

CHAPTER 2

Filing Formalities

This chapter focuses on the corporate formalities that relate to the filings of tax returns and other contributions made to the government as specified in the Civil and Commercial Code, and the Revenue Code.

As you read through this chapter, you can get a sense that the government is eager to impose a fine or a penalty right off the bat every time you fail to file within the deadline. For this reason, it is essential to file returns within the stipulated time frame. Moreover, repeatedly missing these deadlines might cause a suspicion to an assessment official and this will lead to nothing but a tax audit. You must also do it with an utmost care to ensure an error free filing. This is to reduce the chance of your return being selected for scrutiny by an official and to avoid the hellish liability and penalty arising from the negligence. It may be wise to have dedicated personnel to handle these formalities or to outsource to a professional firm who does this stuff regularly. When in doubt, you can consult an accountant, or a tax lawyer.

The encouraging news is that these formalities are not necessarily gruesome. The government has done fabulous job by adopting a user friendly technology to ease the hurdle of filings. With technology makes things easier, you can do most of the filings online (e-filing) eliminating the time and cost associated with the traditional paper filings. For many companies, this option is a very practical as you can file anytime, anywhere at your convenience. Apart from this, your returns can be processed faster.