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## HELPING GLOBAL PHARMA SAVE MILLIONS

HOW VAT IT & GCO GLOBAL FORMED A STRATEGIC ALLIANCE TO ACHIEVE **MAXIMUM VAT RECOVERY FROM MEETINGS, MEDICAL CONGRESSES AND OTHER INDUSTRY EVENTS**

### BACKGROUND

Over the last 10 years, VAT IT and GCO Global have been working together to successfully obtain 10 million dollars in Value Added Tax refunds for a global pharma's Oncology Division. These savings were claimed from the 40+ annual global medical congresses that the company attended and the countless standalone meeting programs held by the Oncology and Hematology divisions.

### THE CHALLENGES:

#### *International Events*

The global pharma needed a PCO (Professional Conference Organizer) to handle venues and logistics that best suit its attendees' needs while ensuring the greatest cost savings at medical congresses and stand alone meetings. This work was outsourced to specialist GCO Global due to GCO's track record as a conference organizer with transparent processes and as a leader in the industry.

#### *VAT Recovery*

The MICE expenses had massive VAT reclaim potential, but the company did not have the capability in-house to perform foreign VAT recovery due to countless legislative rules, strict compliance and deadline criteria, and transaction volume. The company selected VAT IT as the expert to manage VAT recovery efficiently and accurately for these costs and all other aspects of their VAT exposure.

THE SOLUTION ⋮ WORKING TOGETHER

**Independently, VAT IT & GCO Global were both aiming to save time, admin work, and - most importantly - money for its clients.** A collaborative alliance naturally formed between VAT IT and GCO Global. Together, GCO Global and VAT IT vastly improved the annual VAT refund amounts through:



#### **Compliance**

VAT IT and GCO Global trained a multitude of suppliers on invoice compliance and international VAT recovery rules so that the VAT paid on events could be successfully claimed. The behavioral shift led to an extremely low rate of invoice non-compliance compared to historical rates



#### **Cost-Optimized Event Decision-Making**

GCO Global made strategic decisions about event locations, often based on the possibility of VAT recovery to guarantee the lowest spend for the company. For example, GCO Global identified Germany as a preferred event location where 19% VAT is recoverable, as opposed to Spain where only 10% is recoverable on some expenses.



#### **Efficient, Accurate Claim Preparation**

VAT refund claim preparation became drastically more efficient once VAT IT and GCO Global started to work together. GCO Global provided supporting information such as attendee lists and details of the nature of expenses to aid speedier, more accurate claim preparation by VAT IT. Additionally, queries from VAT Authorities became much easier to overcome due to the level of accurate information and details that VAT IT is now able to provide, thanks to GCO Global.



#### **Supplier Contract Improvements**

GCO Global and VAT IT reviewed and implemented necessary terms and conditions in the company's various supplier agreements to ensure that all suppliers had a contractual obligation and service structure to allow the company to claim back the VAT incurred from these suppliers' services.

*"Over time, we perfected the process between GCO Global and VAT IT, and it has been an incredibly fruitful cooperation between the 2 companies. GCO Global has been the only event company that addressed the need of VAT reclaim, and VAT IT and GCO Global together came up with solutions while looking for opportunities to become better over time. Our relationships over the years have built trust, which is something I highly value."*  
– Former Sr. Director of Global Conventions at Global Pharmaceutical Company

## **THE RESULT:**

### **Exponential Potential**

**\$10+ million**

Total VAT refunds claimed for company over the last 10 years

**10**

Number of jurisdictions from where VAT has been claimed

**Less than 15%**

The percentage of overall invoices that need to be reissued due to non-compliance

VAT IT's expert knowledge and scalable recovery processes, combined with GCO's focus on VAT recovery as an important element of strategic conference planning, resulted in a successful collaboration. With a streamlined process in place between VAT IT and GCO Global, the company's VAT refunds flourished and now there is full visibility and control over how to continuously maximize their VAT refund potential.

*"I was always very proud to present the refunded numbers to our senior leadership. VAT reclaim became part of our annual goals and objectives. Back in the day, when I'd take the cheque with a \$300,000 refund amount on it to my exec committee, they'd be thrilled because they'd have plans for a project that needed funding, and this VAT refund can be used for this purpose."* – Former Sr. Director of Global Conventions

*"There is so much that can still be done in the conference and events industry for VAT recovery and compliance. As architects of global Strategic Meetings Management programs, we always look for ways to help large organizations, such as global pharmaceutical companies, harness money-saving opportunities through VAT recovery related to their overall strategic stakeholder engagements. We have a duty to our clients to do so."*  
– Ramon Grasmeijer, Lead Consultant at GCO Global