



Services Brochure

Tax

BDO in Nicaragua



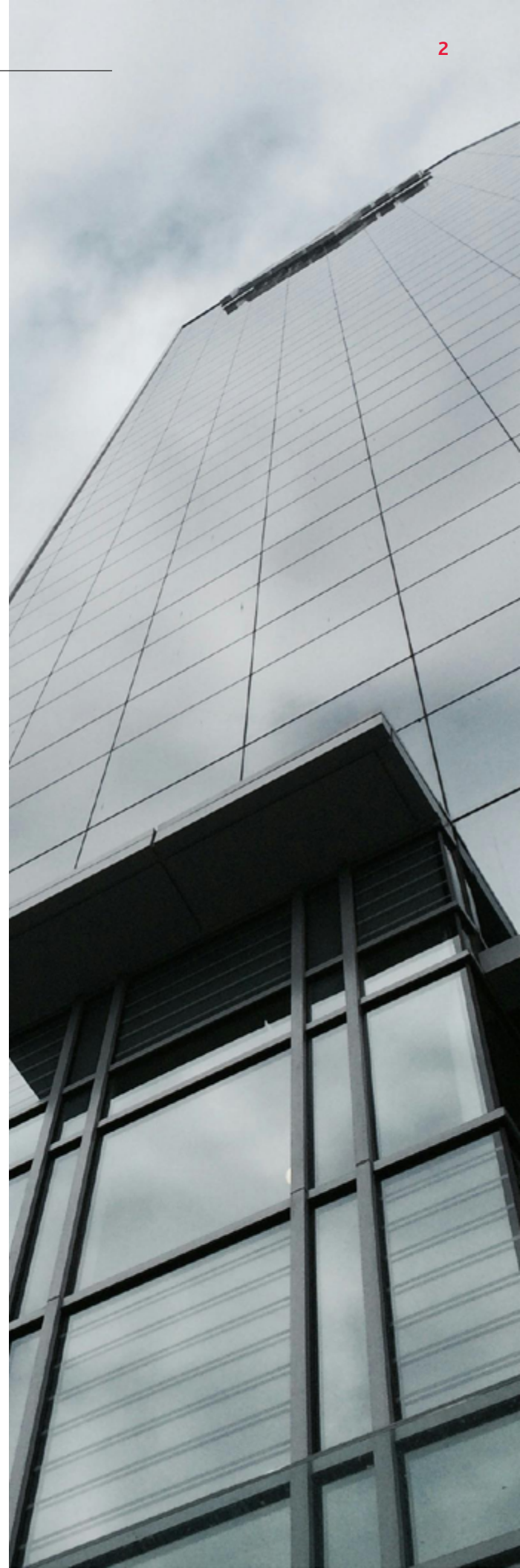
Through our specialized team of auditors, accountants and lawyers we keep our clients protected and updated, on the changes in tax legislation, customs regulation, social security, labor law and municipal regulation; adding value to their organizations and providing greater profitability when carrying out their business.

BDO in Nicaragua is characterized by meeting the needs of its clients under the highest professional quality standards, according to the market requirements. To do this, our team of professionals has the technical knowledge and experience necessary in tax matters and advisory for applying fitted rules to different local business models and foreign investments. Our experience and professional practice gives us the certainty to tailor our services to our clients' needs.

We have structured this professional services unit (Tax & Legal) in such a way that we are able to respond and serve the requirements of companies of varying sizes and economic activities through our organizational structure that involves the active participation of Partners, Directors, Managers, Supervisors, Auditors, Legal Assistants and Advisers.

Our services

- ▶ Accreditation Benefits of Agreements to Avoid Double Taxation
- ▶ Tax Auditing
- ▶ Tax Consultancy
- ▶ Tax Diagnostic
- ▶ Expatriate
- ▶ Taxation Surveys
- ▶ Tax Planning
- ▶ Transfer Pricing
- ▶ Seminars and Training



Accreditation Benefits of Agreements to Avoid Double Taxation

We assess tax payers on how to apply the benefits of the DTA and how to properly comply with the requirements established by the Department of Internal Revenue.

Tax Assurance

With the Tax Assurance service we support our clients in providing assurance to senior management, shareholders, tax administration and regulators that they have a robust tax control structure.

In addition, we advise on the creation of a "defense file" so that they can quickly demonstrate strong tax risk management and good tax behaviors.

Tax Auditing

Tax Authorities as opposed to a diagnostic, allow through substantive tests, verification of the accuracy of the compliance material of each of the national taxes, municipal rates and taxes, security fees and compliance with other regulating and tax entities such as the Health Department, Department of Law and Justice, Regulating Entity and others, as is the case.

Deficiency amounts are determined and the consequences of law violations are measured.

To that effect, we determine if the compliance or law violation might cause monetary contingency and what might be the economic impact to the business.

Tax Consultancy

BDO's experience and qualification in taxation aspects, allows us to provide operation planning services and taxation controversy solutions which result from inspection processes.

Tax Diagnostic

We determine the compliance levels, excess payments, due payments, errors in the estimates, the tax base used and the compliance of the formal requirements.

The context for the provision of service is the test of the operations and the application of tax regulations related to the type of business. In such sense; we inquire, carry out tests, verify and examine the compliance or non-compliance of tax, social security, labor and municipal regulations.

The purpose of the tax diagnostic is to determine the tax, labor and social security position of the business in order to detect, correct and structure as best as possible, the operations, documents and records that minimize situations of fiscal risk.

While planning, executing and developing this service, we focus on detecting possible errors, misapplication of the regulations, fiscal impairment or non-compliance; especially on income tax, I.T.B.M.S., Income Tax Retentions, as well as expense deductions and tax treatment of contributions.

We make sure that the client is not violating any laws and putting their business at risk.



Expatriate

We process visas, work permits and advice expatriates with labor and tax issues.

We prepare sworn declarations for expatriate income taxes, we process their tax number and prepare Income Tax related estimates.

Tax Planning

Tax planning, in its best sense, must be understood and regarded as a corporate responsibility of financial management of the business, just like a supply or raw material of any product or service it must be controlled and rationalized.

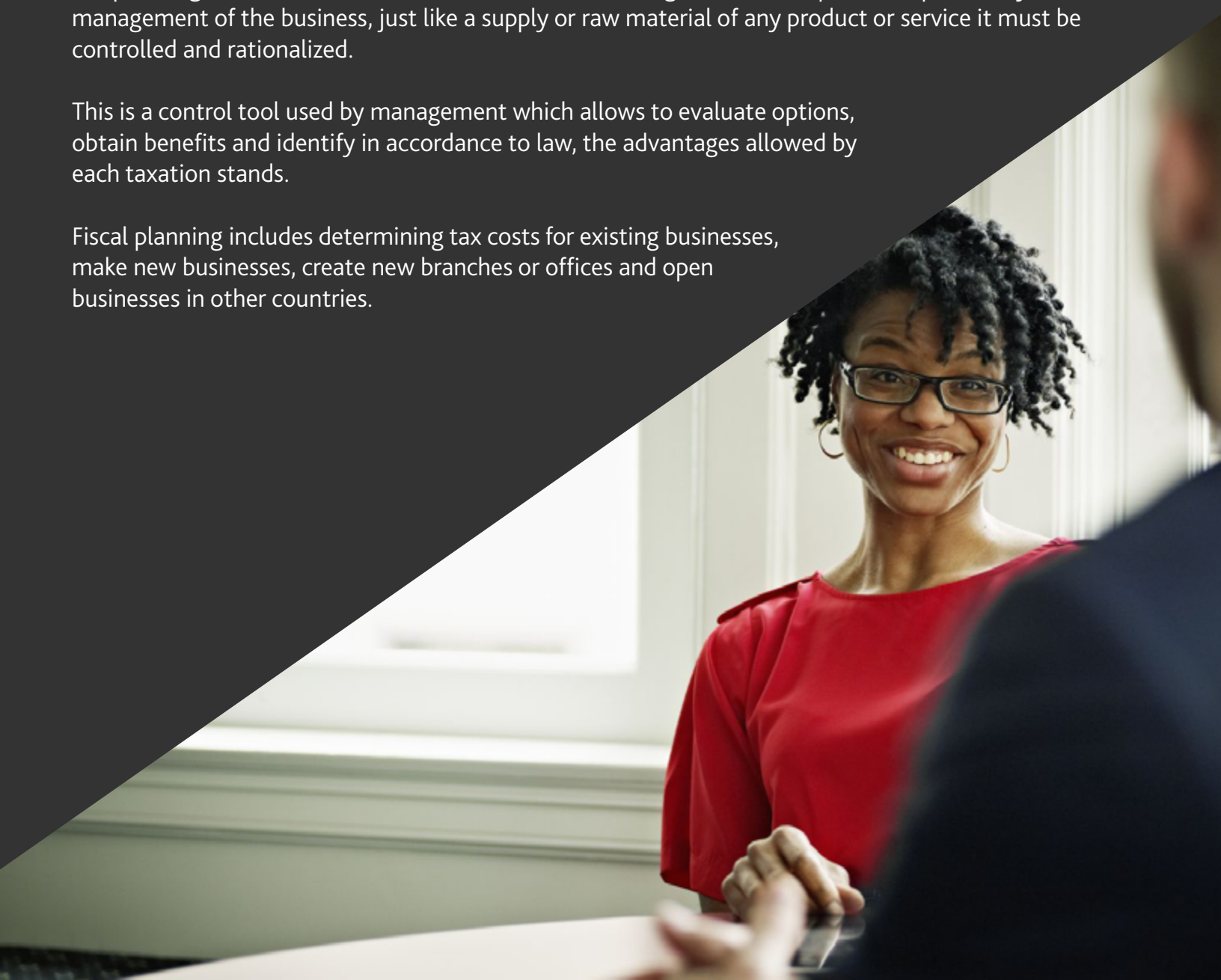
This is a control tool used by management which allows to evaluate options, obtain benefits and identify in accordance to law, the advantages allowed by each taxation stands.

Fiscal planning includes determining tax costs for existing businesses, make new businesses, create new branches or offices and open businesses in other countries.

Taxation Surveys

Through the Tax Unit we act as experts in cases where a unit needs to demonstrate that the resolutions of the scope of the audit bodies does not apply.

We also offer assessment to law firms to structure expert evidences.



Transfer Pricing

We are proud of our ability to work with our clients to develop creative transfer pricing solutions, practical and solid just to suit each company. However, whether simple or complex solutions, we provide pragmatic, practical and clear advice that identify any fiscal risk and opportunities to better train our customers in making informed decisions about transfer pricing.

At **BDO**, people who work with you are directly supervising the analysis that supports your transfer prices. This is essential because the local law in many jurisdictions is based on Transfer Pricing Guidelines which have highlighted the emphasis placed on the importance of identifying third parties of comparable quality.

Seminars and Training

Due to constant changes in tax, labor and social security matters, we keep our clients and the business community current by dictating open and closed seminars to corporate groups on the most relevant changes and their impact on businesses.

We also provide technical materials with practical examples, case law and additional material.



For more information:

Samuel Borge
Managing Partner

samuel.borge@bdo.com.ni

Gloria Pérez
Tax & Legal Manager

gloria.perez@bdo.com.ni

www.bdo.com.ni

BDO Nicaragua, a nicaraguan company, is a member of BDO International Limited, a UK company limited by guarantee, and is part of the international BDO network of independent member firms.

BDO is the brand name for the BDO network and for each of the BDO Member Firms

