MITTELSTAND
Services

VENTURING ABROAD
SUCCESSFUL EXPANSION OUTSIDE GERMANY

www.mazars.de

Rainer Weichhaus
Diplom-Kaufmann
Wirtschaftsprüfer, Steuerberater
Partner
Tel: +49 30 208 88-1900
rainer.weichhaus@mazars.com

*"Are you planning direct investments outside of Germany as part of your expansion strategy? Take a look at our **Venturing Abroad** service package to find the ideal streamlined but comprehensive solution for auditing requirements and international consulting services in the fields of taxation, law, transactions and IT."*

Audit
Tax Advisory
Accounting & Outsourcing
Legal Services
Financial Advisory Services
Consulting

MAZARS
Roever Broenner Susat Mazars

VENTURING ABROAD

Venturing Abroad is a modular consulting "set" designed with your global expansion in mind, which can be adapted to your specific consulting requirements for different issues and in different countries. International and multi-disciplinary, our teams of consultants are coordinated from Germany. As your contact partner, the team coordinator is always available to discuss any questions you may have.

MODULES

Benefit from our "one stop shop" solution, which can be adapted to suit your specific budget and address your company's needs.

1 **START**
Founding, acquisitions, joint ventures

2 **OPTIMISING TAX PAYMENTS**
International tax structuring, transfer pricing, value added tax (VAT)

3 **SAFE-GUARDING RIGHTS**
Contract law, corporate law, trademark and IT law, real estate

4 **MANAGING STAFF**
Global mobility, HR management, payroll, employment law

5 **MEETING OBLIGATIONS**
Value added tax and customs, accounting, financial reporting, annual reports, tax declarations, INCONTROL

6 **ASSESSING AND MANAGING RISKS**
Voluntary and mandatory audits, internal audit, professional and responsible management

MODULE 1
START

EXPANDING ABROAD:
FOUNDING COMPANIES

1. Comparative calculation: operations base vs subsidiary
2. Choice of legal form
3. Establishing company/subsidiary, incl. articles of association and, if necessary, use of shelf companies
4. Appointing managers/management board
5. Opening foreign bank account
6. Handling additional country-specific formalities and registration
7. Consulting regarding state subsidies

EXPANDING ABROAD:
ACQUISITIONS

1. Cross-border M&A management strategies
2. Identifying and approaching suitable companies (targeting)
3. Letter of intent (LOI)
4. Due diligence (red flag DD and/or total DD)
5. Company valuation and purchase price negotiation
6. Sale and purchase agreement
7. Financial consulting and communication with investors/banks
8. Assessing purchase price allocation

EXPANDING ABROAD:
JOINT VENTURE

1. Reviewing formal requirements in relevant countries
2. Comparative assessment: equity joint venture vs contractual/cooperative joint venture
3. Drafting and negotiating the joint venture contract (regulation of legal and economic relationship, joint objectives and interests, distribution of risk, monitoring and profits)

MODULE 2

OPTIMISING TAX PAYMENTS

2

TAX OPTIMISATION:

INTERNATIONAL TAX STRUCTURING

1. Consulting for creating tax-optimised corporate structures, esp. choice of legal form in domestic and foreign markets
2. Tax-related planning for cross-border supply and service relationships within the group and vis-à-vis third-party buyers
3. Cross-border M&A management strategies
4. Asset succession in a cross-border context

TAX OPTIMISATION:

TRANSFER PRICING

1. Information on transfer pricing provision and transfer pricing processes in relevant countries
2. Structuring transfer pricing systems
3. Avoiding relocation of functions
4. Identifying operating base profits
5. Drafting intra-group agreements and transfer pricing guidelines
6. Complying with mandatory documentation obligations
7. Communicating with domestic and foreign finance authorities

TAX OPTIMISATION:

VALUE ADDED TAX (VAT)

1. Optimising international supply chains and service flows
2. Documenting advantages and disadvantages in connection with usage of warehousing concepts

MODULE 3

SAFEGUARDING RIGHTS

3

LEGAL CERTAINTY:

CONTRACT LAW

1. Trade contracts of all types
2. General terms and conditions
3. Process-based implementation of all legal claims

LEGAL CERTAINTY:

CORPORATE LAW

1. Corporate housekeeping
2. Consulting on restructuring
3. Optimising investment portfolios

LEGAL CERTAINTY:

TRADEMARK AND IT LAW

1. International trademark protection (registering and managing brands; representing client in event of branding conflicts)
2. Consulting regarding data protection laws
3. Licensing commercial copyright laws

LEGAL CERTAINTY:

REAL ESTATE

1. Legal consulting when purchasing real estate
2. Legal consulting when concluding commercial leases

MODULE 4

MANAGING STAFF

4

FOREIGN STAFF DEPLOYMENTS

GLOBAL MOBILITY

1. Drafting and implementing guidelines for foreign deployments
2. Consulting regarding remuneration for foreign postings and tax equalisation
3. Modifying employment contracts and drafting foreign posting contracts
4. Payroll accounting in country of origin and country of posting
5. Calculating hypothetical taxation in country of origin
6. Tax declaration in country of origin and country of posting

MANAGING EMPLOYEES

HR MANAGEMENT

1. Recruiting (advertising vacancies and selecting suitable candidates)
2. Managing HR activities from start to end of employment
3. Drafting employment contracts and contract changes, onboarding process
4. Offboarding process and references
5. Drafting formal warnings, terminations
6. Benchmarking pay structures

MANAGING PAY

PAYROLL

1. Payroll accounting for local employees at foreign base (locals)
2. Payroll accounting for parent company employees on foreign postings (expats)
3. Globally coordinated payroll accounting with standardised reporting
4. Social security

LEGAL CERTAINTY:

EMPLOYMENT LAW

1. Laws regarding cross-border employment, social security, income tax and collective bargaining
2. Compliance
3. Legal representation
4. Retirement plans

MODULE 5

MEETING OBLIGATIONS

5

CORRECT INVOICING

INVOICING, VAT AND CUSTOMS DUTY

1. Training employees:
   - Drafting formally correct invoices (mandatory information and voluntary additional information for relevant country)
   - Calculating and displaying correct VAT levels (abroad, EU, third-party country)
2. Consulting regarding laws on VAT, customs duty and foreign trade
3. Correct IT settings depending on business model (incl. control key, invoice information)

ACCURATE ACCOUNTS AND REPORTS

BOOKKEEPING AND REPORTING

1. Designing financial accounting and advance VAT payments as per national law
2. Supporting drafting process for collective and Intrastat reports
3. Drafting controlling reports (monthly/quarterly)
4. Consolidation for corporate accounting

ANNUAL REPORTS AND TAX RETURNS

ANNUAL FINANCIAL STATEMENTS AND TAX COMPLIANCE

1. Annual financial statements
   - Producing annual financial statements as per national/international reporting standards
   - Consolidated financial statements
2. Tax returns
   - Producing business tax returns
   - Communicating with national financial authorities

COORDINATING AND MONITORING BUSINESS PROCESSES AND DEADLINES ON AN INTERNATIONAL LEVEL

INCONTROL

Developed by Mazars, INCONTROL is a software solution for the cross-border coordination and monitoring of business processes and deadlines:

- → Highest security standards
- → Very user-friendly
- → Cross-border access for flexible time periods thanks to access authorisation system
- → Up-to-the-minute reports on work statuses and deadlines

MODULE 6

ASSESSING AND MANAGING RISKS

6

VOLUNTARY AND STATUTORY AUDITS

AUDITING

1. Auditing annual and/or consolidated financial statements as per national and/or international reporting standards
2. Special audits and other assurance services
3. Forensic accounting

PROFESSIONAL AND RESPONSIBLE MANAGEMENT

RISK, COMPLIANCE AND RESPONSIBILITY

Complying with and monitoring all important laws, regulations and rules in Germany and abroad. Handling risk situations, reaction capacity for questions concerning social and environmental issues

→ Risk management

→ Compliance management (establishing and supervising)

→ Corporate responsibility (management/supply chain/reporting)

MONITORING AND PERFORMING AUDIT SERVICES

INTERNAL AUDIT

Security during growth and internationalisation via monitoring internal control systems (ICS) as part of efficient and effective audit activities:

→ Establishing/refining audit organisation

→ Revising audit concept/audit universe

→ Handling audit functions, co-sourcing

LET'S TALK MITTELSTAND – IN GERMANY AND WORLDWIDE

With 270 offices in 79 countries, Mazars is one of the world's leading consultants for SMEs. For decades, teams of specialist tax advisors, auditors, lawyers, transaction experts and IT experts have been partners for German SMEs interested in expanding outside the country. These professionals always work in tandem with their Mazars peers abroad.

CONTACT

Rainer Weichhaus is an auditor and tax advisor, and partner at our Berlin office. Together with his interdisciplinary team, he advises and audits medium-sized companies and corporate groups with a focus on media, renewable energy and services.

Tobias Zickmann is an auditor and tax advisor, and partner at our Hamburg office. He advises medium-sized companies and corporations in media, energy, and trade industry sectors.

As members of the Mazars Venturing Abroad consulting team, they also actively support the expansion of German companies abroad and foreign companies in Germany. This also includes the coordination of international Mazars expert teams for global players.

Rainer Weichhaus
Diplom-Kaufmann
Wirtschaftsprüfer, Steuerberater
Partner

Tel: +49 30 208 88-1900
rainer.weichhaus@mazars.com

Tobias Zickmann
Diplom-Kaufmann
Wirtschaftsprüfer, Steuerberater
Partner

Tel: +49 40 288 01-3350
tobias.zickmann@mazars.com

Find out more about Mittelstand Services from Mazars Germany at www.mazars.de/mittelstand