

The logo for Koppel Tax Consultants, featuring the word 'KOPPEL' in white capital letters inside two overlapping blue circles. The background of the top half of the page is a photograph of a harbor in Amsterdam, showing the masts and rigging of a large sailing ship in the foreground and a dense cityscape with various buildings and a church spire in the background under a clear sky.

KOPPEL

TAX CONSULTANTS

Koppel Tax Consultants to Practise Horizontal Supervision

CLIENT BENEFITS

Horizontal Supervision is the name of a novel collaborative arrangement between the Dutch Tax and Customs Administration and (Dutch-based) tax consultancies, involving as it does a modus operandi anchored in mutual trust, appreciation and transparency. Accession to the Horizontal Supervision Covenant is contingent upon the relevant consultancy's compliance with the governing quality standards as laid down by the Tax and Customs Administration in conjunction with the Dutch Register of Tax Advisors (this being the professional organisation for tax consultants). Once a tax consultancy has been invited to sign the Horizontal Supervision Covenant, the accuracy of the tax returns it files with the Tax and Customs Administrations on behalf of its clients will be taken as read and the returns in question will be accepted with considerably greater ease. Horizontal Supervision thus represents a quality mark ensuring the soundness and, arguably more importantly still, the reliability of service both from the vantage point of the Tax and Customs Administration and from that of the consultancy's client base. Which is all fine and dandy, but what exactly is in it for you as a client?

Getting It Right First Time

The filing of a tax return more often than not kicks off a period of several months – or even years – of uncertainty regarding the level of the eventual tax assessment. This is particularly true for returns featuring debatable items such as deductible expenditure or claims under discount schemes, any one of which may prompt the tax inspector to order a more detailed inquiry to be carried out, thus causing the processing of the tax return to be considerably delayed to the point where costly legal proceedings may be inevitable.

The Horizontal Supervision format has changed all this in that it is with the tax consultant that the Tax and Customs Administration has now placed the responsibility for the timely filing of accurate tax returns. The main advantage for the tax consultant's clients is that the Tax and Customs Administration processes and finalises their tax returns promptly and without additional inquiry or lengthy debate. Bottlenecks if any will be hashed out in advance with the tax inspector, enabling the filing of the tax return without uncertainty or delay, thus ensuring that together we get it right first time rather than having to keep checking in our rear view mirror whether nothing has belatedly gone awry.

Client Eligibility

The advantages of Horizontal Supervision are essentially available to all business users of Koppel's tax services that are keen to sign up. Koppel will ask you to sign a statement prior to admitting you to the scheme. In view of the fact that the responsibility for the timely filing of accurate tax returns on your business' behalf will primarily come to rest with Koppel, a transparent way of dealing with one another has to be agreed upon in advance by our respective organisations. Your signature of the aforementioned statement represents your undertaking in good time and to the best of your ability to furnish us with the right information, as assured by your business' compliance with proper internal administrative procedures and work processes, in addition to which your striving for statutory and moral compliance will serve as a central plank as far as we are concerned - or, as Nico Koppel tends to put it: "One shouldn't even be willing to risk being penalised". A member

of Koppel's staff will pay you a fact-finding visit to inspect your business operations and administrative accounts, so as to enable us to corroborate your statement.

The Blessings of Horizontal Supervision

Horizontal Supervision in addition to accelerating legal certainty offers several other advantages, such as the enhanced and smoother communication between your business and the tax authorities owing to your having a fixed contact within the Tax and Customs Administration. You will moreover be able to rely on fewer tax audits and reduced expenses. Legal costs and penalties will for example be a thing of the past owing to there no longer being any disputes between your business and the Tax and Customs Administration. And as your accession to the Horizontal Supervision scheme hinges on the adequacy of your internal business processes, your participation in the scheme doubles as quality assurance where your own organisation is concerned. In addition to giving you the opportunity to move up the efficiency ladder, Horizontal Supervision can thus be instrumental in preventing the reputation of your business being damaged. Meanwhile Koppel will continue to have your back and make sure that everything continues to be in order, for the sake of your peace of mind as much as its own.

Tax Assurance

Appealing as Horizontal Supervision is regardless of the type of entrepreneur who opts for it, it is a particularly good fit for the tax assurance policy that larger-scale businesses are increasingly switching to, as it is this segment in particular which is increasingly in need of transparency and compliance especially where it concerns tax issues. This is causing fiscal risks to dictate business operations to a significant degree. For this reason larger-scale businesses tend to abandon the incident-driven approach in favour of a process-based method. Horizontal Supervision is helpful in putting in place a proper fiscal risk management system providing businesses with superior insight into risks and opportunities of a fiscal nature.

Koppel's Motivation for Joining

Koppel Tax Consultants is one of the first members of the Dutch Register of Tax Advisors to have been invited to join the Horizontal Supervision scheme. Nico Koppel explains the firm's rationale: "The changes within our organisation

will be negligible, as we already had properly organised and automated processes at our disposal to ensure an efficient modus operandi with low error sensitivity. We have by contrast had to devote considerable time to the assessment procedures, the reason being that we have defined Horizontal Supervision as representing an expansion of our service range, in that it enables those of our clients who decide to join to rely on the accelerated settlement of their tax returns."

Pact with the Devil?

We would urge those of you whom the perusal of this brochure has inadvertently left with the uneasy feeling that Koppel Tax Consultants may have switched allegiance and will henceforth no longer be making the most of their tax opportunities to set their mind at ease, for Koppel's accession to the Horizontal Supervision Covenant has anything but caused our organisation to conclude a pact with the devil, as Nico Koppel is keen to emphasise: "Our joining up has not transformed us into a continuation of the tax authorities and by no means implies that our consultancy has undertaken indiscriminately to adhere to the policy of the Tax and Customs Administration. On the contrary: it has made it possible in the event that a potential bottleneck has been identified to liaise in advance so as to prevent the procedure suffering delay and avoid costly repairs having to be made at a subsequent stage." Moreover today's world is one in which rock-solid certainty is what we are all pining for ... and certainty is precisely what the Horizontal Supervision scheme has now enabled Koppel to offer its clients in the tax sphere.

Further Information

If you are interested in finding out whether your business would qualify for admission to the Horizontal Supervision scheme or if you have any queries or comments on the advantages or implementation of the Horizontal Supervision scheme, please do not hesitate to contact Nico Koppel either on (T) **+31 20 3445900** or at (E) **nkoppel@koppeltaxconsultants.nl**
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