

German Tax Reporting: Your Tax challenges, Our solutions

Despite various harmonisation initiatives in Europe, e.g. UCITs IV, tax reporting is still a very long way behind. Germany is a major distribution country for UCITs and non-UCITs funds and it also turns out to have one of the most complex and intricate tax reporting framework for funds. Germany is the only country requiring a third party to issue a statement on the accuracy of the tax reporting.

A PwC Luxembourg dedicated team has been supporting clients in the German tax (G-Tax) reporting for more than ten years. Due to the change in the G-Tax legislation in 2004, we have adopted a unique approach: compiling as well as certifying tax reporting is always performed by mixed teams involving people from our dedicated G-Tax team and audit practice. We are able to provide high quality, efficient tax reporting to our clients. This powerful approach allows us to issue G-Tax certificates for more than 6,000 share classes per year.

Next to our local practice, PwC has a unique network of experts dealing with the tax reporting for investment funds across Europe. Clients benefit from state of art

knowledge and a fully connected service approach.

A key element of our services is the compilation and certification of German tax reporting as the basis of our Luxembourg practice. Driven by industry and legal developments, our clients' needs have changed over the years. As a result, we have developed a full range of services around the G-Tax reporting for fund sponsors and administrators. The present overview gives you an insight on the variety of services, which are available to support you in coping with this challenge. G-Tax reporting is not only a challenge it has also proved at various occasions to be also a very powerful sales support towards German investors and fund sponsors targeting this market.



A unique G-Tax solution

To get started, call



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PwC Luxembourg (www.pwc.com/lu) has about 2000 professionals from 53 different countries. PwC firms provide industry-focused assurance, tax and advisory services to enhance value for their clients. More than 161,000 people in 154 countries in firms across the PwC network share their thinking, experience and solutions to develop fresh perspectives and practical advice.

“PwC” is the brand under which member firms of PricewaterhouseCoopers International Limited (PwCIL) operate and provide services. Together, these firms form the PwC network. Each firm in the network is a separate legal entity and does not act as agent of PwCIL or any other member firm. PwCIL does not provide any services to clients. PwCIL is not responsible or liable for the acts or omissions of any of its member firms nor can it control the exercise of their professional judgment or bind them in any way.

Why PwC Luxembourg?

- 10 years of experience
- 180 persons within our audit practice working for G-Tax certification and compilation
- 35 advisors and tax experts
- A Luxembourg cross-competences G-Tax leadership team
- Presence in the G-Tax OPC committee at the Institut des Réviseurs d'Entreprises (IRE)
- Part of the German investor tax reporting groups at Alfi (Luxembourg Fund Association)
- Over 6,000 share classes certified a year
- 2,000 share classes certified within 10 days
- 7 PwC firms in Europe collaborating and committed to work together

Certification & Compilation Services

Ensuring you are satisfied with G-Tax reporting

A constantly changing legal environment, the huge number of sub funds and share classes distributed in Germany as well as the deadlines for issuing the G-Tax reporting to German distributors and investors represent an even increasing challenge to fund promoters and administrators. Our G-Tax services therefore have only one aim: Ensure that you are comfortable with the tax reporting towards the German market. Our support to you in coping with the related challenges is based on some key principles, which are equal irrespective whether we review and certificate tax reporting established by you or whether we compile the tax reporting for you:

Communication

Establishing a constant communication process between all actors is always the first step of our services. Only open communication ensures that we can adapt our processes and tools to your individual needs and requirements. We will also take care that you are informed in time about all changes in the legislation or market practice, which is relevant to you.

Knowledge and experience

Our unique approach to all certification and compilation services with a mixed team from tax and audit makes sure that we do not only consider all latest legal developments, including administrative guidance and best market practice, but also benefit from the experience on your organisation, accounting environment and processes gained within the statutory audit.

Quality

Although we always aim at making our services as convenient as possible for all parties involved, a high quality – i.e. reliability – of the G-Tax reporting certified or compiled is a must for us. Not to forget: Our signature under your tax reporting is not only a promise to you but also to our people!

These principles together with the longstanding experience of our people provide you with a unique service level and comfort. They allow you and us to feel confident when we publish the G-Tax figures certified or compiled by ourselves without any review by another party.

Add-on Services

Choosing the specific service you need

Our G-Tax service provides you with more than simply certification and compilation. It also offers you specific services which support you in the daily process as well as in the development and organisation of G-Tax reportings.

Key areas covered

Our G-Tax service currently covers five key areas and include: **Training, Fund Migration, Consulting, System and Process Analysis, Hotline,**

Training

During the past ten years we have provided G-Tax training sessions to nearly all major Luxembourg fund administrators. We have recently launched a new and innovative G-Tax trainings program, including tailor made solutions and, for the first time in Luxembourg, residential trainings as well as the G-Tax University. Together with our colleagues across Europe, we have also designed “E-Tax” trainings covering all tax reporting requirements across Europe.

Consulting

Based on our experience, we assist clients in implementing tax teams and services into their organisations from practical and strategic dimensions to enhance their service level to their clients. When assessing fund administrations during request for proposal processes, G-Tax reporting capability is more and more requested by Promoters.

Fund Migration

You can benefit from our wide experience in Fund Migration Projects. Our team will help you compare methodologies applied by current and new service providers and we will support you during parallel runs in order to reconcile figures, identify discrepancies and propose enhancements.

System and Process Analysis

We have implemented a task force specialised in daily and year-end G-Tax reporting processes. The approach of each process review is always developed together with our clients. This ensures that our reports provide next to an assessment of present process also recommendations for enhancements, which are of high practical relevance.

To support the automatization of G-Tax calculations at our clients, we also perform system reviews, following the usual audit standards.

Hotline

We are used to support our clients, among whom numerous promoters and central administrations, via a dynamic communication process, “G-Tax Hotline”. This hotline can offer you a full range of services:

- Ongoing and spontaneous information on tax requirements and tax regulatory developments;
- Experts available to provide you with a technical analysis of tax treatments including the accounting impacts;
- Analysis on market practices and market insights.