

VATBOX

CONCUR

CASE STUDY

**MITIGATED
COMPLIANCE RISK
AND TRIPLED VAT
RECOVERY**

OBJECTIVE

Maximise VAT recovery, while
addressing imminent audit challenges.

WE RECOVERED

**3X MORE VAT
THAN THE COMPETITION**

CHALLENGE

A global Fortune 200 manufacturing company was struggling with the T&E VAT recovery process. The company was using a TES solution to determine the domestic VAT on the T&E expenses and the foreign VAT recovery was outsourced. For the foreign VAT recovery a well-established professional third party was assigned to review and claim all foreign VAT on T&E expenses. However, for multiple years the foreign VAT refund remained outdated, which meant only a fifth of the potential was being recovered. Despite various attempts to work with its third party to understand why the refunds remained at a relatively low level, no clear reasons and improvement were shared.

At the same time, the company was using the TES solution to determine the domestic VAT on the T&E expenses. Although, the tax tables were set-up with the best efforts, it was a given that the tax determination could never be 100% accurate given the limitation on expense categories set-up and, moreover, the invoice image was not compared automatically by the system with the expense details entered by the employee.

This led for the company to seek a new solution for improving the visibility on and compliance of their domestic and foreign VAT recovery.

SOLUTION

After reviewing the various suppliers in the field of VAT recovery, the company chose VATBox as the partner to improve the process of VAT recovery on T&E expenses.

Already in the first year of working with VATBox, the foreign VAT refunds almost tripled. At the same time the company got a tremendous insight in all the qualified and disqualified receipts and transactions, helping them efficiently and effectively allocate their resources to undertake those actions to improve the tax compliance and VAT refunds.

As a result of the impressive results on foreign VAT recovery and the increased insight and compliance obtained, the company asked VATBox to also look into the domestic VAT recovery on T&E expenses. The domestic VAT recovery had been automatic postings directly from the Travel Expense System into the ERP up till then.

VATBox was charged with assessing the overall performance of the existing domestic VAT deduction process, including the percentage of eligible VAT ultimately recovered, and any non-compliance issues that could expose the company to regulatory action.

VATBox's VAT Audit leveraged innovative, automated technology that handles VAT claims for both structured and unstructured expenses - without resource-consuming manual data aggregation and qualification. VATBox replaced the process not taking into account critical elements required to be VAT compliant by an automated data-driven process that brings until today not only a fully VAT compliant VAT refund position, but also a higher return.



RESULT

The VATBox VAT Audit delivered dramatic results: over 40% of the VAT on travel expenses was being deducted improperly, exposing the company to an immediate compliance risk. In addition, the VATBox VAT Audit found that part of the initially rejected VAT, by the old process, was actually recoverable, and that many receipts could have been re-issued. A significant part of the incorrectly issued invoices, led to an overall higher domestic VAT refund of 37%.

With VATBox's automated process in place, the company was able to more than double their VAT recovered, and avoid the risk of inadvertent non-compliance.

VATBox's easy-to-use dashboard provides full transparency for each domain category and invoice status, whether eligible, disqualified, submitted for a reclaim, or refunded. The solution provides users with extensive insights and drill-down analytics, facilitating better overall governance and enhanced tax compliance.



VATBox's solution adds the VAT compliance layer to Concur. VATBox simplifies the complex VAT recovery process through intelligent knowledge-based automation. Seamlessly accessing standard data and scanned invoices from Concur and other internal systems, VATBox examines travel expense data and employee travel expense reports. Automatically eliminating errors, duplications, disqualified evidence, and incomplete data - VATBox finds disparities between actual expenses and documented expenses, between real costs and considered costs. This enables companies to both illuminate data leakage and discover the critical gaps between data and evidence.

“We were pleased with VATBox's ability to ensure VAT data and deduction integrity, which alleviated our risk of audit, lifted the burden off our shared services staff, and positively impacted our bottom line more than we had ever expected.”

CUSTOMER AT-A-GLANCE

A Fortune 200 global manufacturing company headquartered in the US:

Staffed by **50K+** Employees

Operations in more than **70** countries

17\$+ billion in net sales

TEST DRIVE

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