

Newsletter:

Corporate tax health check service – A comprehensive solution to ensure financial and legal compliance



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In Brief

In a challenging business environment, tax review and optimization not only help businesses save costs but also protect their reputation and ensure sustainable development. Our **Corporate Tax Compliance Audit Service** is more than just a review of financial data; it is a comprehensive solution that helps businesses identify risks early, improve processes, and optimize financial strategies.

Key Takeaways

1. Why do businesses need a tax compliance audit?

1.1 Preventing the risk of unexpected tax audits, which are often conducted without prior notice, where even minor mistakes can lead to:

- Administrative penalties with substantial costs
- Retroactive tax claims over multiple years, directly impacting cash flow.
- Damage to the company's reputation, especially with partners and clients.

To avoid falling into these situations, conducting regular tax compliance audits is crucial. This process helps businesses identify potential errors early, review transactions, and ensure that tax documentation is in full compliance with legal standards. Furthermore, it provides an opportunity for businesses to strengthen their tax management systems, ensuring compliance and proactive preparation for audits. A tax compliance audit is not only a preparatory measure but also a long-term protective strategy, helping businesses minimize risks, optimize costs, and maintain a professional image in the marketplace.

1.2 Optimizing Tax Benefits is essential as in practice we have encountered numerous business that have missed opportunities such as:

- Value Added Tax (VAT) deductions for eligible transactions.
- Corporate Income Tax (CIT) refunds from qualifying investments.



According to regulations, export businesses have the opportunity to benefit from a 0% VAT rate on eligible transactions. This not only helps reduce the tax burden but also provides significant advantages in receiving VAT refunds for raw materials used in export activities. However, this process requires businesses to strictly comply with documentation, contracts, and bank payment requirements. Failure to conduct a thorough review may result in the denial of tax deductions or refunds, leading to unnecessary losses.

Additionally, investment projects in Vietnam, particularly in the manufacturing and high-tech sectors, often benefit from various corporate income tax incentives, such as tax exemptions or reductions in the initial years, or lower tax rates. This presents an opportunity for businesses to reduce their tax liabilities and increase reinvestment capital. However, ensuring that investment documentation complies with regulations is crucial to qualifying for these incentives.

Optimizing tax benefits is not only about cost reduction but also an essential growth strategy for businesses of all sizes, from small local companies to large organizations involved in export activities or long-term investments in Vietnam. Through a tax compliance audit service, businesses will undergo a comprehensive review of transactions and investments, ensuring that no tax benefits are overlooked. This is a practical solution to maximize benefits, minimize risks, and enhance the efficiency of financial resource utilization.

1.3 Ensuring Compliance and Sustainable Development in an increasingly stringent business environment with legal regulations and standards, ensuring transparent and compliant tax records is not only a legal obligation but also the foundation for sustainable business growth. A well-managed tax record provides significant benefits:

Building trust with partners, banks, and customers as a business with transparent tax records will easily convince partners and customers of its professionalism and reliability. With a compliant tax system, the business will easily pass financial due diligence processes, expanding opportunities for collaboration and investment.

Avoiding legal and financial risks. Errors in tax filing not only expose businesses to administrative penalties but also damage their reputation and credibility. In more serious cases, businesses may lose opportunities or suffer significant financial losses due to suspension of operations or retrospective tax assessments. A compliant tax management system effectively eliminates these risks, ensuring stability in business operations.

Enhancing competitiveness. In the market, a transparent and compliant business is always held in higher regard, not only by customers but also by regulatory authorities. This reduces the risk of audits and allows the business to focus its resources entirely on business development

Contributing to sustainable development. Tax compliance not only ensures short-term benefits but also creates long-term value for businesses. With a transparent tax system, a business can establish a professional working environment, foster trust and cohesion within the organization, and thereby strengthen the foundation for stable and sustainable development.



2. How do we ensure your tax records remain in "good health"?

Step 1: Assessment and Orientation

Our approach goes beyond a standard review; we start by understanding the unique characteristics and business objectives of your organization. Following an in-depth consultation, we:

- Identify the specific taxes and areas to be reviewed.
- Recommend tailored procedures aligned with your business's condition and needs.

Step 2: Detailed Data Collection

We work closely with your team to:

- Gather complete tax filing records, bank statements, and accounting books.
- Ensure no critical information is overlooked, laying a solid foundation for the subsequent review steps.

Step 3: Comprehensive Tax Record Review

Reviewing tax returns: Ensuring all information is complete and accurate in accordance with legal requirements.

Reconciling figures: Comparing data on tax returns with schedules and detailed calculations to identify errors in formulas or the application of tax rates.

Evaluating transactions: Conducting an in-depth analysis of income and expenditure transactions to eliminate invalid items, mitigating the risk of tax reassessment or denial of deductions/refunds.

Step 4: Reconciling Transactions and Accounting Records

Reconcile each transaction listed in the tax schedules with the accounting records to ensure that all taxable items, including both revenue and expenses, are accurately accounted for.

Conduct a meticulous review to identify and address any unclear or potentially non-compliant transactions, minimizing the risk of challenges or disallowances.

Step 5: Detailed Documentation Review

Randomly select samples or focus on significant transactions to review detailed documentation. Ensure that all documents are not only legally valid but also accurately reflect the nature of the transaction, providing businesses with peace of mind when facing tax audits.

Step 6: Reporting and Solution Recommendations

After completing the review, prepare a detailed report explaining the findings, including:

- Errors that need correction.
- Solutions for rectifying and improving the tax filing process.

For more complex issues, engage directly with the client to propose the most optimal solutions.



Step 7: Risk Prevention Recommendations

We not only address current issues but also assist in building a more effective tax management system for the future through:

- Training personnel on proper tax filing principles in accordance with regulations.
- Recommending improvements to tax management processes and tools.

3. What Makes Our Services Different?

- **Top Experts:** Our team consists of highly experienced professionals in the fields of law, taxation, and finance.
- **Personalized Solutions:** Every business has its own unique characteristics, and we are committed to providing the most suitable solutions for you.
- **Absolute Confidentiality:** Your business information is always 100% securely protected.
- **Comprehensive Support:** We not only conduct reviews but also assist you in implementing necessary improvements.

Take Action Now to Protect Your Business!

Conclusion

Don't let tax errors affect your business's finances and reputation. Our **tax compliance audit service** will help you identify risks, optimize tax benefits, and ensure solid compliance.

Contact us today for consultation and the best solutions! We are committed to supporting you, providing peace of mind, and delivering exceptional value for your business.

The article contains general information, which is of reference value, in case you want to receive legal opinions on issues you need clarification on, please get in touch with our Lawyer at info@cdlaf.vn.