**OVERSEAS TAX CONSIDERATIONS:**

When one entity based in a particular country undertakes activities in another country, the nature of those activities and the associated income needs to be ascertained so that an assessment can be made as to whether they are likely to give rise to for example:

* VAT or similar tax registration requirements and liabilities in that other country,
* a presence for corporation tax in that other country requiring registration for corporation tax filings, payment of corporation tax,
* tax being deducted at source for any fees received from the other country (OR in some cases to the other country eg Nigeria/India)
* Payroll taxes or income tax issues for employees who may undertake some work physically (usually) in that other country
* Not a tax consideration, but the requirement for appropriate visas for staff flying overseas must always be looked at
* Note:
  + contracts must NOT be negotiated or signed in the overseas territory
  + Suppliers, other organisations including sub contractors must NOT hold themselves out as being able to bind us in any contracts etc
  + There should be NO fixed place of business made available to UoR overseas (eg a permanent office available for us) or anything with permanent UoR advertising, banners.

Every situation is likely to have some unique fact pattern, and every country’s tax rules are different so each needs to be considered appropriately to ascertain tax risks and potential costs. Tax works at a transactional level and advice can only be given if each transaction is properly understood. Please could you complete the table below which will form a starting point to be able to identify what further information may be required, the potential tax issues and to see if they can be mitigated. Please email this completed questionnaire to ‘vat@reading.ac.uk’ .

**QUESTIONNAIRE:**

|  |  |
| --- | --- |
| **Questions for tax:** | **Response** |
| What is the overall service to be provided eg teaching, consultancy, research etc? |  |
| Who is providing the service (correct University entity please) and to whom? |  |
| How long will the service last and is it likely to be recurring? |  |
| What is the estimated fee to be charged |  |
| Where will the service take place eg from UK and delivered online, or will staff be physically working at least part of the time in another country?Or both? |  |
| Will we have suppliers working on our behalf? If yes, where are they usually based? |  |
| What is the likely amount of time staff and/or suppliers may be working in the other countries (ie not in the UK)? |  |