

# International Tax Services



Navigating the complexities of international tax and accounting is a challenge to companies of all sizes. Globalization is both rich with opportunities and fraught with risk. On one hand, operating in multiple jurisdictions affords opportunities to improve cash flows, reduce costs and maximize profits. On the other hand, the web of tax laws and regulatory requirements demands skillful and expert advice.

**Our International Tax Practice can help you align your overall business objectives with the most tax efficient structure for your business. The net result is to minimize your global effective tax rate and to maximize profits and cash flow.**

## HOW WE CAN HELP

### • Business Plan

Critical to the success of international expansion is a sound business plan. The plan should be realistic based upon the business and cultural environment of the home and host jurisdictions. We can assist you with development of a business plan based on your specific facts and objectives. The plan is tailored to your method of entry into new markets. Whether you begin as an exporter with local country independent distributors or purchase an existing manufacturing and distribution business, your success depends on thorough planning and realizable goals.

### • Export and Import Benefits

Your competitors take advantage of all import/export incentives. The use of free trade zones and economic incentive districts can make the difference between the success or failure of your foreign businesses. Use the same advantages your competitors use with tax holidays. The US has supported exporters through an array of tax-favorable structures. For US manufacturers this currently includes the interest charge domestic international sales corporation (IC-DISC) and the domestic production deduction. Many of these same types of programs are available in countries around the world.

### • Planning for Indirect Taxation

Indirect taxation includes customs duties, value added taxes, sales tax, etc. Duty drawbacks and free trade zones are techniques to minimize indirect taxation and maximize cash flow. How your product is warehoused locally, and where the title is passed has a significant impact on cash flow and foreign tax credit utilization. Improve your cash flow and bottom line with a thorough understanding and analysis of the indirect tax burden your company carries.

### • Unified Global Strategy for Tax

Development of a unified global strategy for tax enhances performance. A unified strategy with tax and treasury assists in the efficient use of funds, avoids unnecessary tax costs, and helps to minimize risk. A repatriation strategy and analysis of cash flow needs are vital to operations. The business strategies for tax and treasury must be integrated and flexible. The appropriate protocols are necessary so that tax rate planning, debt service and currency decisions consider tax, financial accounting and treasury concerns.

#### ***Drivers of a unified global tax and treasury strategy include:***

- *The core profit drivers of your business are going global*
- *The global cash management strategies have not changed over the past five years, while your offshore business has significantly increased*
- *Currency issues are preventing you from achieving your financial, treasury or income tax objectives*
- *The global mix of earnings is shifting overseas, but your global effective tax rate remains high*
- *Non-US earnings are growing significantly, increasing capital invested offshore*
- *Unused cash is in one country that is not being deployed tax-efficiently in another country*



- **Human Resource Planning**

The movements of US persons on foreign assignments (expatriates) and foreign nationals assigned to the US (inpatriates) are crucial business steps to the expanding multinational. Having the right talent in the right place at the right time often makes the difference between success and failure. The development of a well documented human resource policy is critical to the success of international assignments. The policy outlines the benefits provided by the company for acceptance of the assignment in detail. The legal issues of overseas assignments are complex. Compliance with multiple country immigration laws, labor laws and tax laws is required.

- **Transfer Pricing**

Nowhere is the risk associated with globalization more acute than with transfer pricing. International transactions involving goods, services and the licensing of intangibles have become commonplace, with many transactions taking place between related entities. The coordination of transfer pricing with overall tax strategies has moved to center stage.

Companies continue to realign supply chains and move production to lower cost countries. In this environment, the location of profits for tax purposes can have a dramatic effect on a company's consolidated financial and tax position. That's why coordination of transfer pricing with overall tax strategies has evolved to become one of the top tax issues facing multinational companies.

## THE FUTURE

The endless shifting complexities of international tax and transfer pricing rules are testimony to the fact that the only constant is change. The rate of change seems to be accelerating with each passing day. A global strategy to address the complexities is a true value added function. The potential cost of the ad hoc approach is enormous. The value of a well constructed, integrated, global business model is infinite.

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Accountants and Business Advisors

