

Tax Watch, Tax Hotline and Tax Matrix, The vital ingredients in the 'Tax Strategy' menu



Taxation is a hot topic which needs to be watched closely at all times. Needless to say, the international tax environment has changed considerably in recent years. Access to tax information and monitoring and analysis of tax changes have become a key part of every sensible tax management policy.

"It is clear from discussions with our clients that they are literally being swamped with alerts, news flashes and other documentation reporting tax changes almost in real time," says Eric Centi, Tax Partner at Deloitte Luxembourg.

"We believe however that the real value added is our dedicated and specific communication informing clients about important tax changes and how they impact on the management of their business. As part of our Tax Watch/Tax Hotline service, we monitor on behalf of our clients the tax changes in different markets and topics determined upstream by adjusting the message to their business models. The most important subjects are then covered in specific discussions where our 'resident' expert is invited to talk about the topic of the day," continues Pierre-Jean Estagerie, Tax Partner at Deloitte Luxembourg.

Requirements for access to tax information may sometimes vary according to different criteria, which is where the need for a matrix comes in. *"For instance, we are regularly asked to provide private banks with Country Guides outlining the consequences for their clients of investment in different types of assets. These guides are proving to be extremely useful in terms of covering the tax side of things when a private banker recommends a selection of investments to a client,"* says Pierre-Jean Estagerie.

"In the fund sector, we have also developed a common online application with our colleagues in the London, Paris and Dublin offices (I.M. Tax Matrix), which provides detailed information on the tax consequences of fund investments," adds Eric Centi. "This customised application enables the mass of information and the level of detail to be adjusted as necessary. Our clients can then easily limit their business investments to a few key countries and obtain detailed information on standard problems such as withholding taxes, or more specialised problems such as capital gains taxes. The icing on the cake is that this application includes a functionality which compares tax consequences according to where the fund is domiciled," explains Eric Centi.

Nowadays, efficient management of tax information and the changes in such information is a vital ingredient of any financial institution's strategy. Clients see it as a differentiating factor in an increasingly competitive environment. A surefire recipe for preventing indigestion...

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