

# TAX

# CHECKLIST

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## CORPORATE INCOME TAX

- Periodical current CIT instalments paid on time
- CIT amounts in GL reconciled with tax return
- Reconciliation between CIT amounts and tax calculation/tax balance sheet
- Perform deductibility test based on invoices sample
- Payments to non-resident legal entities reviewed from WTH point of view
- Tax depreciation calculation check
- Tax liabilities reconciled with authorities
- Check thin capitalization
- Check deduction of all asset impairments and provisions
- Perform expensess benefit test based on invoices sample

## VAT / SALES TAX

- Check the eligibility of incoming invoices from tax laws perspective
- Invoices eligibility in line with SOPs (preventive and detective controls)
- VAT books reconciled with VAT GL accounts
- VAT return reconciled with VAT books and GL accounts
- Sales VAT calculated for all deliveries
- Invoiced all what is delivered
- Delivery notes reconciled with sales invoices
- Advances paid and advances received included in VAT calculation
- Credit notes included in VAT calculation
- Tax liabilities reconciled with authorities and tax returns submitted timely

## TRANSFER PRICING

- Related parties successfully identified
- All transactions among related parties successfully identified
- Benefits test for pruchased services / goods performed
- Make sure that all IC transactions are reasonable, follow business motives
- Profit in IC transactions in aligned with performed contribuiton of involved related parties
- Functional analysis performed
- TP master file prepared, filed and meets arm's length principle.
- TP local files prepared, filed and meets arm's length principle.
- Engage external TP consultant for support

## PERSONAL INCOME TAX

- Payroll tax returns submitted timely
- Personal income tax returns submitted timely
- Social contributions timely calculated, paid and posted
- Taxes for employee benefits are calculated and paid in line local laws
- Payments to non-resident individuals reviewed from WTH point of view
- Tax liabilites and SSCs reconciled with autorities
- Review other taxable income sources: rental income, dividends, and interest
- Payslips distributed to the employees
- Inform employees about potential taxable extra profit timely