

Top 10 Benefits of using a Tax Agent

As per latest statistics, majority of people who file tax returns choose to use an accountant or a tax agent. It is further noted that a high percentage of companies who are in the growth cycle choose to appoint a tax agent due to less stress, increased accuracy and maximum refunds, With the very obvious reason of more efficiency, tax agents continue to be the most popular method of communicating with tax authorities and our PB tax team is specialist in this area.

Tax agents are preferred in handling complex problems such as tax refunds or communicating with tax authorities or even to ensure that the tax return filed is technically correct. Lets face it, for those of us who aren't accountants, tax is a complex business, which is why many people prefer to leave it to the experts to get the best possible solution.

Another important aspect is that tax is an evolving field with new clarifications issued on an ongoing basis (on an average 2 to 3 clarifications are issued by FTA on monthly basis in UAE). Now reading of all these regular updates and interpret them in line with the intention of the law becomes a very technical subject. With this in mind, tax agents are trained experts in this field and will be able to advise you in all areas of tax.

What is a Tax Agent?

As per guide issued by FTA on "Professional standards for Tax agents", it clearly states there that a tax agent is "any natural person registered with the FTA in the register of tax agents, who is appointed on behalf of another person to represent him before the FTA and assist him in the fulfilment of his tax obligations and the exercise of his associated tax rights."

Below are 10 (ten) great reasons to engage with a tax agent:

1. Avoid stress

When you file your return by yourself, the responsibility falls directly on your shoulders. Irrespective of how trivial or innocent the mistake, if the Federal Tax Authority ("FTA") comes knocking, you may have to deal with a tax audit and there will be fines, interest or penalties to pay, which are quite high. Peace of mind is one of the biggest advantages of using a tax agent. Just like when half of your blood pressure comes down when you know that an expert Doctor looks after you, similarly presence of a tax agent, makes it easier to take business decisions. Choosing to file through a tax agent or a qualified accountant ensures you are compliant with tax laws and you can have a comfort that your return has been accurately prepared.

Clients choose PB as tax agents and tax experts due to the solid grip it has on the tax laws not only in UAE but also in the whole GCC region. With the correct understanding of the GCC tax treaty and intention of the law, we ensure interpretations are taken in the correct way, which in most cases are through discussions with the tax authorities or observations from interpretations taken by authorities.

2. Proper communication with FTA

Some of the common reasons for clients coming to us are that they regularly face issues such as below,

- Email received from tax authority and we replied but didn't hear back
- We are calling the tax helpline but not able to get a clear answer
- We have been charged a fine which we believe should not be charged but we don't know how to get this waived off
- Not able to interpret the requirement of the tax law
- How do we answer the questions relating to queries received from tax authorities?
- Not sure how to provide information relating to tax refund claims
- Not able to form a tax group

3. Time saver

While it seems that preparing tax return by itself is the most time efficient method, however preparing a wrong return in a fast manner can prove to be a bigger danger which can happen due to incorrect understanding of some of the disclosures in the tax return like emirates wise sales reporting, how to ensure a particular sale is reported correctly a zero rated or a standard rates sale?, what is an exempt income? and which are claimable expenses?. Nothing beats the convenience of sitting with your tax agent for few hours and getting the job done. Your typical appointment with a tax agent takes between 1 to 5 hours (depending upon complexity of the issue). In that time, your tax professional will ask you a series of questions and review your documentation to secure the best result.

Once a tax return is filed, it is a like permanent information which go in affecting the audits, tax claims etc and correcting a wrong filed return not only cost money in terms of penalties and interest but also reflect adversely in books of the tax authorities so chances of a tax audit increases.

4. Meeting deadlines

Normal tendency for tax payers is to keep the tax filing to last week when the return is due mainly for cash management and ensuring clients collections are done to pay the tax, however it is noted that many companies miss out on the point that return filing within the due date is not enough but the tax money shall also be credited into the account of FTA within the due date. Further many tax payers miss out in keeping track of deadlines leading to regular delay in filing of returns thus penalties become a regular feature. The point to note in this that it is not only the penalties that effect the Company but also the standing in eyes of the law so chances of having a tax audits increase with the same.

An expert accountant or a tax agent's main focus is always to ensure deadlines are met without delay and also to stay updated with all the notifications issued by tax authorities.

5. The value of relationships

As your circumstances change, your tax agent can offer advice and suggestions to help you maximize your finances and ensure you get back what you deserve. When an expert accountant or a tax agent is working regularly with you they already have a solid understanding of your financial situation and can provide you with tailored tax advice to make the most of your money.

6. Less complex

As regular practitioner since start of VAT and other taxes in UAE and GCC, we have a deep understanding of the law and how it has evolved with the clarifications issued from time to time. So even at outset it may appear to be a complex issue, it might be a small issue when looked at by an expert who is a tax agent or a professional accountant. One thing is for sure that all tax returns are unique. If you've got a complicated financial situation, getting the right advice can save you time, stress and unnecessary payments to the FTA. Sitting down with an accountant or tax agent is an extremely beneficial exercise; crucial to working out the intricacies of your tax filing and what you're entitled to claim.

7. Speak in the language of the law

Many a time we hear from our clients that they are explaining the issue to tax authorities, which is not getting understood correctly. In situations like this we have noted that issue is mainly due to the fact that tax authorities raise query with reference from the tax laws and a general answer is not good enough. A tax agent or an expert accountant, communicate in the language of the tax law thus makes it easier for tax authorities to comprehend the client side of story.

8. Represent foreign companies

Tax Agent can also represent foreign companies that do not have their establishment/offices in the UAE. On behalf of the foreign Company, the Tax Agent collects the tax amount from their customers and makes the payments to the Federal Tax Authority (FTA)

9. Error-free

Taxation can be a complex task for non-experts. On seeking professional assistance from a Tax agent, you can make it error-free. Being experts in the area, tax agents will ensure that all the compliances are done correctly on the first go and you can be assured that everything is done properly keeping in mind the requirements of the tax law.

10. Keep you updated

Tax Agents are up-to-date with any changes to tax laws and regulations. FTA issues new amendments to laws and clarifications on tax on a periodical basis, which businesses may not be aware of. A tax agent will be updated with any amendments and will eliminate any chances of non-compliance with the new provisions.

How PB can help?

As UAE's trusted tax experts/tax accountants/tax agents, who have vast experience in VAT from other jurisdictions and in UAE since the implementation stage, we take pride in solving complex tax related issues for our clients ranging from small to large enterprises in UAE.

We follow a very structured approach to ensure our services are fairly priced and are seen as "good value for money spent"

We have a strong belief system of "Always Doing the Right Thing", thus you can expect us to be transparent and truthful in the scope of work we carry.

If you would like to discuss any tax related matters including VAT, Excise Tax, Economic Substance Regulations, Country by County Reporting, please drop us an email at info@premier-brains.com or call us at + 971 4 3542959.