

# BKMS GROUP

Meridian**VAT**recovery™



[www.bkmsgroup.com](http://www.bkmsgroup.com)



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# 1. MERIDIAN FLASHBACK

- ✓ 1990 – Foundation of the Company
- ✓ 1992 – First Marketing Office in New York
- ✓ 1998 – ISO 9002 Accreditation Awarded
- ✓ 1999 – Acquisition of the «Profit Recovery Group Schultz»  
(Nasdaq quoted)
- ✓ Today
  - 300 employees
  - 20,000 Clients
  - 30 Offices in 20 countries worldwide
  - Largest VAT reclaim corporation in the world
  - Services to more than 50% of the Fortune 500
  - Processing of over 3,000,000 invoices with over \$250,000,000 in VAT

## 2. OUR CLIENTELE



**Microsoft**



**AVAYA**

**Lucent Technologies**  
Bell Labs Innovations



*Procter & Gamble*



**XEROX**

### 3. THE QUALITY OF OUR SERVICES

- ✓ Nov 1998 - ISO 9002 Accreditation
- ✓ External Audits 2X annually
- ✓ Full time Quality Manager employed
- ✓ Constant emphasis on quality







## 4.1. VAT *recovery*<sup>TM</sup> SERVICES

The VAT recovery services offered by Meridian consist of the following:

8. CONSULTING SERVICES
7. VAT REGISTRATION SERVICES
6. APPEAL SERVICES
5. CONTROL, ANALYSIS & REPORTING SERVICES
4. RESTYLING SERVICES
3. CLAIM PROCESSING SERVICES (6<sup>th</sup>, 8<sup>th</sup> & 13<sup>th</sup> DIRECTIVES)
2. AUDIT SERVICES
1. VAT REFUND ESTIMATION SERVICES



## 4.1. VAT*recovery*<sup>TM</sup> SERVICES

- ✓ Identification of VAT refund opportunities in foreign countries.
- ✓ Assessment of all the invoices based on the requirements of each country specific tax authority.
- ✓ Consulting upon the optimization of the client's internal procedures.
- ✓ Preparation of appeal's documentation in the local language and specific format required by each country specific tax authority.
- ✓ Consulting from a team of professionals specialized in the VAT and Tax legislation in European and other countries.

## 4.3. VAT Refund Process

### 4.3. VAT REFUND PROCESS







## 5.1. KEY BENEFITS

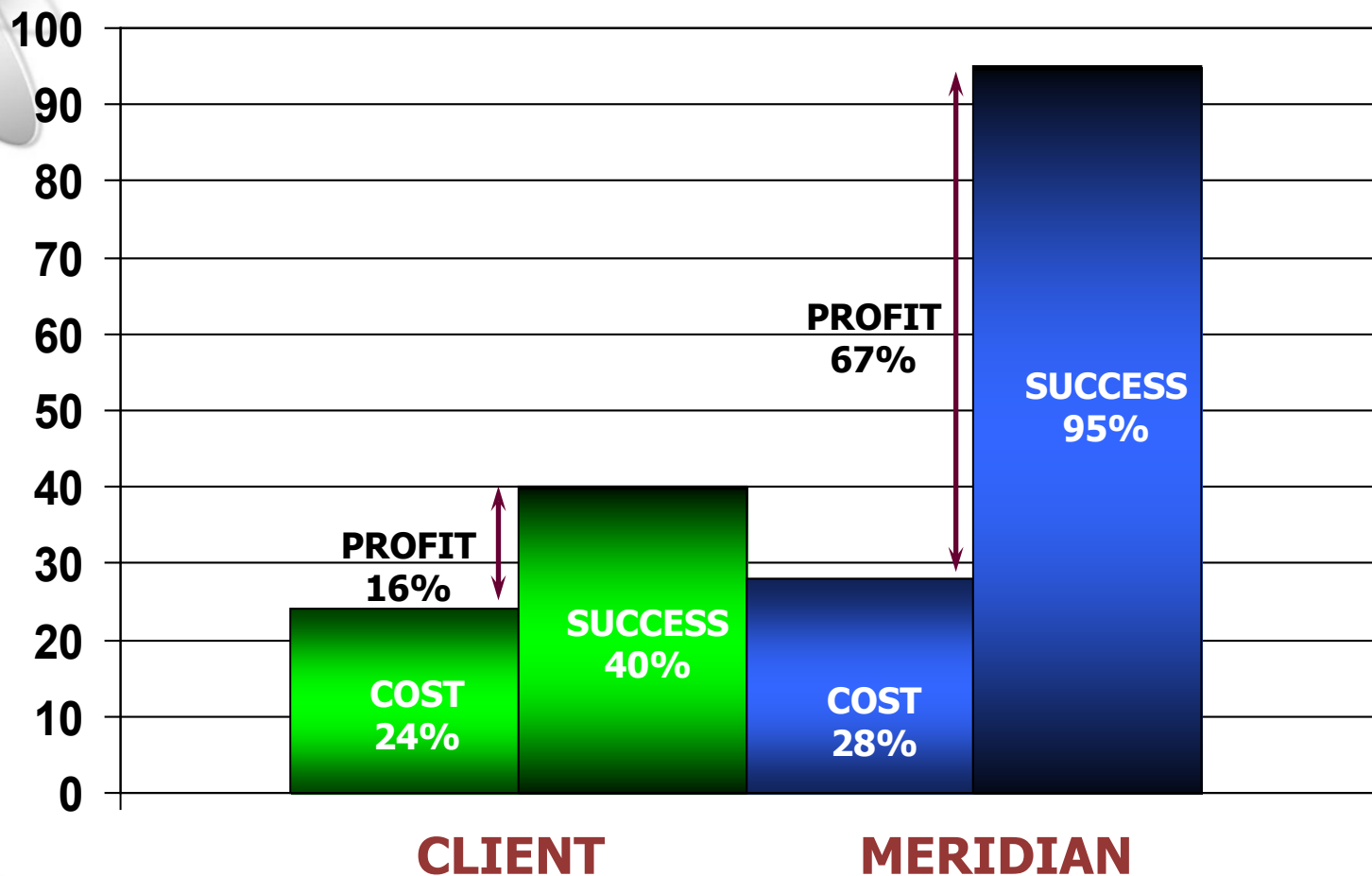
- ✓ Expert Knowledge of the national VAT legislations and reclaim procedure
- ✓ Reduction of the Client's Internal Company Costs
- ✓ Contingency Based Fee – we only get paid when you receive a successful refund
- ✓ Cash Inflow increase up to 4 times per year
- ✓ Full transparency upon the process and the refundable amounts
- ✓ Analytical reporting for all the claims
- ✓ Online reporting update through internet portal
- ✓ 12 year of experience & claims of \$1Bln in value
- ✓ Maximization of the VAT refundable amount



## 5.1. KEY BENEFITS

- ✓ High Success Rate
- ✓ Secured money refund
- ✓ Competitive fees
- ✓ Excellent relationships with the Tax Authorities in each country
- ✓ Provision of a Global Network with multilingual experts
- ✓ Release of client's human resources from time-consuming and bureaucratic procedures
- ✓ Specialized VAT consulting on a Pan-European level

## 5.2. SUCCESS RATE OF CLAIMS SUBMITTED BY MERIDIAN AND THE CLIENT



## 5.3. REPORTING

Reporting  
with extended analysis  
of each VAT Claim  
as well as  
report's adaptation  
to the client's needs  
and requirements



CLIENT STATUS REPORT AS AT:13-APR-2004  
CLAIMANT - SUMMARY

### VAT PROCESSED - BY COUNTRY

Section: 3

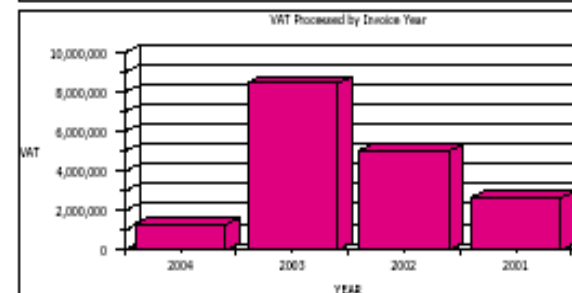
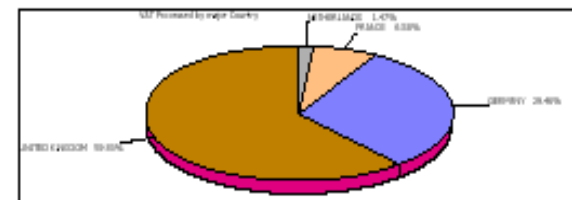
*Alpha Trading Company*

Claimant Code: 1888017

#### VAT PROCESSED (by Invoice Date)

VAT Country	2004	2003	2002	2001	Prior	Total	%
UNITED KINGDOM	183,263	1,471,436	4,348,855	2,097,518	7,624,822	13,645,394	99.83
GERMANY	988,886	5,917,318	135,754	128,518	540,914	7,703,191	29.46
FRANCE	212,071	799,387	340,802	272,491	95,876	1,720,627	6.58
NETHERLANDS	0	98,935	112,356	67,714	113,761	384,765	1.47
SWEDEN	21,576	97,697	20,389	3,554	38,875	182,891	0.70
ITALY	0	4,804	40,704	35,267	25,564	106,340	0.41
DENMARK	0	27,205	2,757	1,396	72,481	103,739	0.40
CANADA	23	7,008	13,549	16,652	34,821	72,853	0.28
AUSTRIA	0	9,739	11,204	1,633	46,381	68,957	0.26
MONACO	0	11,710	0	21,291	17,396	50,396	0.19
PORTUGAL	0	24,046	0	0	0	24,046	0.09
SPAIN	0	7,623	0	0	16,852	23,675	0.09
FINLAND	44	1,589	4,316	1,594	8,684	16,228	0.06
BELGIUM	0	746	0	0	15,346	16,891	0.06
SWITZERLAND	0	0	3,221	0	12,689	15,910	0.06
NORWAY	7,539	0	0	0	0	7,539	0.03
IRELAND	21	38	0	36	3,296	3,391	0.01
ICELAND	0	0	0	2,413	985	3,318	0.01

<b>Total</b>	<b>1,325,233</b>	<b>8,471,279</b>	<b>5,833,007</b>	<b>2,650,369</b>	<b>8,666,953</b>	<b>26,147,741</b>	<b>100.00</b>
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## 5.4 VAT REFUND EXAMPLE



Expenses are  
referring to  
20 trips to the  
UK



<u>Yearly Expenses</u>	<u>Total</u>
Hotels	£5,250
Meals in restaurants	£3,000
Transportation	£1,000
Domestic Flights	£1,200
Exhibitions	£600
Car Rental	£1,000
Training courses	£4,000
<hr/>	
Total Expenses (Incl. ΦΠΑ)	£16,050
<i>Claimable VAT for refund (GBP)</i>	<i>£2,211</i>
<b>Claimable VAT for refund (EUR)</b>	<b>€3,360</b>

## 5.5. VAT REFUND CHART

COUNTRIES	Local VAT Abbreviation	Hotel (%)	Restaurant meals (%)	Car rental (%)	Fuel (%)	Taxis (%)	Public Transport (%)	Leased Lines (%)	Professional Fees (%)	Conferences , Trade	Training Courses	Seminars	Tooling costs (%)	Warranty costs (%)	Comments
Austria	UST/MWST	10*	10*	NR	20*	10	10	20	20	20	20	20	20	20	
Belgium	TVA/BTW	6*	21*	21*	21*	6	6	21	21	21	21	21	21	21	3 years retroactivity
Bulgaria	DDS	20*	NR	20*	NR	NR	20	20*	NR	20	20	BA	BA	BA	
Canada	GST	7 / 6.5	NR	NR	NR	NR	NR	NR	NR	7	NR	NR	NR	NR	1 year from date of invoice / event
Croatia	PDV	NR	NR	NR	NR	NR	NR	NR	NR	22	NR	NR	NR	NR	
Cyprus	FPA	5	5	15	15	15	15	15	15	15	15	15	15	15	
Czech Republic	DPH	5*	NR	19*	19*	19*	5*	19*	19	19	19	19	19	19	
Denmark	MOMS	25*	25*	NR	25*	0	0	25	25	25	25	25	25	25	
Estonia	KM	5*	5*	18*	18*	18	18	18	18	18	18	18	18	18	
Finland	ALV	8	NR	22*	22*	8	8	22	22	22	22	22	22	0	
France	TVA	5.5*	19.6/5.5	NR	19.6*	NR	NR	19.6	19.6	19.6	19.6	19.6	19.6	19.6	
Germany	MWST	16	16 / 7	16	16*	16 / 7	7	16	16	16	16	16	16	16	
Greece	FPA	NR	NR	NR	NR	NR	NR	19	19	19	19	19	19	19/0	
Hungary	AFA	15	NR	25	25*	NR	15	25*	25	25	25	25	25	25	Minimum per invoice 7.000 HUF
Iceland	VSK	14	NR	NR	24.5*	NR	0	24.5	24.5	24.5	24.5/0	BA	BA	BA	
Ireland	VAT	NR	NR	NR	NR	0	0	21	21	21	21	21/0	21	21	
Italy	IVA	NR	NR	20*	NR	NR	NR	20	20	20/10	20	20	20	20	
Korea (South)	VAT	10	10	10	10	10	10	10	10	10	10	BA	BA	BA	
Latvia	PVN	5	NR	18	18	18	18	18	18	18	18	18	18	18	
Lichtenstein	MWST	3.6	7.6*	7.6*	7.6*	7.6	7.6	7.6*	7.6*	7.6*	7.6*	7.6	7.6	7.6	
Lithuania	PVM	5	NR	NR	18*	NR	5	18	18	18	18	18	18	18	
Luxembourg	TVA	3	3	15	15	3	3	15	15	15	15	15	15	15	
Malta		5*	18*	18*	18*	18*	0	18	18	18	18	18	18	18	
Monaco	TVA	5.5*	19.6/5.5	NR	19.6*	NR	NR	19.6	19.6	19.6	19.6	19.6	19.6	19.6	
Netherlands	BTW	6	NR	19	19	6	6	19	19	19	19	19	19	19	5 years retroactivity
Norway	MVA	0	NR	NR	25*	7	7	0	25*	25*	0	25	0	0	
Poland	PTU	NR	NR	22*	NR	7	7	22	22*	22*	22*	22	22	22	
Portugal	IVA	NR	NR	NR	19*	NR	NR	19	19	19	19	19	19	19	
Slovak Republic	DPH	19*	NR	19*	19	19	19*	19	19	19	19	19	19	19	Diesel for trucks only
Slovenia	DDV	NR	NR	NR	NR	NR	NR	20	20	20	20	20	20	20	Petrol & Diesel but for trucks only
Spain	IVA	16/7	16/7	16*	16*	7	7	16	16	7	16	16	16	16	
Sweden	MOMS	12*	25*	25*	25*	6	6	25	25	25	25	25	25	25	
Switzerland	MWST	3.6	7.6*	7.6*	7.6*	7.6	7.6	7.6*	7.6*	7.6*	7.6	7.6	7.6	7.6	Only one claim per year
UK	VAT	17.5	17.5	17.5*	17.5	0	0	17.5	17.5	17.5	17.5	0/17.5	17.5	17.5	
* = Refundable with Restrictions		BA = Will be Announced		NR = Non Refundable		0 = VAT Exempted / Zero Rated - Refundable from Supplier									





## 6.1. TELECOMMUNICATION SECTOR

- ✓ Clientele: Vodafone, British Telecom, Deutsche Telecom
- ✓ Specialized expenses for VAT refund
  - ✓ Intra-Group charges
  - ✓ Sponsorship
  - ✓ Organization / participation in telecommunication conferences
  - ✓ Participation in training seminars
  - ✓ Capital expenses & submarine cables maintenance
  - ✓ Research & development expenses from business partners
  - ✓ Supply and installation of equipment
  - ✓ Roaming Expenses
- ✓ Example: VAT Refund in European Telecoms from the a submarine cable installation with value of millions \$



## 6.2. PHARMACEUTICAL SECTOR

- ✓ Clientele: GlaxoSmithkline, Merck, Novartis
- ✓ Specialized expenses for VAT refund
  - ✓ Clinical research for medicine development
  - ✓ Sponsorship
  - ✓ Organization / participation in medical conferences
  - ✓ Participation in training seminars
  - ✓ Raw Material delivered for clinical trials use
  - ✓ Research & development expenses from business partners
  - ✓ Marketing expenses for the promotion of Commercial representatives
  - ✓ Intra-Group charges
- ✓ Example: \$500,000 VAT Refund to a European pharmaceutical company for a subcontract project in Ireland and \$150,000 VAT from clinical trials



## 6.3. NATURAL GAS / PETROL SECTOR

- ✓ Clientele: Shell, Statoil, BP
- ✓ Specialized expenses for VAT refund
  - ✓ Research & development expenses
  - ✓ Sponsorship
  - ✓ Organization / participation in conferences
  - ✓ Participation in training seminars
  - ✓ Transportation and storage expenses
  - ✓ Intra-Group charges



## 6.4. MASS MEDIA SECTOR

- ✓ Clientele: Reuters, BBC, Reed Elsevier
- ✓ Specialized expenses for VAT refund
  - ✓ Expenses of Representative offices
  - ✓ Sponsorship
  - ✓ Charges from other MM organizations
  - ✓ Charges for satellite Connectivity
  - ✓ Studio and filming expenses
  - ✓ Organization / participation in conferences
  - ✓ Participation in training seminars
- ✓ Example: VAT Refund to British television channel for armored vehicles of journalists and expenses for their representative offices



## 6.5. INDUSTRIAL SECTOR

- ✓ Clientele: Scania, Linde, Atlas Copco
- ✓ Specialized expenses for VAT refund
  - ✓ Subcontracting to specialized industrial units
  - ✓ Warranty Agreements
  - ✓ Expenses of local subsidiaries
  - ✓ Promotion of products to foreign markets
  - ✓ Expenses for equipment and machinery installation
  - ✓ Sponsorship
  - ✓ Organization / participation in conferences
  - ✓ Participation in training seminars
  - ✓ Intra-Group charges



## 6.6. HOUSE APPLIANCES SECTOR

- ✓ Clientele: Philips, Electrolux, Whirlpool, Black & Decker
- ✓ Specialized expenses for VAT refund
  - ✓ Marketing and advertising expenses
  - ✓ Subcontracting to specialized companies
  - ✓ Warranty Agreements
  - ✓ Market research and product development expenses
  - ✓ Promotion of products to foreign markets
  - ✓ Sponsorship
  - ✓ Organization / participation in conferences
  - ✓ Participation in training seminars
  - ✓ Intra-Group charges
- ✓ Example: VAT Refund from a subcontracting to Italy by a company producing tools and a company producing electric appliances





## 6.7. FOOD SECTOR

- ✓ Clientele: Nestle, Danone, Unilever, Bristol Myers
- ✓ Specialized expenses for VAT refund
  - ✓ Marketing and advertising expenses
  - ✓ Market research and product development expenses
  - ✓ Promotion of products to foreign markets
  - ✓ Sponsorship
  - ✓ Organization / participation in conferences
  - ✓ Participation in training seminars
  - ✓ Intra-Group charges
- ✓ Example: \$150,000 VAT Refund to a British company for marketing expenses and advertising in retail shops in Ireland



## 6.8. ENERGY SECTOR

- ✓ Clientele: Powergen, EnBW-Energie Baden, Alstom
- ✓ Specialized expenses for VAT refund
  - ✓ Large projects evaluation expenses
  - ✓ Consulting services expenses
  - ✓ Organization / participation in conferences
  - ✓ Participation in training seminars
  - ✓ Energy trading expenses
  - ✓ Intra-Group charges



## 6.9. ELECTRIC EQUIPMENT SECTOR

- ✓ Clientele: Schneider Electric, ABB, Xerox
- ✓ Specialized expenses for VAT refund
  - ✓ Warranty Agreements
  - ✓ Expenses for the Supply and installation of equipment
  - ✓ Subcontracting to specialized units
  - ✓ Sponsorship
  - ✓ Organization / participation in conferences
  - ✓ Participation in training seminars
  - ✓ Market research and product development expenses
  - ✓ Intra-Group charges
- ✓ Example: \$1,800,000 VAT Refund to a multinational for warranty agreements expenses



## 6.10. CONSTRUCTION SECTOR

- ✓ Clientele: CRH, Lafarge
- ✓ Specialized expenses for VAT refund
  - ✓ Intra-Group charges
  - ✓ Large projects evaluation expenses
  - ✓ Subcontracting to specialized units
  - ✓ Sponsorship
  - ✓ Organization / participation in conferences
  - ✓ Participation in training seminars



## 6.11. COMMERCIAL SERVICES SECTOR

- ✓ Clientele: Securitas
- ✓ Specialized expenses for VAT refund
  - ✓ Intra-Group charges
  - ✓ Expenses of representative offices
  - ✓ Sponsorship
  - ✓ Organization / participation in conferences
  - ✓ Participation in training seminars



## 6.12. TRANSPORTATION SECTOR

- ✓ Clientele: Europcar International
- ✓ Specialized expenses for VAT refund
  - ✓ Rental Expenses
  - ✓ Repair and maintenance expenses
  - ✓ Fuels
  - ✓ Intra-Group charges
  - ✓ Expenses for representative offices
  - ✓ Sponsorship
  - ✓ Organization/ participation in exhibitions
  - ✓ Participation in training seminars





## 6.13. CHEMICAL PRODUCTS SECTOR

- ✓ Clientele: Bayer, BOC Group, Henkel, Dow Chemical
- ✓ Specialized expenses for VAT refund
  - ✓ Research & development expenses
  - ✓ Chemical swaps
  - ✓ Sponsorship
  - ✓ Organization/ participation in exhibitions
  - ✓ Participation in training seminars
  - ✓ Expenses for the promotion of commercial representations
  - ✓ Intra-Group charges
- ✓ Example: \$1,400,000 VAT Refund to an American company producing chemical products from «Chemical swaps»



## 6.14. BEVERAGE SECTOR

- ✓ Clientele: Interbrew, Diageo, Allied Domeq
- ✓ Specialized expenses for VAT refund
  - ✓ Marketing and sales expenses
  - ✓ Subsidiary companies local expenses
  - ✓ Sponsorship
  - ✓ Organization/ participation in exhibitions
  - ✓ Participation in training seminars
  - ✓ Intra-Group charges
- ✓ Example: VAT Refund to a European company for marketing and advertising expenses in Italy



## 6.15. AUTOMOTIVE SECTOR

- ✓ Clientele: Chrysler, Ford, Volvo Car Germany, Automobili Lamborghini
- ✓ Specialized expenses for VAT refund
  - ✓ Organization/ participation in exhibitions
  - ✓ Warranty Agreements
  - ✓ Subcontracting to specialized units
  - ✓ Promotion of products to foreign markets
  - ✓ Intra-Group charges
  - ✓ Sponsorship
  - ✓ Participation in training seminars
  - ✓ Market research expenses
- ✓ Example: \$250,000 VAT Refund to an American company for subcontracting regarding the line of production



## 6.16. MILITARY EQUIPMENT/ AERONAUTICAL SECTOR

- ✓ Clientele: BAE, Thales, Lockheed Martin, Rolls Royce
- ✓ Specialized expenses for VAT refund
  - ✓ Organization/ participation in exhibitions
  - ✓ Subcontracting to specialized units
  - ✓ Special Research Expenses
  - ✓ Projects evaluation expenses
  - ✓ Warranty Agreements
  - ✓ Intra-Group charges
  - ✓ Sponsorship
  - ✓ Participation in training seminars



## 6.17. AIR TRANSPORTATION SECTOR

- ✓ Clientele: KLM, Ryan Air, Northwest Airlines, Airbus (UK)
- ✓ Specialized expenses for VAT refund
  - ✓ Organization/ participation in exhibitions
  - ✓ Special Research Expenses
  - ✓ Projects evaluation expenses
  - ✓ Warranty Agreements
  - ✓ Intra-Group charges
  - ✓ Sponsorship
  - ✓ Participation in training seminars
  - ✓ Ground control expenses
  - ✓ Fuels
  - ✓ Maintenance and repair expenses
  - ✓ Lease Expenses



## 6.18. SHIPPING INDUSTRY

- ✓ Specialized expenses for VAT refund
  - ✓ Ships construction expenses
  - ✓ Maintenance and repair expenses
  - ✓ Special Research Expenses
  - ✓ Projects evaluation expenses
  - ✓ Subcontracting to specialized units
  - ✓ Warranty Agreements
  - ✓ Intra-Group charges
  - ✓ Expenses of local subsidiaries
  - ✓ Sponsorship
  - ✓ Organization/ participation in exhibitions
  - ✓ Participation in training seminars





## 6.19. TOURIST SECTOR

- ✓ Specialized expenses for VAT refund
- ✓ Organization/ participation in exhibitions
- ✓ Advertising campaign expenses
- ✓ Marketing expenses
- ✓ Participation in training seminars
- ✓ Sponsorship
- ✓ Expenses for specialized market researches
- ✓ Intra-Group charges



## 6.20. TRAVEL AGENCY SECTOR

### Today's situation of Travel Agencies\*

- ✓ Fierce competition
- ✓ Buy-out of agencies by large tourist organizations
- ✓ Online Booking
- ✓ Tendency towards «Zero Commission»
- ✓ *For many travel agencies this means the termination of their operations*
- ✓ Strategic Solutions
  - ✓ Redefinition of the role of the agencies
  - ✓ Reductions of operating expenses
  - ✓ Product differentiation
  - ✓ *With the assistance of «Meridian VAT Recovery»*



## 6.20. TRAVEL AGENCY SECTOR

- ✓ Reduction of operating expenses with the VAT refund from specialized expenses
  - ✓ Organization/ participation in exhibitions
  - ✓ Advertising campaign expenses
  - ✓ Marketing Expenses
  - ✓ Participation in training seminars
  - ✓ Sponsorship
  - ✓ Specialized Market research expenses
  
- ✓ Product Differentiation
  - ✓ VAT Refund from hotel expenses for their clients
  - ✓ Direct invoicing of the «Hotel» to «Client»
  - ✓ Invoicing the client only with the commission of the hotel, air ticket, etc.



## 6.20. TRAVEL AGENCY SECTOR

### ✓ Advantages

- ✓ Pioneer product in the business travel market
- ✓ Reduction of the operating expenses of the client / agency
- ✓ Dependency of the client from the travel agency
- ✓ Rebalancing Product to the Online Booking
- ✓ Opportunity to approach new large Greek companies
- ✓ Synergies with Meridian's clientele

### ✓ Disadvantages

- ✓ Transparency upon the commission amount
- ✓ *Incorporation of the commission into other expenses e.g. Air ticket*



## 6.21. INTERNATIONAL EXHIBITIONS/ CONFERENCES ORGANIZER SECTOR

✓ Strategic Solutions to the fierce competition in the sector of international exhibition and conferences sector

- ✓ Reduction of the operating expenses
- ✓ Redefinition of the relation with the client through product differentiation
- ✓ *With the assistance of the «Meridian VAT Recovery»*



## 6.21. INTERNATIONAL EXHIBITIONS/ CONFERENCES ORGANIZER SECTOR

Reduction of operating expenses with the VAT refund from specialized expenses

- ✓ Booth Construction expenses in exhibitions
  - ✓ Booth Operating expenses in exhibitions
  - ✓ Participation fees in exhibitions/ conferences/ seminars
  - ✓ Advertising campaign expenses
  - ✓ Marketing expenses
  - ✓ Sponsorship
  - ✓ Specialized Market research expenses
  - ✓ Intra-Group charges
- 
- ✓ Product differentiation
    - ✓ Opportunity for the client to recover the VAT from organizing and operating a booth in an exhibition, as well as from the participation fees in exhibitions and conferences



## 6.22. ATHLETIC ORGANIZATIONS SECTOR

Specialized expenses for VAT recovery for all the categories of teams (junior, men, women, under 18, under 15)

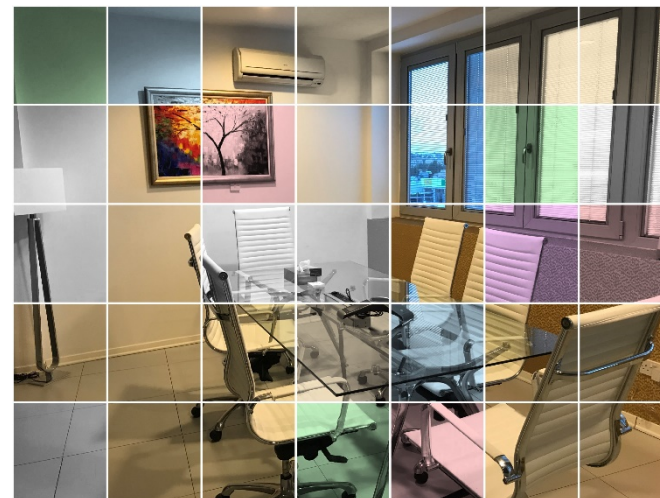
- ✓ Team's pre-season training abroad
- ✓ Participation in international tournaments
- ✓ Scouting
- ✓ Consulting services / Coach services
- ✓ Transfer expenses
- ✓ Participation in conferences and events (e.g. UEFA)
- ✓ Participation in training seminars
- ✓ Advertising campaign expenses
- ✓ Hotel Accommodation / Meals in restaurants
- ✓ Public transportation expenses
- ✓ Bus Rental





## CONTACT DETAILS

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