



The perfect balance between speed and quality

Jaap Rog and Wilbert Kannekens of KPMG Meijburg & Co regard taxes as being dynamic. The complexity of legislation requires tax advisors to perform a balancing act between, on the one hand, speed in providing a service and, on the other, quality. For the tax advisor, the top priority in this balancing act is the client: Clients First.

According to Chairman of the Board, Jaap Rog, "Taxes are a political and policy instrument. They are a societal plaything that has led to a patchwork of compromises in the Netherlands and elsewhere". Wilbert Kannekens, Head of the global network's International Tax group knows from experience that this makes taxes extremely dynamic, but also very complex. "This certainly applies to businesses that are internationally active. They have to contend with different national rules, discussions on transfer pricing between businesses in different countries, and the desire of governments to increase revenue from indirect taxes", is how Wilbert Kannekens

characterizes some key tax trends. He expects to see a clearly discernible increase in mergers and acquisitions from 2011 onward as a result of the large amount of money available in the market. He also considers that we are standing at the dawn of large-scale foreign investment by Chinese businesses, including investment in the Netherlands. One of the driving forces behind mergers and acquisitions and Chinese investment is tax legislation. A tax regime can either stimulate or slow down mergers, acquisitions, or investment.

BUSINESS LOCATION POLICY

The business community can make use of tax incentives introduced to attract businesses to locate to a particular country. KPMG Meijburg & Co's extensive international client network enables it to stay up-to-date with these developments. Jaap Rog notes that: "The last few years has seen the Netherlands lose its attractiveness for businesses. This is primarily the result of other countries taking the initiative and introducing favorable tax measures.

Businesses operating in the financial sector now look to England, Ireland, and Luxembourg, rather than the Netherlands. That is a shame. It is important for an open economy, such as the Dutch economy, that foreign businesses locate here. Kannekens believes that the Netherlands can still play a leading role. "The Netherlands is perfectly positioned to act as gateway to Europe for innovative businesses, for example in the biotechnology and health sectors, and, in particular, American businesses. They need a springboard to enter the European market. The Dutch general infrastructure, its location, and also the local knowledge are extremely good. There are also tax incentives in place to stimulate research and development activities. To ensure this all has the desired effect, the government must adopt a flexible and pragmatic approach to legislation." As an example, Kannekens suggests abolishing dividend withholding tax. "This tax provides little in the way of revenue for the government, but it does deter many businesses. However, far more income is generated from business activities performed by a head office located in the Netherlands, and these activities are of a structural nature."

SPEED AND EXCELLENCE

KPMG Meijburg & Co's tax advisors guide their clients through the complex legislative maze, expose tax pitfalls, and know how a country's tax authorities operate. As Jaap Rog puts it: "Our work requires finding a balance between speed and quality". "Clients prefer to receive our advice yesterday. Everything revolves around being able to provide quick service. However, speed must never be at the expense of quality. An advice always includes a long-term perspective; it must be applicable for two or three years. The quality of the advice reflects the quality of the tax advisor who wrote it, often in close

cooperation with a team of professionals. It is people who make the difference." In other words: the specialist knowledge and experience of the tax advisors make the difference between a good advice and an excellent advice. Kannekens emphasizes how important experience is: "A tax advisor requires at least 6 – 10 years after the completion of his degree to develop an in-depth working knowledge of tax matters. That's why only our most experienced advisors advise. Partners don't just supervise a team, they also provide written advice to clients. The ins and outs are only learnt through experience. Only then are you able to identify problems and are you able to say no to a client if the situation requires this."

CLIENTS FIRST

Kannekens continues: "It is in our clients' interests that we look further than initially requested by the client. This fits in with our desire to always make our clients our no. 1 priority. Clients First. One of our general principles is that our work must always bring added value to the client. If we are unable to achieve this, then we say so. A makeshift advice that loses its value within six months is of no use to anyone. Clients First also means that all employees treat clients as they themselves would like to be treated. KPMG Meijburg & Co sets high standards. Jaap Rog notes that the standard applied to 'Clients First' is the same as that used by the top star-rated hotels. "We want to combine the customer service orientation found in the best hotels with the best specialist advice. Clients can judge us on these standards."

"The Netherlands is a perfect location for innovative businesses in the biotechnology and health sectors."