



2009 GLOBAL CONFERENCE > CASH IS KING

• YOUR GLOBAL NETWORK OF LEADING TAX ADVISORS

18-20 February 2009

Plenary Session IV Emerging Global Tax Issues: a Look Ahead

• www.taxand.com

BACKGROUND

- ❖ Surveyed the Taxand network
- ❖ A number of themes emerged about future trends
- ❖ Debt
- ❖ Tax authorities themselves and
- ❖ The role of the tax function



We surveyed 47 countries in all parts of the world

Drivers for change were common ones:

- ❖ Radical economic change
- ❖ Uncertainty about the future (= greater uncertainty than normal)
- ❖ Greater demands on all corporate functions including tax
- ❖ Questions also about how government bodies including tax and regulatory authorities will change in domestic and international policy

- ❖ It is not surprising we see many large corporates restructuring their liabilities
- ❖ These organisations are global and complex (even domestically complex)
- ❖ A process of deleveraging is certainly ongoing
- ❖ There are others who need to re-leverage efficiently
- ❖ Cash is managed on a global basis with few exceptions
- ❖ Capital now needs to move where it is needed with the minimum tax (and political) cost

In short: the growth challenge everyone has “enjoyed” for 15 years is now being superseded by the immediate challenges of recession

Any initial conclusions?

- ❖ Debt restructuring will happen on a grand scale
- ❖ In circumstances much more demanding than have occurred in the past for many businesses
- ❖ How much will it cost when there is not much debt in the market?
- ❖ How much is available?
- ❖ Tax departments will be called upon to minimise the cost of releveraging and maximise the availability of working capital to minimise the need for debt
- ❖ This will not be a short term exercise
- ❖ There will be an ongoing focus over the next two years or more on liquidity and cash headroom
- ❖ Tax functions and advisers will be called upon to play their part

BACKGROUND

- ❖ In this environment tax continues to be politicised (How can tax not be politicised?)
- ❖ Some (many) major banks will have civil servants on their boards
- ❖ Will this impact disclosure around the tax impact of funding requirements?
- ❖ It will at least raise C-suite level of interest in tax
- ❖ Tax transparency may be a condition of being “in the game”
- ❖ Where does this leave the “enhanced” relationship between tax payer and revenue authority?

DEBT IN 2009

Recent Debtwire Survey:

- ❖ Distressed debt investors believe at least 40% of leveraged transactions will need to be restructured in 2009
- ❖ Peak of restructuring will be in Q4 2009 and Q1 2010
- ❖ Primary and new money refinance debt markets for non-investment grade are CLOSED until well into 2010
- ❖ Restructurings of all but best rated debt will involve maturity extensions and conversions of debt rather than fresh money

DEBT FORGIVENESS AND RESTRUCTURING SURVEY

Global survey of Taxand members on domestic tax implications of debt forgiveness and restructuring:

- ❖ Key Income Tax Elements
- ❖ VAT / Indirect Tax Issues
- ❖ Stamp Tax and Capital Duties

KEY INCOME TAX ELEMENTS

- ❖ Debt forgiveness – in majority of surveyed jurisdictions it results in taxable income for the debtor
- ❖ Debt parking – in certain jurisdictions taxable debt forgiveness is deemed to result from certain related party and non-market transactions
- ❖ Debt restructuring/rescheduling – in the majority of surveyed jurisdictions this can generally be achieved without triggering a taxable event
- ❖ Debt for equity swaps – in the majority of surveyed jurisdictions these do not give rise to taxable debt forgiveness

KEY INCOME TAX ELEMENTS: DEBT FORGIVENESS

- ❖ Tax treatment in an overwhelming majority of surveyed jurisdictions is debtor income inclusion to the extent of the forgiven principal and interest
- ❖ A minority of the surveyed jurisdictions include forgiven interest in income only if it was previously deducted (including Argentina, India, Ireland and Malaysia)
- ❖ In a small minority of surveyed jurisdictions the debtor's tax accounts are reduced to the extent of the forgiven amount prior to income inclusion

KEY INCOME TAX ELEMENTS: DEBT PARKING

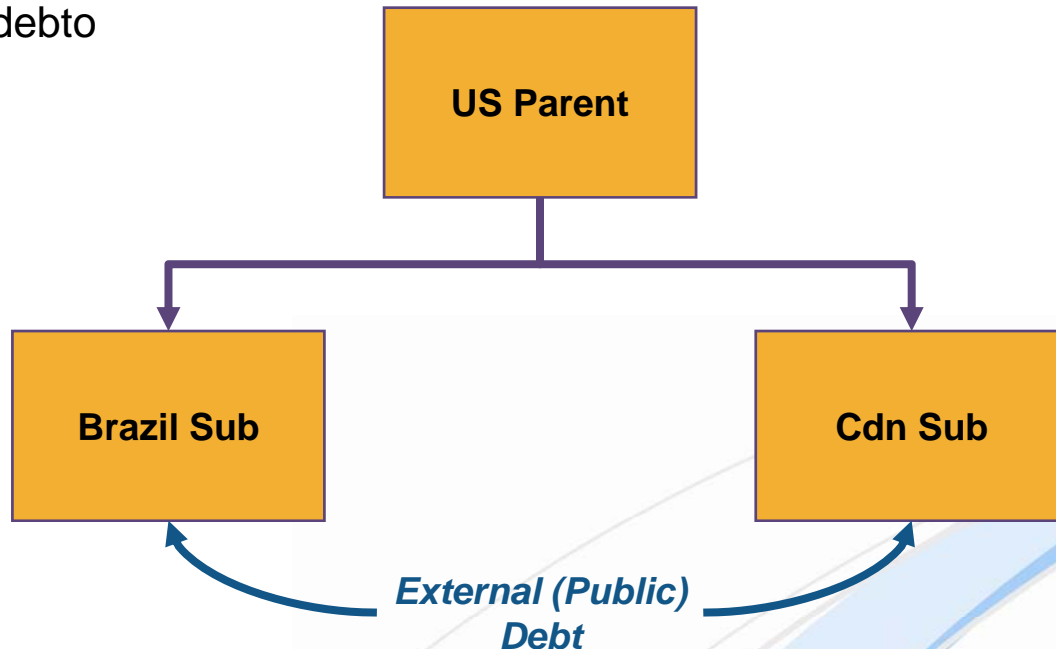
Debt Parking

- ❖ Debt forgiveness deemed to result from certain non-market or related party transactions:
 - ❖ Acquisition of debt by non-arm's length buyer
 - ❖ Gratuitous or below market assignment
- ❖ Debt parking rules are found only in a small minority of surveyed jurisdictions (including Canada, Denmark, Indonesia and Russia).

KEY INCOME TAX ELEMENTS: DEBT PARKING

Case Study #1

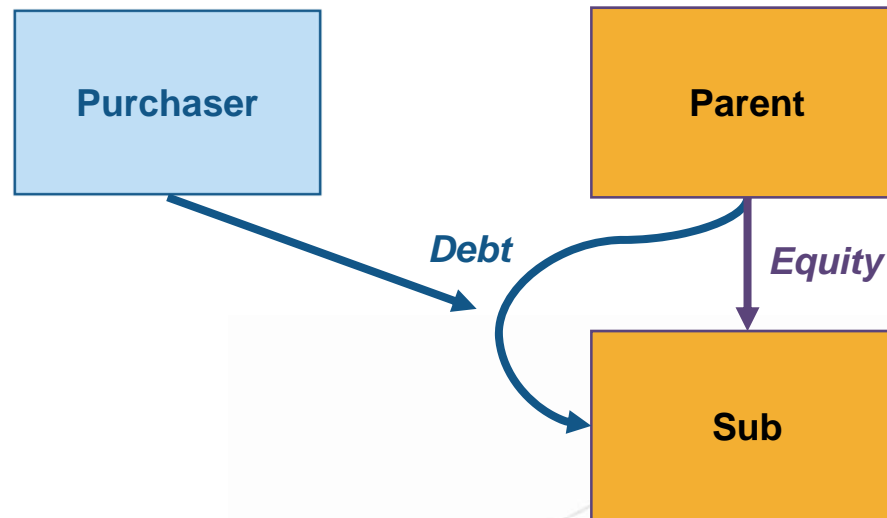
- ❖ External debt is trading at a discount
- ❖ Parent wishes to buy in the market
 - ❖ potential deemed debt parking if
 - ❖ discount >20%
- ❖ Compare if Vulture Fund buys debt
 - ❖ no impact on debito



KEY INCOME TAX ELEMENTS: DEBT PARKING

Case Study #2

- ❖ Purchaser wants to buy Target
- ❖ Shares would be acquired for nominal amount, debt for a discount
- ❖ Potential debt parking / forgiveness if debt acquired at discount of >20%



KEY INCOME TAX ELEMENTS: DEBT RESTRUCTURING OR RESCHEDULING

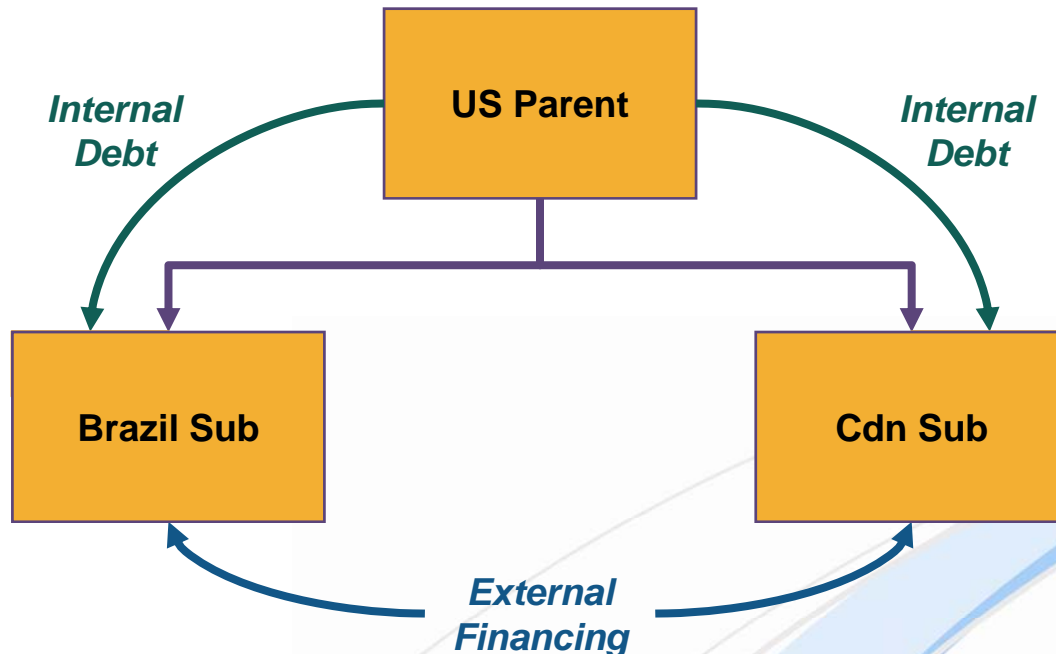
- ❖ Debt restructuring or rescheduling generally does not result in debt forgiveness or a taxable event if appropriately structured
- ❖ In a minority of surveyed jurisdictions, including Australia, Denmark and the Netherlands, debt forgiveness may be deemed to occur in certain circumstances upon a rescheduling or restructuring

KEY INCOME TAX ELEMENTS: DEBT-FOR-EQUITY SWAPS

- ❖ Debt-for-equity swaps generally do not give rise to debt forgiveness
- ❖ In a minority of surveyed jurisdictions, debt-for-equity swaps can give rise to taxable events in some circumstances:
 - ❖ If principal amount of debt exceeds value of debt, excess is taxable income to debtor (Germany)
 - ❖ Commercial debt forgiveness rules apply to debt-for-equity swaps (Australia)
 - ❖ If the principal amount of the debt exceeds the value of the equity, the excess is treated as forgiven debt (Canada)
- ❖ In a minority of surveyed jurisdictions, including Australia, Denmark and the Netherlands, debt forgiveness may be deemed to occur in certain circumstances upon a rescheduling or restructuring

KEY INCOME TAX ELEMENTS: DEBT-FOR-EQUITY SWAPS

- ❖ Subs are facing debt covenant or rating pressure on external financing
- ❖ Parent wants to do debt for equity swap on internal debt
- ❖ Risk of taxable debt forgiveness if value of new equity < principal amount of debt
- ❖ Potential forex issues



VAT / INDIRECT TAX ISSUES

- ❖ In the majority of Taxand jurisdictions, VAT/Indirect Tax is generally not applicable to debt forgiveness
- ❖ Interest converted in debt-for-equity swaps may attract VAT (Argentina)
- ❖ Changes to the interest rate resulting from restructuring may trigger additional tax (Brazil)

STAMP OR CAPITAL DUTY

- ❖ In the majority of surveyed jurisdictions, Stamp or Capital Duty is either not applicable to debt forgiveness or restructuring or applicable only in de minimis amounts
- ❖ Stamp Duties may be applicable in Argentina, Cyprus, Greece, India and Switzerland
- ❖ Capital Duties may be applicable in Poland to the sale of receivables, new loans and debt-for-equity swaps
- ❖ Capital Duties may be applicable in Spain to debt-for-equity swaps between parent corporations and their subsidiaries

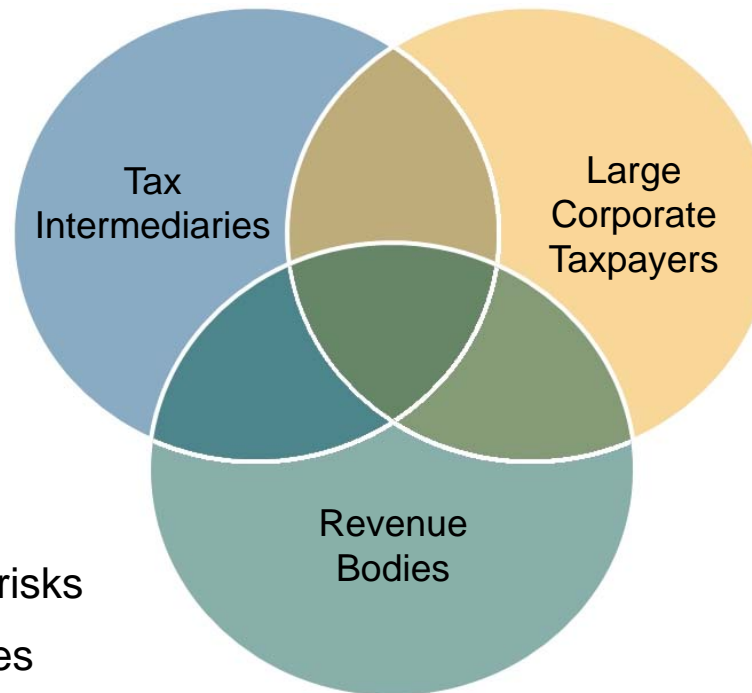
- ❖ Agent setting the trend: OECD Forum of Tax Administration
- ❖ Seoul (September 2006): concern about impact of “Aggressive Tax Planning” on the administration of tax systems
- ❖ Study Group commissioned to identify strategies to respond to this concern, led by UK HMRC officials and the OECD Secretariat: “Study into The Role of Tax Intermediaries”
- ❖ OECD – Forum of Tax Administration – Cape Town communiqué – January 2008
- ❖ The promotion of the ‘enhanced relationship’ between the Revenue Agencies, the large corporate taxpayers and tax intermediaries will bring about benefits for the three parties

TRENDS IN TAX ADMINISTRATION

- ❖ A number of countries with advanced economies have begun implementing ‘enhanced relationship schemes’, notably the US, the UK, the Netherlands, Ireland. Others, like Spain, have announced immediate consideration.
- ❖ There is a market for aggressive tax planning, where supply is made by Tax Intermediaries and the demand by Taxpayers. There have been identified strategies to respond to both sides of the market.
- ❖ Aggressive Tax Planning or Unacceptable Tax Minimization Arrangements
 - ❖ Planning involving a tax position that is tenable but has unintended and unexpected tax revenue consequences, i.e. misuse of tax legislation to achieve results which were not foreseen by the legislators.
 - ❖ Taking a position that is favorable to the taxpayer without openly disclosing that there is uncertainty whether significant matters in the tax return accord with the law.

The Tax Environment

Key factors influencing behavior and decision-making processes



- ❖ Client and legal responsibilities
- ❖ Personal responsibilities: regulation of the tax profession
- ❖ Financial and reputation risks
- ❖ Professional fee structures
- ❖ Legal professional privilege
- ❖ Disclosure of tax planning in audited statements

- ❖ From cost management to risk management
- ❖ **Corporate Governance**
- ❖ Financial and other public disclosures
- ❖ **Accounting for uncertain liabilities**

❖ Responding to tax intermediaries who engage in aggressive tax planning

- ❖ Registration and regulation
- ❖ Advance disclosure
- ❖ Future compliance Agreements
- ❖ Penalties and other non-monetary sanctions

❖ Risk Management

- ❖ It is an essential tool for revenue bodies, allowing efficient allocation of resources
- ❖ Taxpayers who provide full disclosure and transparency may achieve earlier, increased certainty of their tax affairs and reduced compliance costs

❖ Revenue Body Attributes

- ❖ Understanding based on commercial awareness
- ❖ Impartiality
- ❖ Proportionality
- ❖ Openness through disclosure and transparency
- ❖ Responsiveness

❖ These attributes can be applied more comprehensively when taxpayers provide high levels of disclosure and transparency

- ❖ Disclosure goes beyond statutory obligation. Based upon principles and not upon detailed rules
- ❖ Transparency is the framework in which disclosure takes place; it has three levels: individual, cultural and structural.

❖ Moving from the basic to the enhanced relationship, i.e. establishing a tax environment in which trust and cooperation can develop



TRENDS IN TAX ADMINISTRATION

- ❖ Two examples of international hot issues in current tax audits: how would have they been handled in an enhanced relationship framework?
 - ❖ Intra-group reorganizations that result in debt creation in countries with high tax capacity
 - ❖ Supply chain restructuring stripping risk and functions off high tax countries

TRENDS IN TAX ADMINISTRATION

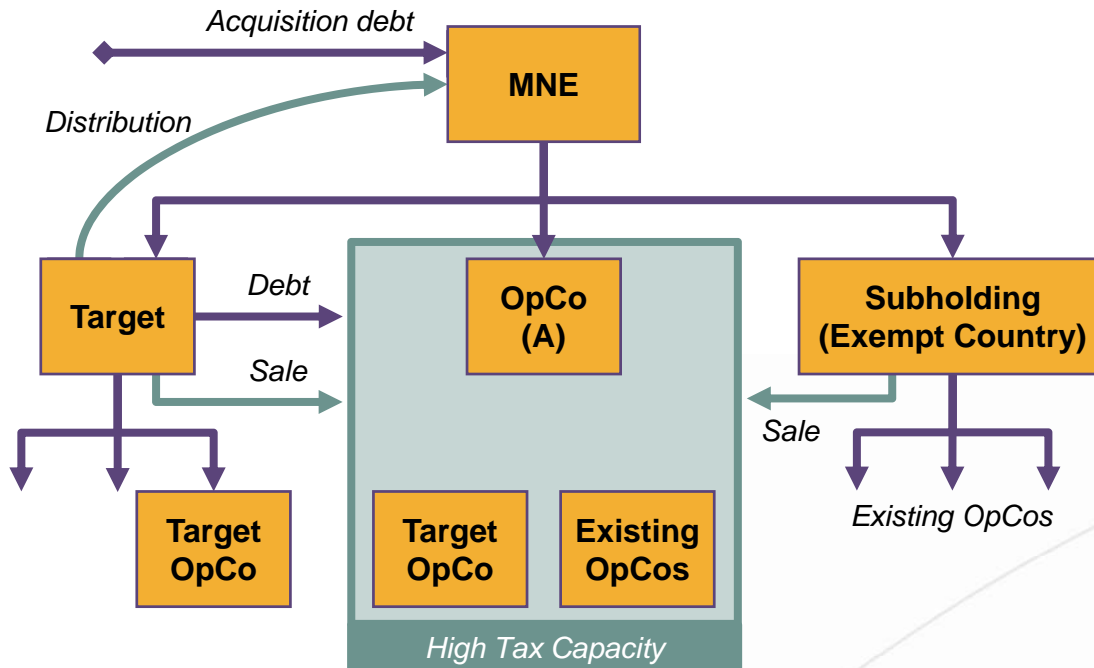
- ❖ Acquisition of Target OpCo at price resulting from Purchase Price Allocation
- ❖ Acquisition of existing OpCos funded with mix of equity / debt

Objective

- ❖ Tax relief for interest on acquisition debt

Issues:

- ❖ Debt-equity ratio
 - ❖ Valuation of the intragroup transfers
 - ❖ Economic substance / business reasons?
- ↓ ↓
- ❖ Early dialogue with Revenue Body
 - ❖ Under Enhanced Relationship Model



TRENDS IN TAX ADMINISTRATION

- ❖ Supply chain restructuring stripping risk and functions off high tax countries
 - ❖ This is an area of increasing attention and litigation with the Tax Administration
 - ❖ The key issues are:
 - ❖ Taxation of the restructuring process
 - ❖ Possible discrepancies between the plan and the actual operation that lead to litigation about the existence of a PE
 - ❖ In a context of transparency and open dialogue with the Administration there should be little discrepancy about facts. Possible different views about interpretation of legal issues.
 - ❖ Potential benefits of advanced disclosure and where legally possible, advanced ruling

TRENDS IN TAX ADMINISTRATION

❖ Main conclusions

- ❖ The trend is clear
- ❖ But the process is complex and long. It was initiated long ago in the US and actual implementation has only been limited
- ❖ There may be a strong push considering the important aid sought from Governments in the current financial crisis
- ❖ Lack of economic substance is clearly the weakness angle of any tax planning strategy

- ❖ Enhanced autonomy by tax administrators - delegating powers like budget expenditure management, organization and planning
- ❖ Delegation of social security to separate agency – Korea, Japan, Malaysia, Singapore and India
- ❖ Large tax payer units to manage complex aspects - Australia, China, Japan and India
- ❖ Measures taken to improve accountability - publishing annual plans, performance reports, etc – Australia, China, Japan, Korea, Malaysia, Singapore
- ❖ Decrease in administration costs (in relation to revenue collected) –Singapore, Australia, New Zealand and Korea – India is an exception
- ❖ High incidence of tax refunds (approximations):
 - ❖ Australia – 20%
 - ❖ Korea – 20%
 - ❖ Japan – 13%

- ❖ Gradual decrease in rates
 - ❖ Korea from 25% in 2008 to 20% in 2010
 - ❖ Singapore from 20% to 18%
 - ❖ Indonesia proposes reduction from 30% to 28% in 2009 and 25% in 2010
 - ❖ India increases slabs for progressive taxation (only individuals)

- ❖ OECD recommends broadening tax base by reduction in rates

- ❖ Attempts to broaden the tax base
 - ❖ Phase out of non-tax benefits and incentives in Korea
 - ❖ Gradual withdrawal of tax holiday - India
 - ❖ Introduction of new taxes on securities transactions, fringe benefits, banking transactions in India

❖ Simplify and align tax laws

- ❖ Rewriting tax laws in Australia and New Zealand to reduce compliance and administration costs
- ❖ Malaysian government planning prefilled tax returns
- ❖ Electronic filing of returns in India
- ❖ New Income-tax code proposed in India

❖ Emphasis to increase tax compliance

- ❖ Framework for tax audit and investigation (2007) in Malaysia
- ❖ Tax investigations in Korea, India etc
- ❖ Online services by Tax administration in India
 - ❖ Permanent Account Number
 - ❖ Payment of taxes
- ❖ Guidance and consultation by Tax administrations of Japan and Australia
- ❖ E-filing of income tax return
- ❖ Stress on withholding tax compliances in India (increase in scope) and Australia

- ❖ Jurisdictions proposing to alter tax structure to attract foreign investment
 - ❖ Korea proposes reduction in tax rates
 - ❖ Japan proposes cut in capital gains tax for foreigners who invest through fund structures
 - ❖ No PE if foreign investment in stock market is routed via Japanese LLP's
 - ❖ Dividend from foreign subsidiaries exempt in hands of Japanese parent company

TAX COLLECTION AND GLOBAL CRISIS

- ❖ Global crisis impacting Asia – end of Q3 and Q4 of 2008-09
 - ❖ Downward revision of tax collection targets
 - ❖ South Korea lowered its projections for 2009 by 2% from forecast of USD 99.3 billion
 - ❖ Decrease for Japan (2008-09) from 53.6 trillion to 47 trillion yen
 - ❖ Australian treasury revised targets by \$4.9 billion (2008-09). Corporate tax predicted to fall from \$71.72 billion to \$67.52 billion
 - ❖ No downward revision by India, though targets unlikely to be met (example – Likely shortfall in target tax collections from MNEs and foreign entities – 20%)

TAXATION OF INTERNATIONAL TRANSACTIONS

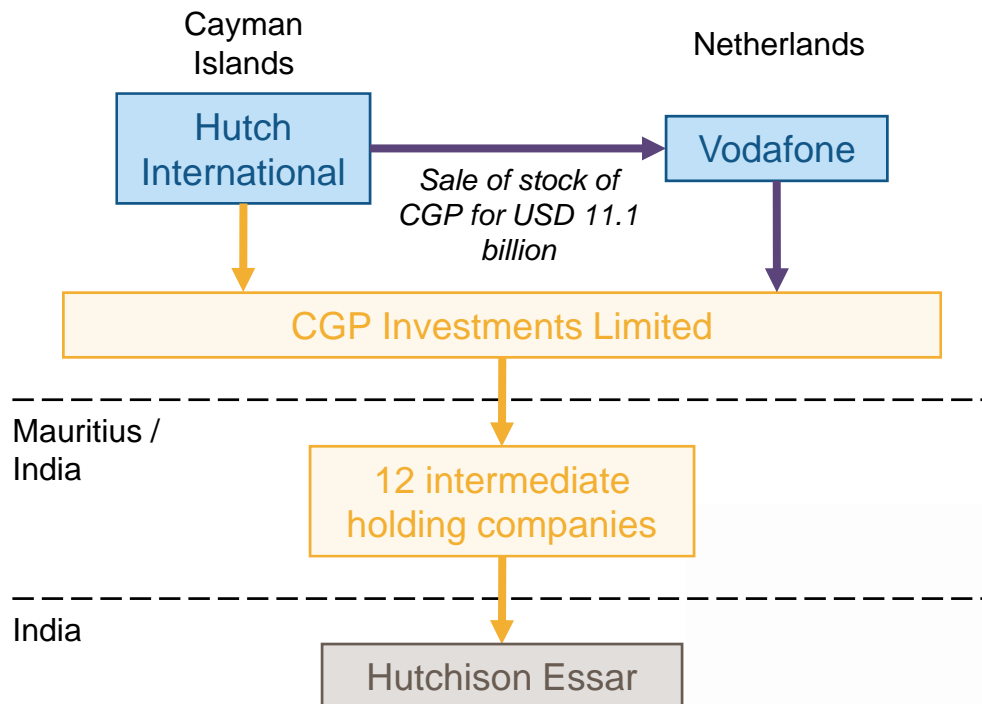
- ❖ Globalization in slowdown to result in complex business structures for minimizing tax

- ❖ Attempts to prevent structured tax avoidance and treaty abuse
 - ❖ Evolution of tax laws to deal with such structures
 - ❖ Concern on taxation of cross-border transactions
 - ❖ Emphasis on correct reporting of offshore income
 - ❖ Transactions to avail (artificially) generated benefits due to loopholes in law
 - ❖ Renegotiation of tax treaties to incorporate 'Limitation of Benefit' clause
 - ❖ India renegotiated treaties with Singapore and UAE
 - ❖ Renegotiation of Indian treaty with Cyprus and Mauritius - contentious

- ❖ 2008 OECD Model Convention
 - ❖ India's reservations on Article 5, 9(2)
 - ❖ Australia's reservations on Article 7
 - ❖ Korea's reservations on Article 14

TAXATION OF INTERNATIONAL TRANSACTIONS

- ❖ Korea and India attempting to tax offshore sale of stock if intended to transfer beneficial interest in resident company
- ❖ Vodafone – a case in point



Judicial approach

- ❖ Substance over form test
- ❖ Transfer of beneficial ownership in Indian company
- ❖ Extraterritorial jurisdiction – Is it transfer of underlying interest in Indian company?
- ❖ Regulatory approval to Vodafone, Netherlands

Resultant challenges and issues

- ❖ Separate legal entity questionable
- ❖ Challenges in computation of capital gains
- ❖ Caution to MNE's with similar structure

Resultant tax implications of about USD 1.7 billion plus penalty

TAXATION OF INTERNATIONAL TRANSACTIONS

❖ Other Controversy

- ❖ Investigation of transactions on characterization of income
 - ❖ Software payments – Royalty vs business income
 - ❖ Income of Foreign Institutional Investors – Capital gains vs business income

❖ Recent important Double Taxation Avoidance Agreements

- ❖ Singapore with Russia
- ❖ India with Luxembourg and Mexico
- ❖ Japan with Kazakhstan

TRANSFER PRICING

- ❖ Focus on Transfer Pricing compliance – Malaysia, India, Singapore, China, Korea etc
- ❖ Emphasis on international transactions and transfer pricing adjustments to avoid shifting of profits to tax havens
- ❖ Revenue likely to tighten enforcements to conduct exhaustive audits
 - ❖ Greater shift of burden of proof to taxpayers
 - ❖ Adequate documentation
 - ❖ Powers to seek information from third parties
- ❖ Reorganization / liquidation of businesses leads to limited availability of comparable data
 - ❖ Expected reduction of chosen comparables
 - ❖ Volatility in margins of comparable companies

TRANSFER PRICING

- ❖ Prolonged recessionary phase
 - ❖ Questioning drop in margin
 - ❖ Arm's length price for past years difficult to sustain
 - ❖ Renewal of third party contracts due to lower margins – CUPs used in past years may not hold good

WHERE ARE WE NOW...?

- ❖ Role of the tax department must change
- ❖ Change in balance of focus from planning to compliance to “cash and operations”
- ❖ Boards and executives are asking the impossible?
- ❖ How do you improve compliance, reduce risk, free up cash and reduce costs all at the same time and combine this with more effective stakeholder communication?

WHY IS TAX CHANGING?

- ❖ Expectations of the professional tax role have changed both within industry and as advisors
- ❖ The tax profession has been increasingly politicised especially since Enron, Tax Shelter planning and now the banking collapse (executive pay, tax disclosure)
- ❖ There is more regulation around tax (Sarbox, Independence Rules in various countries)
- ❖ We are likely to see further regulation around tax and audit independence

WHY IS TAX CHANGING?

- ❖ Technology is changing – we can do things more efficiently
- ❖ Governments will be able to interrogate our data much more effectively
- ❖ Investor relations more demanding
- ❖ Media interest heightened
- ❖ Key economic drivers for focused activity within tax.

TAX DEPARTMENT REACTIONS

- ❖ We would love to meet the new objectives that have been set for us but we need more people
- ❖ There's no way you can replace any of my people with a software program; tax is just too complex
- ❖ If we had been consulted when SAP was upgraded none of the problems we now have would exist.
- ❖ We would love to pro-actively address our overall tax risk position but we have no idea just how to go about that
- ❖ It's very difficult to deal with these problems when we only ever get involved at the last minute
- ❖ None of the above is an excuse for inaction



WHERE DO YOU START?

Think straight:

- ❖ It's just plain impossible to meet all the stakeholder demands overnight;
- ❖ Recognise and get buy in to the fact this is a long process over probably 3 to 5 years.

Short to medium term focus is:

- ❖ Cash
- ❖ Compliance
- ❖ Cost
- ❖ Communication

WHERE DO YOU START?

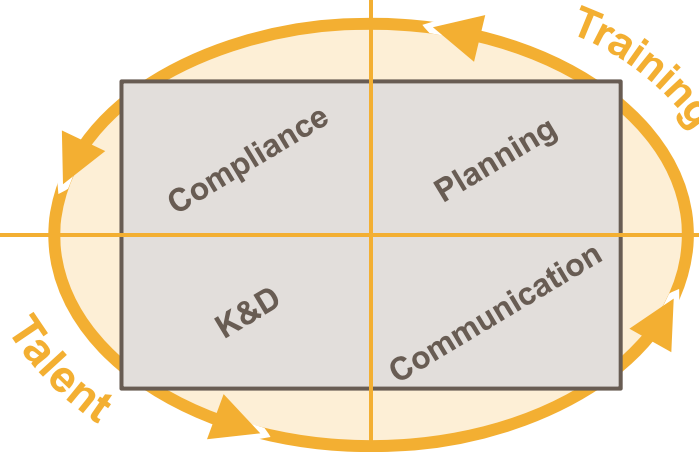
Tax Operations Checklist

- ❖ ERP
- ❖ Performance management
- ❖ Risk management
- ❖ Provisioning
- ❖ Accounting
- ❖ Tax Systems

- ❖ E-filing
- ❖ What is tax (duty, IPT)
- ❖ Tax workflow
- ❖ Work paper risk

- ❖ Effective Tax Rate
- ❖ Approach to Planning
- ❖ Disclosure
- ❖ Risk Rating

- ❖ Cash Generation
- ❖ Policies
- ❖ International
- ❖ Transactions
- ❖ Lobbying



- ❖ Knowledge / Data Mgt
- ❖ Data Retention
- ❖ Quality of Data
- ❖ Format of Data
- ❖ E-Invoicing

- ❖ Succession
- ❖ Training
- ❖ Efficiency
- ❖ Technology Awareness
- ❖ Tax forecasting

- ❖ Staff
- ❖ Media
- ❖ Tax Authorities
- ❖ Reward and Comp
- ❖ Finance

- ❖ Board
- ❖ Legal
- ❖ IT
- ❖ Tax Mindset?
- ❖ Stakeholders
- ❖ Project Management
- ❖ Shareholders
- ❖ Analysts
- ❖ SEC

WHERE DO YOU START?

Tax Operations Checklist – Compliance

- ❖ ERP
- ❖ Performance management
- ❖ Risk management
- ❖ Provisioning
- ❖ Accounting
- ❖ Tax systems
- ❖ E-filing
- ❖ What is tax (duty, IPT)
- ❖ Tax workflow
- ❖ Work paper risk



WHERE DO YOU START?

Tax Operations Checklist – Data

- ❖ Knowledge maximisation
- ❖ Data retention
- ❖ Quality of data
- ❖ Format of data
- ❖ E-Invoicing
- ❖ Succession
- ❖ Training
- ❖ Efficiency
- ❖ Technology awareness
- ❖ Tax forecasting



WHERE DO YOU START?

Tax Operations Checklist – Planning

- ❖ Effective tax rate

- ❖ Approach to planning

- ❖ Disclosure

- ❖ Risk rating

- ❖ Policies

- ❖ International

- ❖ Transactions

- ❖ Lobbying

- ❖ Cash generation



WHERE DO YOU START?

Tax Operations Checklist – Communication

- ❖ SEC
- ❖ Staff
- ❖ Media
- ❖ Tax authorities
- ❖ Reward and comp
- ❖ Finance
- ❖ Board
- ❖ Legal
- ❖ IT
- ❖ Tax mindset?
- ❖ Who are stakeholders?
- ❖ Project management
- ❖ Shareholders
- ❖ Analysts

POSSIBLE STARTING POINT

Q1

What are the top 3 opportunities for the tax department to make a material contribution to the business? Who is controlling these opportunities? e.g.:

- ❖ Debt restructuring: workflow; communication; actions, timing
- ❖ Major litigation in certain territory: strong likelihood of winning if properly resourced and managed – who is controlling?
- ❖ Cashflow: operations; efficient housekeeping; cash deferral strategies and actions

POSSIBLE STARTING POINT

Tax Deferral Opportunities – 1

- ❖ Agreements with tax authorities to defer tax payments for “distressed” companies
- ❖ UK opportunity covers CT, VAT, PAYE, IT and NIC – short term cash flow can be significantly improved without triggering late payment surcharges (and interest charges for VAT)
- ❖ Similar opportunities available in a number of surveyed jurisdictions including Australia, Canada, France, Germany, Indonesia, Luxembourg, Malaysia, Malta, Poland, Spain, Sweden and Ukraine

Tax Deferral Opportunities – 2

❖ CT deferral

- ❖ Accelerated carry back of trading losses to crystallise repayment of prior period tax
- ❖ Efficient management of corporation tax payments including reduced payments on account where supportable

❖ VAT cashflow

- ❖ Invoice and tax point planning
- ❖ Improve compliance, operations and recovery of tax

❖ Optimisation of post tax people costs

Q2

What are the top 3 risks in the business which are tax related – who is controlling these risks and what infrastructure exists around managing these day to day? e.g.:

- ❖ Reputational risk through adverse media coverage of aggressive tax planning for executives
- ❖ Adverse tax effects due to autonomy of local directors and other decision makers when arranging new contracts and assignments
- ❖ Cash position – risk of breaching banking covenants through poor cash management

A STARTING POINT

Q3

Longer term what are the three top challenges facing the tax department? e.g.:

- ❖ Underlying tax data in ERP is of poor quality – this impacts directly on the quality of day to day tax reporting
- ❖ Transition to IFRS
- ❖ Interaction with key stakeholders both internal and external is sub-optimal

A STARTING POINT

Q4

What are the key cultural or institutional changes you wish you could make in the tax department?

- ❖ People – ability to nurture and maintain top talent over the long term
- ❖ Technology – implementation of better tax systems to free up resource for high value work
- ❖ Simplification – fundamental group structure changes to simplify international tax complexity and reduce risk

CONCLUSIONS

- ❖ To meet short / medium term strategic imperatives tax departments will stretch themselves into more mature service offerings within organisations.
- ❖ Specifically they will need to become much better at:
 - ❖ debt restructuring and cash generation
 - ❖ stakeholder management and communication (“Tax PR”)and
 - ❖ “deep-dive” operational competence (SAP competence, overall compliance competence) with a view to maximising cash output of the tax function.

CHAIR SPEAKER: TIM WACH



Tim Wach

CANADA

Gowling Lafleur Henderson

Areas of Expertise

- ❖ International Tax
- ❖ Mergers & Acquisitions
- ❖ Transaction Tax
- ❖ Financings (Public & Private)

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Tim is a graduate of the University of Toronto, having received a BA in commerce (1983) and an LLB (1984). Tim was a tax policy officer with the federal Department of Finance, developing tax policy and legislation in the areas of business and property, partnerships, and research and development before joining Smith Lyons in 1989. Smith Lyons merged with Gowlings in 2001.

Tim has written a number of articles on tax matters, and has spoken at and taught courses or seminars given by the University of Toronto, the University of Victoria, the Canadian Tax Foundation, the Canadian Bar Association—Ontario, the Saskatchewan Legal Education Society, at the Bar Admission Course of the Law Society of Upper Canada. He has also lectured for a number of private organisations on topics such as e-commerce taxation, tax structuring of foreign operations, tax structuring of foreign investment in Canada and tax aspects of real estate investment trusts. He is a member of the Canadian Tax Foundation and the International Fiscal Association.



CHAIR SPEAKER: RICHARD BAXTER



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Areas of Expertise

- Indirect tax
- Transaction TAX
- International VAT

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Richard Baxter is a Managing Director with Alvarez & Marsal Taxand UK LL, Taxand in the UK. He brings more than 20 years of indirect tax experience. Over the course of his career, Mr. Baxter has led global assignments, with a focus on international VAT and other transaction tax issues, for major US and European multinational companies. Since joining A&M he has worked extensively with businesses in Chapter 11 to help them generate significant value from their existing tax positions both in respect of generating funding headroom from tax assets and in managing day-to-day compliance.

Mr. Baxter has worked extensively in advising major US multinational companies on: international VAT liabilities, VAT recovery and establishment issues; leading global projects in the international arena, with a focus on establishments, withholding tax, customs and VAT / GST issues related to the roll out of global telecommunications networks; working with the finance and real estate sectors on partial exemption, transaction-based VAT planning and wider indirect tax compliance issues; negotiating with HMRC at senior levels in the UK and managing tax cases to VAT Tribunal, the High Court and ECJ; managing VAT technology applications projects, including Sabrix and Vertex; and leading the implementation of transaction tax reporting tools in the UK and Europe.

Prior to joining A&M, Mr. Baxter led the Indirect Tax Compliance and Risk practice of Deloitte. Previously, he was head of the Indirect Tax team with Arthur Andersen in the UK.

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Mukesh regularly interacts with India's Inland Revenue, CBDT and is a member of OECD's Business Restructuring Advisory Group and ICC, Paris Taxation Commission. He actively participates in Indian affairs of the International Fiscal Association and has been its Secretary General. Mukesh is a regular speaker at significant national and international tax conferences. He regularly contributes to leading tax journals including ITR, Asia-Pacific guide of IBFD. LexisNexis Butterworths recently published his treatise 'Transfer Pricing-An Indian Perspective'. He is actively associated with IFA India's International Fiscal Academy.



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