

# Domestic VAT reclaim can unlock additional revenue streams.

## Is your company optimising this huge opportunity?

### Under the Lens – Domestic VAT Reclaim

Domestic VAT reclaim (DVR) is the recovery of VAT on domestic travel and expense (T&E) transactions such as hotels, accommodation, meals, entertainment etc. This is typically reclaimed monthly or quarterly and provides regular cash flow into your business.

A number of countries also allow you to reclaim backdated VAT on local business spend. In some countries you can reclaim up to 5 years. See our full fact sheet on reclaiming backdated DVR [here](#).

### The Challenge for Companies

VAT rules and filing requirements for companies are constantly changing. Especially now during COVID as Governments are reducing local rates to support trade and the local economy.

Another challenge for companies is keeping their ERP systems updated with all the correct VAT changes. Always a challenging process but even more so now with teams working from home.

Companies also miss T&E domestic VAT opportunities, as many domestic expenses do not flow through the standard 'procure to pay' process. Examples include all T&E spend, P-Card spend, events, car hire services and other spend captured outside the main ERP system.

### Our Insights: Over 60% of companies were submitting VAT returns that were non-compliant.

We work with major global enterprises, and as a first step complete DVR Health Checks for companies who are either using a competitor or filing themselves. Our insights have found that many companies are not making full or correct DVR submissions to their local tax office.

Four consistent issues emerged:

- VAT was deducted but not valid, therefore non-compliant with Tax Office laws
- VAT was incorrectly deducted and thus ineligible, resulting in companies reclaiming a high amount of ineligible VAT
- VAT that was eligible, was not deducted resulting in a loss in the reclaim for the company
- All smaller expenses were missed as they were regarded as too difficult to reclaim on or the company didn't have enough resources to manage the amounts of these small transactions

We found over 60% of companies were submitting VAT returns that were non-compliant, and therefore they were risking fines from the Tax Office and indeed Tax Audits.

Significant revenue was lost because the company was both incorrectly reclaiming Domestic VAT and not including all eligible receipts.

## Working with Taxback International

Taxback International has 20+ years' experience dealing with all global tax jurisdictions. We understand all of the local VAT practices in over 180 countries to guarantee full compliance with tax legislation, while maximising your company's VAT reporting and deduction on domestic business spending.

Our fully managed process for identifying and reporting compliant VAT amounts makes it easy and quick for your business to deduct the correct amounts of VAT in your VAT returns. We will ensure that all eligible domestic business spend is included, no matter how small or how many.

## Fully Indemnified Solution

This is a **fully indemnified solution** that removes potential of fines or penalties from the tax authorities.



Significant Revenue  
Generator



Fully Managed  
DVR Solution



Streamlined  
Implementation



Access to VAT  
Expertise



24/7 Visibility  
Through Analytics



100%  
Indemnification



Compliant with Tax  
Legislation



Contingency  
Based Fee

## Work with us

Taxback International will provide you with free analysis, which will highlight where we identify missed DVR opportunities within your VAT process.

Should you decide to proceed, there is minimal effort from you!

We integrate with all Expense Management Systems meaning there is no IT implementation needed. We do all of the analysis, preparation and provide your report in the style required by your local tax office for inclusion in your local VAT return.

## Contact us today:

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