Tax-Efficient Supply Chain Management

Due to its central location, excellent infrastructure, and multilingual culture, the Netherlands is a popular location for European supply chain solutions, including distribution activities or customer support services. Supply chain strategies are often a key part of optimizing and streamlining an international business model. Companies may be interested in reviewing their supply chain strategy for a number of reasons; it is also an excellent time to review the tax exposure of the business. The key tax areas to look at in this respect are generally corporate taxes (including withholding taxes), value added tax (VAT), and customs duties.

Historically, the Netherlands is an excellent location to set up such a centralized entity for your company (generally referred to as a “shared services center”). Moreover, the Netherlands is an advantageous jurisdiction to establish the head office of your business (due to its location with main ports in Rotterdam and Amsterdam) for tax-efficient manufacturing, distribution, and customer support.

In addition, companies may be looking at factors like the avoidance of “red tape” environments and the overall cost of centralized distribution versus drop shipments. Tax is a key part of this equation. The sale and distribution of products to other European markets can be optimized for tax purposes.

As a form of supply chain optimization, a business may be looking to centralize certain processes and operations in a single core entity. This entity typically has a highly trained and specialized staff performing activities such as management, research and marketing, and cost reduction at local operations, so the focus is solely on sales or manufacturing activities.

Additionally, the Netherlands offers a few additional benefits that make it particularly appealing as a shared services center jurisdiction. These benefits are summarized as follows:

- **Mitigating Dutch dividend withholding tax** – An active Dutch entity should not be subject to Dutch dividend withholding tax, provided that the relevant requirements are met.
- **Option for other functional currency** – A taxpayer can calculate its profits in a currency other than euros for Dutch tax accounting purposes.
- **Dutch bilateral investment treaties** – Investments in some foreign jurisdictions can entail the risk of expropriation or unfavorable treatment. The treaties protect a foreign investor against these occurrences, generally ensuring that local subsidiaries or businesses of foreign investors are treated on equal footing with domestic entities. The Netherlands has currently entered into 104 bilateral investment treaties (BITs) with other countries.
International Tax

Ryan’s International Tax experts have years of experience developing and implementing solutions that address the challenges facing multinational clients around the world.

Rapid globalization is creating a challenging tax environment, as multinational companies continue to expand operations abroad. Complex global operating and supply chain models, designed to gain a competitive advantage in the new economy, only add to the challenges of international taxation.

Substantial differences in the combined corporate income tax rates for the largest countries present significant issues for multinational companies managing tax affairs on a global basis. Likewise, the structure of today’s global business can have a material impact on financial statements and results. Ryan’s International Tax practice helps clients effectively navigate this competitive and challenging environment. We scour our clients’ global business transactions to deliver customized international tax plans, cross-border solutions, VAT advisory and recovery services, tax compliance, tax accounting, and intercompany pricing strategies that support business objectives and reduce overall global effective tax rates.

Ryan offers a flexible fee model that incorporates contingency, fixed-fee, or hourly billing to accommodate unique client preferences and ensure maximum client return on investment.

The Ryan Difference

Ryan, a leading global tax services and software provider, is the largest Firm in the world dedicated exclusively to business taxes. Ryan provides a single source indirect tax solution that is unmatched in the industry today. Companies in the Netherlands gain access to an integrated suite of VAT recovery, advisory, and compliance solutions; innovative tax technology offerings; and international income tax and transfer pricing services that dramatically improve tax performance and profitability.

Ryan’s Netherlands operations, located in Amsterdam, is staffed with seasoned tax professionals with detailed local knowledge and backed by a large team of International Tax experts sharing knowledge, technology, and best practices for delivering significant tax savings and process improvement. Our performance-driven compensation model for VAT recovery is based on the tax savings that we deliver, which mitigates client risk and focuses our efforts on delivering significant tax savings and superior results.

The entire Ryan team looks forward to helping companies across the Netherlands improve profitability, cash flow, and performance through proven tax advisory and technology services. Every member of our Firm is committed to delivering outstanding client satisfaction and tremendous value.

Award-Winning Tax Services

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