

# Opportunities and challenges for the shipping industry\*



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*Advancing globalisation, more flexible tax regimes and an increasingly mobile workforce are creating opportunities and challenges for the shipping industry. New corporate strategies and processes are required to deal with an industry which is being reshaped through market consolidation and shifts in the balance of world trade. Sustained profitability in many sectors, increasingly international operations and ever more sophisticated tax authorities are leading shipping companies to look at effective ways to align their corporate, operational and tax structures.*



## Challenge yourself with these questions

- Are you completely happy with your current tax structure – is it best in class?
- Could you lower the cost of your working capital through tax optimised funding?
- Are you in control of tax compliance wherever you operate – for all taxes?

## PricewaterhouseCoopers helps you to address these questions

With its well established global network of shipping industry specialists, PricewaterhouseCoopers offers comprehensive taxation and legal advice to help you achieve the best tax operational model for your business.

## Facing the challenges

The wide range of taxes falling on shipping business can be a major burden. Industry volatility and complex rules can make it difficult to manage the group's taxation. A flexible, efficient structure and well understood procedures are essential.

The shipping business is capital intensive: technical and environmental developments trigger an ongoing need for investment. Tax optimised financing models help lower the cost of capital investment.

Managing the workforce and meeting employer compliance obligations at the lowest cost has become increasingly challenging, as shipping companies and groups become more global through alliances and mergers.

## PricewaterhouseCoopers can help add value to your business

Through our shipping industry experience and expertise we can help you realise the best solutions to some of the key challenges that face the industry:

### Taxation of shipping income and Tonnage Tax

PricewaterhouseCoopers can help you to optimise your worldwide tax position by taking a global view of your business and finding the most appropriate tonnage tax and other favourable tax regimes for your business.

### International Mobility and Cross-border Employment

An increasingly mobile workforce can create tax residence or permanent establishment problems. You may even inadvertently be allowing your staff to work abroad illegally.

PricewaterhouseCoopers has considerable experience of helping global shipping businesses to manage the many company and employee taxation risks associated with cross-border operations.

### Tax risk management

Tax risk management should be on the Boardroom agenda.

PricewaterhouseCoopers works with your key people to establish clarity around the company's tax risk profile, develop global tax strategies and policies, and design a tax risk management model that meets your commercial objectives. By working in partnership with you and your management team, our proactive approach helps you to create and protect stakeholder value.

### M&A considerations

Transactions are often complex and impacted by the regulatory environment, competition issues, or opportunities for subsidies. PricewaterhouseCoopers is one of the leading M&A advisers in these areas. We are also market leading providers of associated transaction services including financial due diligence, tax structuring and legal services. We also provide post-deal integration support to help you meet value expectations.

### Global Compliance

The combination of dedicated teams with state of the art software tools allows us to offer you enhanced control of your compliance globally, efficiently and cost effectively, making us a leading provider in corporate tax, VAT, sales tax and payroll compliance.

### Lowering the cost of capital

PricewaterhouseCoopers has built up considerable know-how in tax optimised financing. Our experience allows you to save on your investment cost.

## PricewaterhouseCoopers Shipping Network

PricewaterhouseCoopers has established a European and Global Shipping Network of industry experts. Within this network, a dedicated team of tax and legal professionals provide advice and support to businesses like yours.

This network of highly experienced professionals can advise your company at an international level and guarantee you responsive and consistent high quality services.

Through our network of local specialists PricewaterhouseCoopers can offer the solutions and help needed to manage your business on a local and global basis.

The PricewaterhouseCoopers Shipping Network has built on its commitment to exchange experience through our global databases and regular meetings, allowing all members to share knowledge and find solutions that fit your needs.

No matter where you are navigating, PricewaterhouseCoopers has a Shipping Team ready.

[www.pwc.com/transport](http://www.pwc.com/transport)

**For more information about our Shipping Network, please contact your local PricewaterhouseCoopers office or Usha Bahl-Schneider at +49 69 9585 5425 or [usha.bahl-schneider@de.pwc.com](mailto:usha.bahl-schneider@de.pwc.com).**

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