

EUROPEAN UNION AUDIT REFORM

Tax implications



EU legislation to reform the statutory audit market was adopted in April 2014. The new legislation will apply from 17 June 2016 and it will prohibit many non-audit services from being provided to companies by their statutory auditors.

Tax is among the restricted service provisions, in particular, the following services:

- Preparation of tax forms
- Payroll tax
- Customs duties
- Identification of public subsidies and tax incentives unless support from the statutory auditor or audit firm in respect of such services is required by law
- Support regarding tax inspections by tax authorities unless support from the statutory auditor or audit firm in respect of such inspections is required by law
- Calculation of direct and indirect tax and deferred tax
- Provision of tax advice

Who will it affect?

The legislation will affect EU Public Interest Entities (PIEs). PIEs are categorised, irrespective of size, as follows:

1. All entities that are both governed by the law of a Member State and listed on a regulated market
2. All credit institutions in the EU, irrespective of whether they are listed
3. All insurance undertakings in the EU, irrespective of whether they are listed and irrespective of whether they are life, non-life, insurance or reinsurance undertakings
4. All entities designated as PIEs by the Member State

What will it mean?

The new legislation if adopted in the proposed form will affect all UK banks and financial institutions. Among the many challenges in navigating the new rules is the fact that incumbent statutory auditors will no longer be permitted to carry out tax services.

Our service offering

At Mazars, we have a specialist Financial Services Tax team with extensive experience in carrying out a range of non-audit related services to clients within the banking sector. We have in-depth knowledge of the issues you face and the technical expertise required to deal with them efficiently and effectively.

We offer an enhanced tax compliance programme designed to assist with all of your company's tax needs.

Some of our key service offerings are as follows:

- Corporation tax
- Employment tax
- Operational tax
- VAT
- Senior Accounting Officer (SAO) review

Our approach

- We will hold an initial meeting to run through the legislation, its impact on your business and our recommendations following our review.
- We take a consultative approach to our tax work thereby ensuring we are able to develop a comprehensive solution which meets all your needs and adds tangible value to your business.
- Through the course of our work, we will ensure that the highest standards of regulatory compliance are achieved, at minimal disruption to your business.

Contact

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