

Scoping your VAT implementation project

PricewaterhouseCoopers recognises that the introduction of a Value Added Tax (VAT) impacts a business. We have developed a structured and strategic approach to study the impact VAT will have on your business and to develop a plan so as to manage change.

VAT implementation will be different for each business. Knowing the scale of the task at hand, what must be done, developing

a roadmap and ensuring you will be compliant by a hard, externally-imposed deadline, requires careful planning.

We scope the business, outline the necessary changes and develop a plan to achieve the desired results. Our team of more than 30 experts (English and Arabic speaking) combines an in-depth understanding of the VAT rules, with hands-on industry, business processes and systems implementation skills.

The PricewaterhouseCoopers solution

Local experts

PricewaterhouseCoopers' indirect tax experts in the UAE have helped put VAT systems into operation in jurisdictions around the world. PwC is working with governments in the region advising them on the implementation of VAT.

Our excellent relationships with local revenue authorities and comprehensive understanding of the regulatory and policy environment combined with our global network of experienced professionals enables us to deliver the optimal solutions tailored to the unique concerns and demands of your business.

Our services

VAT will impact your sales and purchases cycles as well as your financial reporting systems. Understanding the impact, preparing your business for the changes and ensuring compliance in the most efficient manner, will require careful study and planning.

The PricewaterhouseCoopers two-phased approach to VAT implementation includes:

1. Scoping
2. Implementation.

Scoping

The scoping phase of the project is designed to get you started. It will enable you to identify and prioritise the relevant issues in your business and develop a high level implementation plan divided into individual project workstreams for implementation during the second phase.

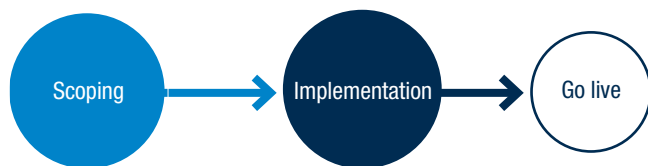
During the course of the scoping phase, we will assist you to identify urgent issues for your business, which due to their size, cost or timing, must be dealt with expeditiously.

Most importantly, we can help you estimate the size of the compliance burden and the financial, human and other resources required to be ready in time i.e. by the go-live date of VAT.

Our typical scoping methodology includes:

- Awareness training for your senior business and support services personnel.
- Establishing a project management office within your business to oversee and co-ordinate the implementation, and ensure it is appropriately resourced and has sufficient senior management input and authority to enable success.
- Workshops with key internal stakeholders across your business to understand the nature of the tasks for your business, identify issues and provide solutions.

Strategic direction



TASKS

- Awareness training
- Identify issues
- Determine approach
- Prepare implementation plan
- Estimate costs
- Identify resources
- Appoint VAT implementation project manager

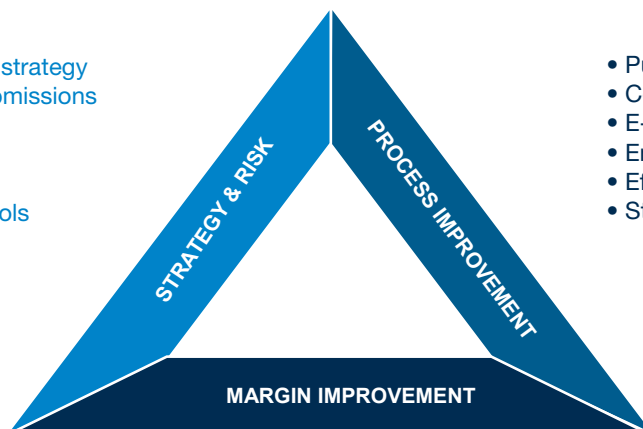
TASKS

- Adjust business processes / structure
- Change systems
- Review contractual arrangements with suppliers and customers
- Train staff, suppliers and customers

Continuous monitoring of legislative developments to address and manage transitional and compliance issues

PwC's key value propositions for a successful VAT implementation

- Consistent with strategy
- Tax policy & submissions for changes
- Tax planning
- Tax function
- Process & controls



- Purchasing & sales processes
- Contractual arrangements
- E-invoicing/E-archiving
- Enhancing reporting
- Effective cash flow management
- Staff, customer & supplier training

- Tax-efficient positioning of product offerings
- Business location
- VAT/duty liability issues
- Reducing irrecoverable VAT
- Data analysis
- Customs duty planning

For information on how PricewaterhouseCoopers can assist you, please email us at: vat@ae.pwc.com or contact:

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