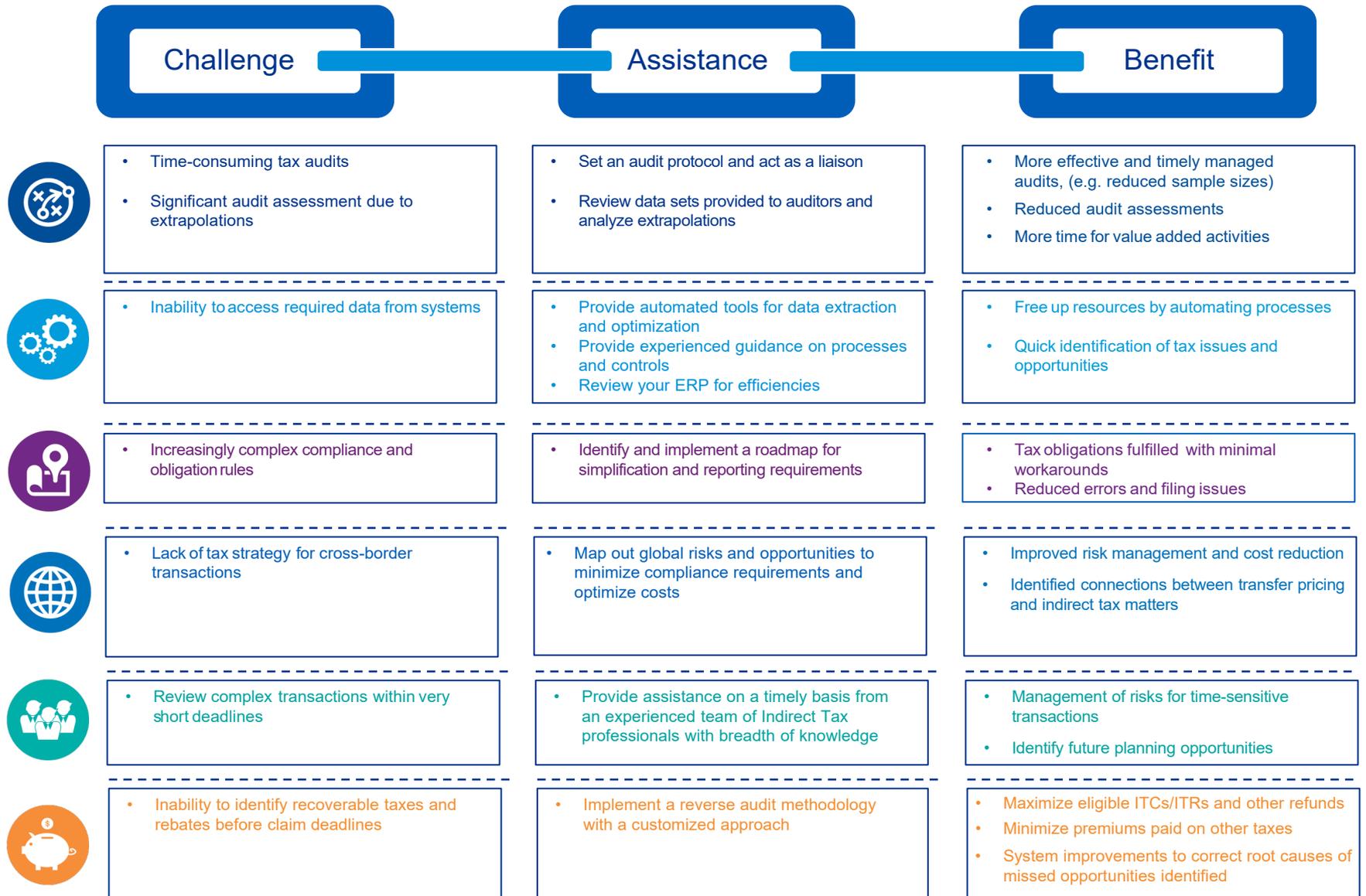
An audit strategy can help you save time and money during a tax audit. Your strategy should include processes and guidelines for your team to answer queries and provide information to tax auditors. We can help you manage every step of your tax audits, including reviewing audit sample sizes and error rates, identifying missed opportunities and addressing technical issues. We can also help you identify missed opportunities to mitigate potential exposures.



Managed services

If you operate in various jurisdictions, preparing and filing of all your indirect tax returns can be time consuming. We can help you meet your indirect tax compliance obligations while freeing up more time for other value added activities. We can also identify new compliance obligations as your operations change and tax laws evolve.

Value Proposition





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