

Tax Compliance Due Diligence Sample

Consulting Practices

1. Purpose

This document provides a sample checklist for due diligence in tax compliance for consulting practices. It is intended to assist in identifying key focus areas and ensuring compliance with relevant tax regulations.

2. Company Information

Practice Name	
Registered Address	
Tax Identification Number	
Year Under Review	

3. Checklist

1. Registration and Returns

- Confirm valid tax registration numbers obtained (corporate tax, VAT/GST, etc.).
- Check timely filing of periodic tax returns and annual income tax returns.

2. Tax Payments

- Verify timely payment of all taxes (income, payroll, VAT, etc.).
- Review payment records and reconciliations.

3. Record Keeping

- Assess adequacy of record-keeping systems for income and expenses.
- Ensure storage and availability of financial records for required periods.

4. Client and Contractor Management

- Review contract templates for tax clauses.
- Check withholding tax compliance for payments to contractors and foreign vendors.

5. Employee Tax Compliance

- Review payroll computations and statutory deductions (social security, PAYE, etc.).
- Check submission of required payroll reports and payment of associated taxes.

6. Indirect Taxes

- Confirm VAT/GST registration, if applicable.
- Review VAT/GST returns and input tax claims.

7. Correspondence and Audit

- Compile correspondence from tax authorities (notices, assessments, responses).
- Review history of tax audits and current status of any ongoing matters.

4. Findings & Recommendations

Area Reviewed	Findings	Recommendations

5. Sign-Off

Prepared By	
Date	
Approved By	