Tax consolidation technique of VAT in corporate groups: A case study of Condor group

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Abstract:

This study aims to identify and demonstrate the steps involved in the accounting treatment of the tax consolidation technique for value-added tax in a corporate group in accordance with the financial accounting system. This is achieved using both descriptive and analytical approaches to describe the study variables, read and analyse data, and interpret legislative texts. As for the field aspect of the study, a case study of the Condor group was adopted. The study reached several results, the most important of which are: allocating a dedicated account for the group's operations in the financial accounting system; and that the tax consolidation of the value-added tax helps to avoid financial hardship and provide consistent liquidity for the group's companies. The study also recommended, in the end, simplifying the conditions for forming tax groups and increasing interest in group accounting in the academic and professional environment.

Keywords: *Group Taxation, Value-added Tax (VAT), Group accounting, Consolidation.*

Jel Classification Codes : *M41 ; H25 ; G34.*

Résumé:

Cette étude vise à identifier et démontrer les étapes suivies dans la comptabilité de la technique de consolidation fiscale de la taxe sur la valeur ajoutée dans le groupe d'entreprises, conformément au système comptable financier. Cela est accompli en utilisant à la fois une méthodologie descriptive pour caractériser les variables de l'étude et une approche analytique pour interpréter et analyser les textes législatifs et les données. Dans l'aspect pratique de l'étude, une étude de cas du groupe Condor a été adoptée. L'étude a atteint plusieurs résultats, dont les plus importants comprennent : l'allocation d'un compte spécialisé pour les opérations du groupe dans le système comptable financier, et que la consolidation fiscale de la TVA aide à éviter les difficultés financières et à fournir une liquidité dans la trésorerie des sociétés du groupe. L'étude a également recommandé, à la fin, de simplifier les conditions de formation des groupes fiscaux et d'augmenter l'intérêt pour la comptabilité des groupes dans le domaine académique que professionnel.

Mots clés: *Fiscalité des groupes, TVA, Comptabilité des groupes, Consolidation.*

Jel Classification Codes : *M41 ; H25 ; G34.*

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Ⅰ. Introduction:

In today's globalized and competitive market, companies are looking for strategies to ensure their stability and market survival. To achieve these goals, one common approach is to form corporate groups. A corporate group is a group of companies that are linked together to achieve economic and strategic benefits. Corporate groups have grown rapidly in recent years and have spread to many countries, including Algeria.

Algeria, like other countries, is taking steps to promote the development of corporate groups. The Algerian government is creating an incentive environment for the development and promotion of group activity by developing legislation and laws that guarantee their guidance and organization in an effective manner. The government is also providing economic and investment incentives that encourage the formation and development of these groups, such as tax privileges and deductions.

The Algerian government offers tax privileges to corporate groups, such as exempting internal operations from a number of taxes and fees, and authorizing the parent company to collect the value-added tax of its subsidiaries.

Ⅰ.1. Research problematic:

Given the above, the following research question can be posed:

What are the steps involved in the accounting treatment of the tax consolidation technique of the value-added tax (VAT) in corporate groups in accordance with the financial accounting system?

Ⅰ.2. Sub-questions:

To cover all aspects of the study, the following sub-questions were asked:

- What is a corporate group? What are its components?
- What are the conditions for forming groups under the tax law?
- What are the tax benefits granted to corporate groups?

Ⅰ.3. Research hypotheses:

To answer the questions raised, the following hypotheses were proposed:

- The components of a corporate group vary depending on the type of control it exercises.
- One of the conditions for forming a group under the tax system is to own a specific percentage of the capital of the subsidiary companies.
- Internal operations between group companies are exempt from the professional activity tax.

Ⅰ.4. Research objectives:

This study aims to achieve a set of important points that can be summarized as follows:

- To highlight the tax consolidation technique for the value-added tax in a corporate group.
- To identify the corporate group, its components, and its advantages.
- To highlight the taxation of corporate groups and the privileges granted to them.

Ⅰ.5. Research methodology:

This study used a descriptive approach to present the different theoretical concepts related to the topic, as well as an analytical approach to read and analyse the basic concepts and legislative texts. As for the field study, it was based on a case study of the 2021 accounting cycle for the Condor group at the level of the financial and accounting department of “Condor Electronics”.

Ⅰ.6. Research structure:

To answer the problem raised and achieve the research objectives, this study was divided into three axes:

The first axis: General concepts about corporate groups.

The second axis: Taxation of corporate groups.

The third axis: Accounting treatment of the tax consolidation technique of VAT within the Condor group.

Ⅱ. General concepts about corporate groups:

Ⅱ.1. Corporate group concept, advantages:

Ⅱ.1.1. Definition of a corporate group:

The definition of a corporate group varies depending on the perspective, whether it is from a legal, economic, or accounting and tax standpoint. According to the International Financial Reporting Standards (IFRS) 10 'Consolidated Financial Statements', a group is made up of the parent company and all its subsidiaries. (Jum‘ah, 2019, p. 374)

It can also be described as a group of companies, each of which has its own separate legal personality, but with significant inter-relationships that are placed under the financial management of one of these companies, called the parent company. (DOV, 2018, p. 13)

Based on the previous definitions, it can be concluded that a corporate group is a group of legally independent companies that are connected by direct or indirect contributions. These companies are subject to the control of a company known as the parent; it heads the group, while other companies are referred to as subsidiaries or branches.

Ⅱ.1.2. Advantages of corporate groups:

The process of creating a corporate group has many advantages, which should be mentioned (Bruno & Michel, 2009, p. 07):

- **Reduced tax costs through tax privileges**. Corporate groups can often benefit from tax privileges that are not available to individual companies. This can lead to significant savings in tax costs.
- **Facilitated the business alliance process**. Corporate groups can make it easier to form business alliances with other companies. This can help them to expand their operations and gain access to new markets.
- **Simplified start-up and exit processes**. Corporate groups can make it easier to start up new businesses and exit from existing ones. This can be done by acquiring or selling shares in other companies rather than transferring assets and liabilities, which requires a lot of time and effort.
- **International expansion**. Corporate groups can expand into new markets by setting up subsidiaries in those markets. This can help them reach a wider range of customers and grow their business.
- **Risk diversification**. By establishing independent subsidiary companies, corporate groups can diversify their risks. This means that if one company experiences financial difficulties, it is less likely to affect the other companies in the group.
- **Access to capital without sharing power**. Corporate groups can attract investors without the need to share control of the group. This can be a valuable advantage for companies that are looking to raise capital for expansion or other purposes.

II.2. Components of corporate groups:

II.2.1. Parent company:

IFRS 10 defines the parent company as the company that has control over one or more other companies. This means that the parent company has the ability to make management and operating decisions for its subsidiaries, as well as the ability to make significant strategic decisions. (Jum‘ah, 2019, p. 373) The parent company typically acquires this control by owning the majority of shares in its subsidiaries for an indefinite period that goes beyond 12 months.

In addition, Algerian tax law, specifically article 138 of the direct taxes and similar taxes code, defines a controlling company as a parent company that controls other companies, called subsidiary companies, by directly owning 90% or more of their capital. This means that the controlling company has a significant financial interest in the subsidiary company and is therefore able to exercise control over it. (Art 138 bis, 2023, p. 50)

II.2.2. Holding company:

A holding company is a company whose activity depends primarily on its financial role, where it manages and conducts its various financial investments in other institutions without engaging in any type of economic activity. (Jean &

Laurent, 2011, p. 375) It can be defined as an entity that is solely responsible for holding financial securities that represent ownership rights in its portfolio, without any industrial or commercial activity. (Bruno & Michel, 2009, p. 09)

The parent company is distinct from the pure holding company in its involvement in industrial and commercial activities. However, it should be pointed out that there are certain cases in which the mixed holding company carries out an economic activity intended for group members only for the purpose of recovering value-added tax (VAT) paid on purchases.

Ⅱ.2.3. Subsidiary:

The subsidiary company is under the control of another company, which prevents it from making its own operational and financial decisions. (Jum'ah, 2019, p. 376)

Algerian trade law states that a company is considered a subsidiary if another company holds a stake in its capital exceeding 50%. (Art 729, 2007, p. 220)

Ⅱ.2.4. Branch:

Branches are extensions of a company that are created to expand its economic activities. They do not have their own legal personality and are not financially independent from the parent company. This means that the parent company is responsible for managing all accounting processes related to the branches.

Ⅱ.2.5. Associate company:

An associate company is an entity over which the parent company exercises significant influence and is neither a subsidiary nor a joint venture. (Hamadi, 2006, p. 12)

Ⅱ.2.6. Joint venture:

The co-controlled company is called a joint venture, where the controlling parties have an interest in the net assets of the corporation, and the financial and operational decision-making process requires the approval of all parties. (Éric, 2021, p. 03)

Ⅲ. Taxation of corporate groups:

One of the key reasons and benefits of forming a corporate group is to reduce tax costs by taking advantage of various deductions and exemptions offered by Algerian law, which must meet certain conditions.

Ⅲ.1. Conditions for submitting to the tax system of the corporate groups:

In the tax concept, corporate groups are subject to various requirements that have been modified over the past few years. The procedures for forming a corporate group have been simplified and facilitated, and certain unfair conditions have been waived to make it easier for companies to join a corporate group.

Article 138 bis of direct taxes outlines the conditions for forming tax groups as follows (Art 138 bis, 2023, p. 50):

- The parent company and the member companies must be in the form of a joint-stock company *(SPA).*
- The parent company must have a direct stake of 90% or more in the capital of the member company.
- The capital of the parent corporation must not be wholly or partially owned by any of the member companies.
- The capital of the parent company must not be owned by another company at 90% or more, which might take on the character of the parent company.
- Relations between the members of the group, in the tax sense, should be conducted in accordance with the provisions of the trade law.

Any company that ceases to satisfy the aforementioned conditions will automatically be excluded from the scope of the tax group.

Ⅲ.2. Procedures for joining a tax group of companies:

The following are the steps involved in joining a corporate group in Algeria:

- The company interested in joining the group submits an application to the parent company for approval to include it.
- The parent company then initiates a request to the Directorate of Large Enterprises *(DGE)* and also gives copies to different Tax Centers *(CDI)* that are associated with the member companies to create or amend the group's perimeter. The request must include the following attachments: a list of subsidiaries, a copy of the trade register, a copy of a memorandum of association, and letters of approval to join the member companies.
- In the absence of any disputes at the tax authorities' level, the tax file of the member companies will be transferred to the directorate of large enterprises.
- An approval notification is sent once the application has been processed by the directorate of large enterprises.

Ⅲ.3. Tax privileges granted to corporate groups:

Ⅲ.3.1. Corporate income tax (IBS):

The Algerian government has allowed corporate groups, except for oil companies, to adopt a consolidated financial statement system. This system involves combining the accounts of the parent company and its subsidiaries as if they were a single entity. The parent company must implement this system for a non-reversible period of four years. (Art 138 bis, 2023, p. 50)

Previously, the tax rate applicable to consolidated profit for companies in a group with a number of different activities was 19% if the turnover subject to that rate was the highest. In other cases, it was permissible to separate profits based on the type of turnover.

However, the 2023 Finance Law now states that when a group of companies engages in multiple activities that are subject to different tax rates, the profit from the consolidation of those activities will be taxed at each rate, in proportion to the share of declared turnover for each type of activity. (Art 138 bis, 2023, p. 50)

The 2022 Finance Law introduced a new tax incentive for production companies that reinvest their profits. Under this incentive, according to articles 142 bis and 150 of direct taxes, production companies can qualify for a reduced corporate income tax rate of 10%. However, there are a number of conditions that must be met in order to qualify for this incentive, including (Art 142 bis, 2023, p. 56):

- The profits must be reinvested in the acquisition of production equipment that is related to the company's activities, and this must be done within the same year that the profits were made.
- Alternatively, the profits can be reinvested in the acquisition of shares, social shares, or similar securities that give the company a participation of at least 90% in the capital of another company. However, the amount to be reinvested must be fully released.

Ⅲ.3.2. Surplus values of concession (ISPV):

Surpluses from the transfer of fixed assets, whether short-term or long-term, between companies in the same group are not subject to corporate income tax. (Art 173-3, 2023, p. 68)

Ⅲ.3.3. Tax on professional activity (TAP):

Transactions between companies in the same group are not subject to professional tax. (Art 220-6, 2023, p. 85)

Ⅲ.3.4. Registration fee:

According to article 347 bis 4 of the Registration Law of 2023, companies in the same group are not required to pay registration fees for (Art 347 bis 4, 2023, p. 62):

- Contracts that prove the transfer of property between them.
- Contracts that prove the transformation of a company into a Joint Stock Company *(SPA)* for the purpose of joining the group from a tax perspective.

Ⅲ.3.5. Value-added tax:

The Turnover Tax code has exempted transactions between companies in the same group from value-added tax (VAT). (Art 08, 2023, p. 08) Additionally, companies that have adopted the consolidated financial statement system can consolidate the VAT of their member companies at the level of the parent company. (Art 31, 2023, p. 26)

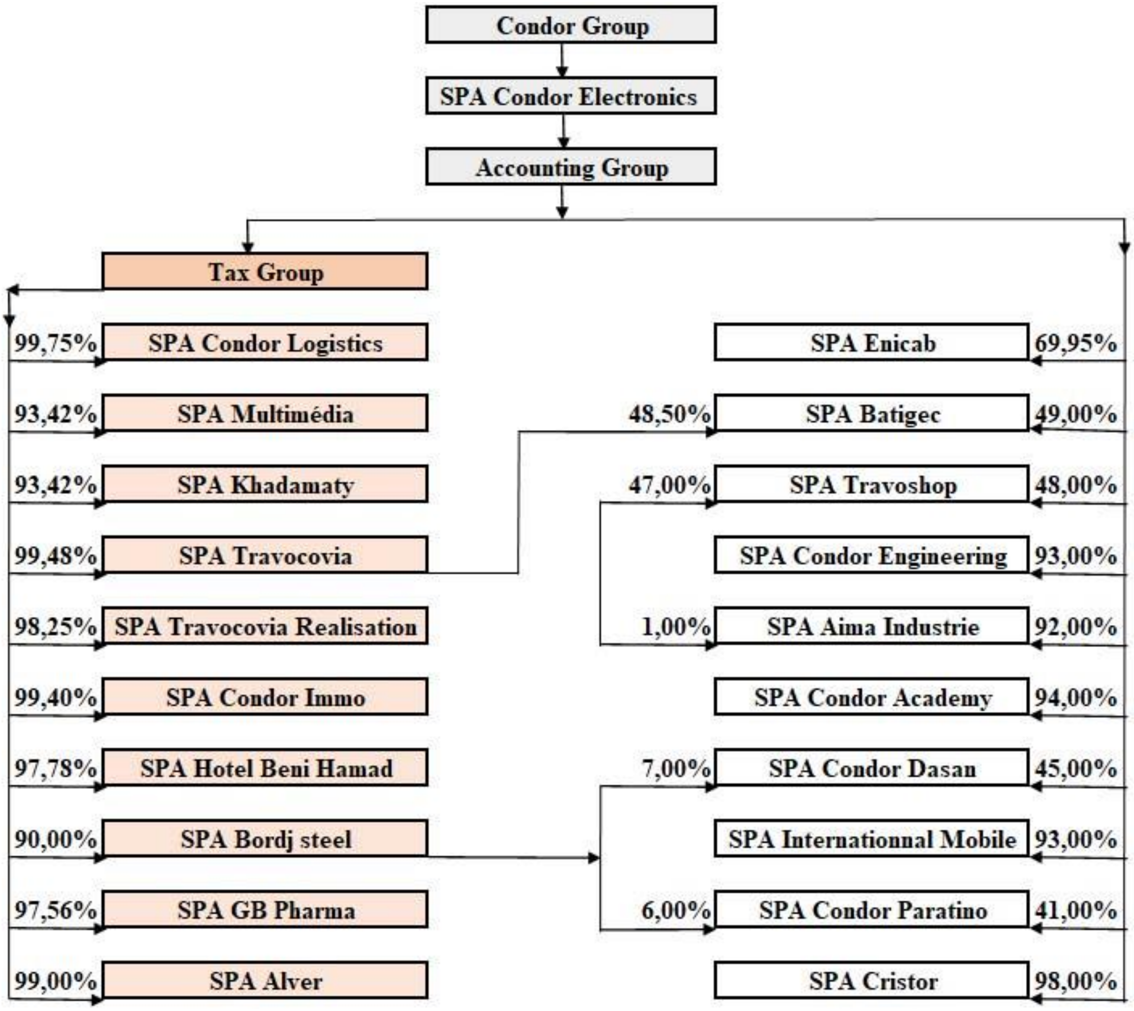
Ⅳ. Accounting treatment of the tax consolidation technique of VAT within the Condor group:

Ⅳ.1. Presenting Condor tax group:

The Condor group was founded in 2017 by the parent company SPA Condor Electronics. It has 21 Algerian subsidiary companies that operate in various sectors throughout the country. The group is divided into a tax group of 11 companies.

As shown in the organisational chart of the Condor group below, all companies in the tax group are joint-stock companies, and the parent company, SPA Condor Electronics, owns more than 90% of their capital.

Fig. (01): Condor group organizational chart



Source: Prepared by researchers based on company documents.

To make it easier to reconcile transactions between companies and to know which company is involved in an accounting entry, each subsidiary in the group has been assigned an abbreviation. This abbreviation is an internal code that starts with the letter 'S' for 'Société' (French for 'Company'), followed by a letter from A to Z and two zeros. This helps to avoid errors in accounting entries and makes it easier to filter and search for transactions.

Table (01): Internal coding of companies within the Condor group

Company Name	Company Activity	Coding
Condor Electronics	Production	SA00
Condor Logistics	Services	SB00
Multimedia	Services	SC00
Khadamaty	Services	SD00
Travocovia	Construction	SE00
Travocovia Realisation	Construction	SF00
Condor Immo	Real estate development	SG00
Hotel Beni Hamad	Services	SH00
Bordj steel	Production	SI00
GB Pharma	Distribution	SJ00
ALVER	Production	SP00

Source: Prepared by researchers based on company documents.

IV.2. Preparing consolidated value-added tax (VAT) statements:

The specialized accountants affiliated with the parent company are responsible for the practical steps involved in the process of fiscal consolidation. This includes:

- Ensuring that all member companies follow standardized procedures.
- Applying different fiscal texts and legislation.
- Preparing tax return at the level of the parent company.
- Collecting VAT from different subsidiary companies.

All companies that meet the legal requirements of the Trade and Tax laws benefit from various tax advantages, the most prominent being the exemption of all intra-group transactions from Value-Added Tax (VAT). Additionally, the parent company is required to consolidate this tax and declare it, along with other transactions carried out with different economic partners.

To manage all these complex operations, the taxation team at SPA Condor Electronics, led by the authority responsible for consolidation, has established a unified database where all individual summarized statements for the VAT of subsidiary companies are submitted. These statements are prepared and organized by the staff responsible for tax return at the level of each subsidiary company within the group, simplifying the overall tax consolidation process. These statements contain various mandatory elements to ensure homogeneity, and the most significant of these elements are outlined in the table below.

Table (02): Condor group VAT compliance dashboard

Company Identification	Activity and transactions of the company
Subsidiary name	Concession decision of the National Investment Support Agency *(ANDI)*
Internal coding in the group	Turnover declaration
Activity address	List of sales invoices
Activity name	List of sales invoices made between the group's companies
Tax Identification Number *(NIF)*	VAT on goods and services
No. Fiscal Article	VAT on depreciable property
Tax Identification Number (TIN) of the directorate of large enterprises	Summary of the month's tax return
Month and year of declaration	Payable VAT per municipality
Appendix -A- Transferred VAT on sales to the group	
Appendix -B- Transferred recoverable VAT to the group	

Source: Prepared by researchers based on company documents.

IV.2.1. Consolidated VAT due on sales statement:

This statement includes all sales made by the companies in the tax group to external parties. However, it is important to note that operations between companies in the group are not included in this list, as they are exempt from VAT.

Here is a summary table of all transactions related to companies included in the tax group:

Table (03): VAT on sales of January 2021 Condor group

Company Coding	7%	9%	17%	19%	Total VAT on sales
SA00	-	-	-	275279583,2	275279583,2
SB00	-	-	-	1053613,88	1053613,88
SE00	597914,07	-	1292280,9	1120824,37	3011019,34
SF00	-	514000,66	-	1731235,29	2245235,95
SG00	-	2042719,27	-	47899,16	2090618,43
SI00	-	-	-	26789889,36	26789889,36
SD00	-	-		19351253,47	19351253,47
SI00		-	-	-86982,02	-86982,02
SC00	-	-	-	-	00,00
SH00	-	108290,39	-	-	108290,39
SP00		-	-	11183824	11183824
Grand Total	**597914,1**	**2665010,3**	**1292281**	**336471141**	**341026346**

Source: Prepared by researchers based on company documents.

IV.2.2. Consolidated recoverable VAT statement:

Similarly, all VAT transactions on purchases made by members of the group are combined. The deferred VAT of the previous month is also added, if applicable, to the VAT amount for the current month to determine the overall total amount. The summary is presented in the table below.

Table (04): VAT on purchases of January 2021 Condor group

Company Coding	VAT on goods and services	VAT on fixed assets	Deferred VAT	Total VAT on purchases
SA00	105592368,2	1768094,73	-	107360462,9
SB00	581990,05	-	927597,26	1509587,31
SE00	1009599,68	-	8007856,02	9017455,7
SF00	-	100429,63	9909804,15	10010233,78
SG00	38849,92	-	8809302,88	8848152,8
SI00	15212656,43	-	-	15212656,43
SD00	17929,92	-	261213,18	279143,1
SI00	-	-	268124,02	268124,02
SC00	-	-	-	00,00
SH00	76066,82	-	122299,08	198365,9
SP00	4643276,26	6745	1247222,69	5897243,95
Grand Total	**127.172.737,27**	**1.875.269,36**	**29.553.419,28**	**158.601.425,91**

Source: Prepared by researchers based on company documents.

IV.2.3. Consolidated VAT status statement:

After preparing statements for Value-Added Tax (VAT) on sales and purchases, the VAT back (which consists of paying back part of the VAT already deducted) is then included, if applicable, as shown. Finally, the VAT balance, whether deferred or payable, is determined as illustrated in the following table:

Table (05): VAT status of January 2021 Condor group

Company Coding	VAT Back	Payable VAT	Deferred VAT
SA00	-	167919120,25	-
SB00	-	-	-455973,43
SE00	301447,38	-	-5704988,98
SF00	-	-	-7764997,83
SG00	-	-	-6757534,37
SI00	-	11577232,93	-
SD00	115500,00	19072110,37	-

SI00	-	-	-355106,04
SC00	-	-	-
SH00	-	-	-90075,51
SP00	-	5286580,05	-
Grand Total	**416947,38**	**203855043,60**	**-21128676,16**

Source: Prepared by researchers based on company documents.

IV.3. Accounting entries:

All companies in the group use the same chart of accounts to ensure that their financial records are homogenous and to make it easier to reconcile and consolidate accounts at the end of the year.

One of the accounts used in the consolidation process is the account 451, 'Group Operations.' Which contains the sub-account 4514, 'Payment on behalf of taxes and VAT transferred by the subsidiary.' VAT transfers from subsidiaries to the parent company are recorded in this account to track, authorize, and pay them.

IV.3.1. Settlement and transfer of VAT as of 31/01/2021 in subsidiaries:

Two different cases will be selected in the accounting entry for the month of January 2021. The first case will contain a payable VAT (VAT that is owed to the government), and the second case will contain a deferred VAT (VAT that can be claimed as a credit).

IV.3.1.1. First case: Subsidiary SPA Khadamaty

For January 2021, the settlement status of VAT in the subsidiary company SPA Khadamaty was payable, according to the following accounting record:

Account		**Description**	**Amount**	
Debit	**Credit**		**Debit**	**Credit**
44571		VAT collected on sales	19466753,47	
	44566	Recoverable VAT		279143,10
	44550	Payable VAT		19187610,37

In the subsequent accounting entry, the payable amount of Value-Added Tax is transferred to the parent company, SPA Condor Electronics, for consolidation. However, due to the high volume of transactions and to optimize cash flow, the cash related to the VAT is not transferred; instead, it is recorded as a debt on the subsidiary on the credit side of account 4514, as shown in the following entry:

Account		**Description**	**Amount**	
Debit	**Credit**		**Debit**	**Credit**
44550		Payable VAT	19187610,37	
	4514009	Payment on behalf – VAT-SD		19187610,37

IV.3.1.2. Second case: Subsidiary SPA Hotel Beni Hamad

In contrast to the first scenario, the accounting entry for SPA Hotel Beni Hamad shows that they have deferred Value-Added Tax (VAT), as illustrated below.

Account		Description	Amount	
Debit	Credit		Debit	Credit
44571		VAT collected on sales	108290,39	
44568		Deferred VAT	90075,51	
	44566	Recoverable VAT		198365,90

After recording the initial entry, SPA Condor Electronics is required to transfer the amount of deferred Value-Added Tax (VAT) to SPA Hotel Beni Hamad. As deferred VAT represents VAT that can be claimed back, it is sufficient to record it as a receivable for the subsidiary on the debit side of account 4514 until it is eventually settled, as shown below.

Account		Description	Amount	
Debit	Credit		Debit	Credit
4514005		Payment on behalf – VAT – SH	90075,51	
	44568	Deferred VAT		90075,51

IV.3.2. Consolidation of VAT as of 31/01/2021 in the parent company SPA Condor Electronics:

After receiving all VAT transfers from the subsidiary companies in the fiscal group, whether payable VAT or deferred VAT, and after settling the VAT for January in the parent company SPA Condor Electronics, the parent company proceeds with the VAT consolidation and determines the final balance through the following entry:

Account		Description	Amount	
Debit	Credit		Debit	Credit
4514006		Payment on behalf – VAT – SI	11577233	
4514009		Payment on behalf – VAT – SD	19187610	
4514010		Payment on behalf – VAT – SA	5286580	
44550		Payable VAT – SA	167919120	
	4514001	Payment on behalf – VAT – SE		5704989
	4514002	Payment on behalf – VAT – SF		7664568
	4514003	Payment on behalf – VAT – SG		6857964
	4514004	Payment on behalf – VAT – SB		455973
	4514005	Payment on behalf – VAT – SH		90076
	4514008	Payment on behalf – VAT – SJ		355106
	44552	Group VAT due – Consolidated G50		182841867

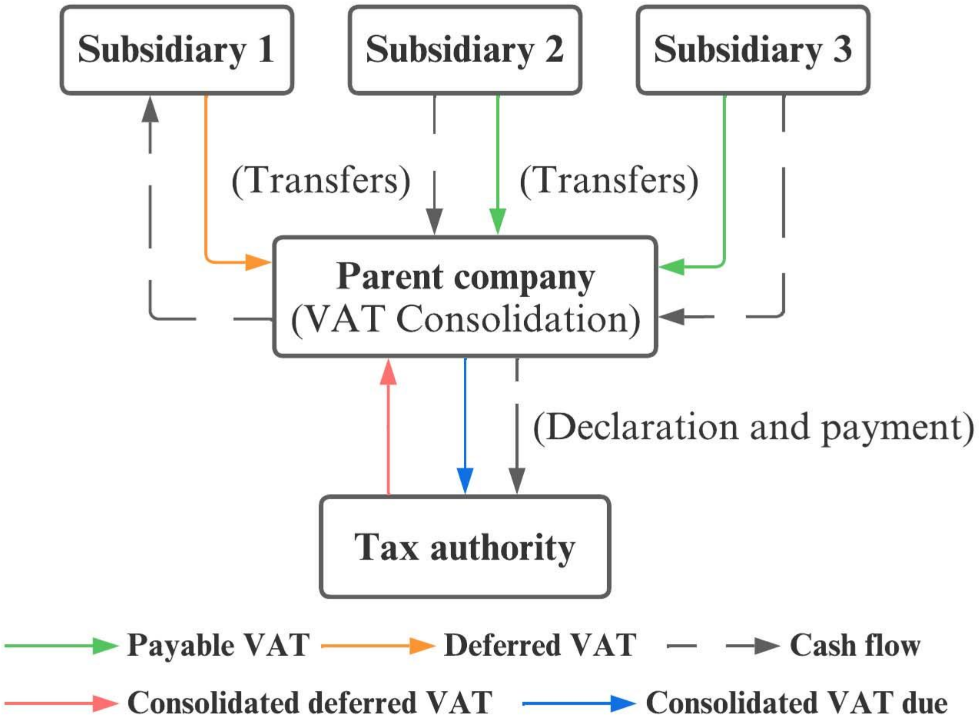
IV.4. Value-Added Tax declaration:

From February 1st to February 20, 2021, after the accounting entries are recorded, the parent company, SPA Condor Electronics, fills out the tax return for the month of January 2021 through the electronic portal 'JIBAYATIC' and pays the required taxes. The accounting entry for the transaction is as follows:

Account		Description	Amount	
Debit	Credit		Debit	Credit
44552		Group VAT due – Consolidated G50	182841867	
	51201	Bank		182841867

The subsidiary companies do not include VAT in their monthly tax return G50 form. Instead, they include a note stating that 'payment is centralized at the parent company level'. The G50 form is then deposited at the level of the tax administration to which the company headquarters belongs, or by using the electronic portal 'JIBAYATIC' if it is available.

Fig. (02): VAT consolidation process



Source: Prepared by researchers.

Figure 2 provides a summary of the tax consolidation process for VAT in a corporate group, involving the subsidiary, the parent company, and the tax authority, along with the various relationships and flows between them.

V. Conclusion:

Through our study of the accounting treatment of the tax consolidation technique for the value-added tax (VAT) within the corporate group, which included two theoretical axes and a field study in Condor group, we can summarize the path of the tax consolidation process for the VAT in the following points:

- Identifying the companies subject to the tax group.
- Preparing the consolidated VAT statements.
- Transferring the VAT from the subsidiary companies to the parent company.
- Recording the accounting entries for the consolidation process in one of the sub-accounts 451.
- Declaring and paying the VAT.

Based on the above, the following results have been reached:

- The interest of the Algerian legislator in groups of companies is expressed through different legislative texts that offer an incentive environment for the development and promotion of group activity.
- Dedicating a specific account for the group's operations in the financial accounting system 451 group's operations.
- The value-added tax consolidation gives the parent company a financial surplus that can be used to fund the group's activities in the short term.
- The tax consolidation of the VAT helps to avoid financial hardship and provide consistent liquidity in the group's corporate treasury.
- The volatility of tax regulations, particularly in regard to taxes related to consolidated profits.
- Condor group gained tax benefits by forming a tax group.
- The consolidation process requires qualified human resources and advanced software.

Consequently, the following recommendations have been proposed:

- Reducing the level of holding (%) of the parent company in the share capital of the subsidiary companies in order to facilitate the formation of tax groups.
- Amend the G50 tax return form to include items specifically for corporate group transactions.
- Increase academic education and interest in group accounting.

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