

# 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

<b>Area Reviewed</b>	<b>Findings</b>	<b>Recommendations</b>

## 5. Sign-Off

<b>Prepared By</b>	
<b>Date</b>	
<b>Approved By</b>	