



# Tax Compliance Review

At Grant Thornton, we can help you to secure your company's legal and tax situation thanks to the Tax Compliance Review (“Examen de conformité fiscale” or ECF in French).



Created by decree n° 2021-25 of 13 January 2021, the Tax Compliance Review (ECF) is a **contractual service that takes place with a professional accountant** or a lawyer at the request of a company. The chosen professional undertakes in complete independence, **to give an opinion on the company's compliance** with tax rules for a **given financial year according to a set of specifications** and an audit which are defined by decree. The independent professional then gives an opinion on the tax compliance in respect of 10 different points for the year in question.

# A new opportunity to give security to businesses

## ► What exactly does it involve?

The French tax authorities wish to develop a **new relationship of trust** with taxpayers. A paradigm shift is taking place in Bercy, some may even say **a small revolution**. It is within this context that the Tax Compliance Review has been created, essentially providing **a compliance review** on those very points which are most commonly looked at during a tax audit. For companies, this review takes on the role of a **«technical control» test based on tax compliance** aspects.

## ► Why do it?

In case of a tax audit: **neither penalties nor interest on late payment will be applied** if a tax assessment concerns one of the points validated by the independent professional during the Tax Compliance Review. Furthermore, any fees paid in relation to the point that was the subject of the tax assessment will be reimbursed. It is also an important tool of communication for your business partners in all types of relations: banks, suppliers, customers.

## ► Will this avoid me having a tax audit?

By having a tax compliance review performed, the company is showing a certain **fiscal civic mindedness** towards the administration. This information will be included in your tax file and may result in your company not being prioritised by the tax administration during their audit campaigns.

## ► Is it obligatory?

**There is absolutely no obligation:** It is simply the opportunity to gain «peace of mind» from a tax perspective.

## ► Who is entitled to it?

The tax compliance review **is offered to all businesses regardless** of their tax regime and their turnover (with the exception of SCIs which are tax-transparent entities and held by private individuals).

## ► What tests are carried out?

The tests of a tax compliance review **cover 10 different points concerning the accounting entries file (FEC) and more notably**, the tax regime, the conformity of your POS software (if applicable), document retention methods, depreciation, accrued expenses, provisions, exceptional expenses and VAT.

## ► What should I do if I am interested in this service?

We suggest you reach out to your usual contact people in Grant Thornton so you may talk directly and **concretely with them**.

## ► Is this review included in currently provided services?

This would be an **additional engagement** for which we are liable, and as such a **specific invoice** will be issued. A tax compliance review necessitates us preparing a specific assignment file and issuing a standardised report.

**Thank you in advance for contacting your referring partner to discuss the ECF if necessary.**