



# Financial Services in Uncertain Time

## Collateral Management and Asset Recovery – Tax Angle

### Context

- One of the main prerequisites to maintain a healthy loan portfolio is early problem identification. Financial institutions are developing internal systems to continuously monitor the loan portfolio and quickly identify any deterioration of the client's financial situation that could result in failure to meet obligations.
- Monitoring and assessing relevant tax information can be a very useful tool for the evaluation of client's financial situation and/or forthcoming insolvency . Taking a post tax approach for early identification will deliver a competitive advantage.

### Risks and Challenges

Omission of tax information may bring significant risks because:

- Taxes reflect the client's true financial position.
- Certain taxes, for example VAT and payroll, reflect real time economic activity.
- The principles of taxation are not always the same as accounting.
- The client's tax position is becoming subject to increasing levels of control by the respective state authorities.

### How Deloitte can help

Our team brings a wide range of expertise, including corporate tax, indirect taxation and personal tax and social security. Tax professionals work closely with you to understand your organisation's global goals. At Deloitte, experts in various disciplines form one team, taking a 360° view of your situation.

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