



VAT Refund Task Force

The start of the global economic crisis had a harmful impact on almost every economic sector. Many companies found themselves struggling for cash. It is no longer a matter of market shares or sales volume, it is a matter of survival.

Under these circumstances, wise cash-flow management becomes crucial for those wanting to survive the crisis. Unfortunately, no matter how hard companies struggle to maintain the level of their short-term liquidity, there is no way they can control the VAT refunds.

In Romania, the problem of VAT refunds has always been a sensitive issue, as much for local companies as for foreign companies running a business here.

The problem is not only that the term for settling a VAT refund claim can sometimes be longer than one year, but the process itself is laborious, with red tape and obsolete practices making it almost impossible to receive the refundable VAT in a reasonable time.

PwC would like to assist companies in challenging the current procedure and implementing a new one that would allow them to manage the VAT refund process more efficiently. However, this is a challenging task and we can only achieve results if we share knowledge and collaborate. To this end PwC is organising a **“VAT refund task force”** for companies encountering difficulties in dealing with the tax authorities.

The VAT Refund Task Force will primarily aim to:

- ➔ Gather examples of practical VAT refund situations faced by companies and synthesise best practice to be discussed with the Romanian Central Tax Authorities (i.e. the National Agency for Tax Administration) so as to change and improve the current process;
- ➔ Initiate a constructive and fact-based dialogue with the Romanian Central Tax Authorities in order to optimise the VAT refund process (e.g. by reviewing the criteria for “fast” VAT refunds, the procedural aspects of the VAT refund process and tax inspection methodology);
- ➔ Identify business solutions to contain / reduce / eliminate the VAT pre-financing burden (e.g. agent vs. commissionaire, investigating the applicability of certain VAT exemptions, the assignment of VAT refundable amounts within the group or to third parties, the offset of VAT refundable amounts against other liabilities);
- ➔ Share information on best practice in relation to VAT refunds in other EU Member States;

PwC would like to invite you to join the Task Force. Membership will allow full participation in the activities of the Task Force and the associated working groups. Members will send and agree their own objectives, work programme and timeframe for meetings and conference calls. They also agree the resources and time commitment required from them to complete the set objectives.

Benefits of group membership:

- ➔ Direct access to key policymakers to discuss and share business perspectives;
- ➔ Taking advantage of PwC Global Knowledge Network;
- ➔ Exchanging views and best-practice experience and developing common positions on the VAT refund issue;
- ➔ Working within a dynamic group; its scale of knowledge and higher credibility assist in the development of responses to policymakers;
- ➔ Sharing costs whilst having a more substantial impact than individual or industry-only interventions;

What will PricewaterhouseCoopers do?

- ➔ Host and facilitate member meetings;
- ➔ Manage the project and coordinate the group’s work;
- ➔ Provide expert technical input / briefings;
- ➔ Facilitate dialogue with the Romanian Central Tax Authorities;

Should you be interested in being part of the VAT refund Task Force, please do not hesitate to contact our PwC office in your region for further information.

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