Internship Report

On

Vat & Tax Management: A Case Study on AKSID Corporation Limited

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School of Business and Economics

United International University

Vat & Tax Management: A Case Study on AKSID Corporation Limited

Submitted To

Mohammad Tariq Hasan, Ph.D.

Associate Professor (Accounting)

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Submitted By

Tabassum Tamanna

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BBA, Major in Accounting

United International University

Date of Submission: December 8, 2024

United International University
QUEST FOR EXCELLENCE

Letter of Transmittal

December 8, 2024

Mohammad Tariq Hasan, Ph.D.

Associate Professor

School of Business & Economics

United International University

Subject: *Request to approve the internship report on "Vat & Tax Management: A Case Study on AKSID Corporation Limited".*

Dear Sir,

With the greatest respect, I would like to take delight in delivering my internship report, ***"VAT & Tax Management: A Case Study On AKSID Corporation Limited."*** Here, I try to organize this report with all the available essential information I managed based on the guidelines.

This report analyzes the effects of working as an intern for four months at AKSID. It had been an amazing experience to be a participant. It provided a way to distinguish between applied and theoretical knowledge. Thank you very much for your kind supervision throughout my internship journey.

Sincerely yours,

Tabassum Tamanna

111 192 008

United International University

Student Declaration

I, Tabasssum Tamanna, a student of Bachelor of Business Administration in Accounting ID 111 192 008, hereby declare that the internship report titled ***"VAT & Tax Management: A Case Study on AKSID Corporation Limited."*** This report is prepared under the supervision of my supervisor, **Mr. Mohammad Tariq Hasan, Ph.D.** (Associate Professor), School of Business and Economics.

I will confirm that this report is prepared for the academic requirement. While preparing this internship report, I enhanced my knowledge and got an opportunity to connect the theoretical aspects to the practical ways of working in a corporate environment.

I express my most heartfelt gratitude for your permitting me to prepare this report.

Tabassum Tamanna

111 192 008

Bachelor of Business Administration in Accounting

United International University

Acknowledgment

I would like to express my genuine gratitude to everyone who supported me in successfully concluding my internship at AKSID Limited.

Firstly, I would like to say my gratefulness to my honorable supervisor **Mohammad Tariq Hasan, Ph.D.,** Associate Professor, School of Business & Economics, United International University, from the core of my heart for his kind asset, supervision, instructions, and direction that inspired me to do this report.

Then, I would like to thank **Mr. Shakhawat Hossain**, senior manager of Finance and accounts at AKSID Corporation Limited, who supervised and guided me through the process of working here.

Executive Summary

This internship report highlights the invaluable experience gained by an intern during four months spent collecting crucial information. This report discusses "VAT & Tax Management: A Case Study on AKSID Corporation Limited," emphasizing the intern's work experience and the impact on career goals and skills acquired during this period. The report begins with an overview of AKSID Corporation and SIKA, including their history, mission, vision, and ethical principles. It also aims to identify their strengths, weaknesses, opportunities, and threats. Additionally, the report discusses the roles and responsibilities of the finance department, the management of HR conflicts, and effective time management strategies. Following this, my internship experience is detailed, including my roles and responsibilities. The report also provides an overview of VAT and tax history, background information, the procedures for VAT registration, the required documents, and how to submit a VAT return. Finally, it covers the interactions between interns, supervisors, and coworkers. The accounting procedures and database systems I learned during my internship provided important insights into managing client information. Gaining this level of corporate knowledge has been a remarkable benefit, providing me with skills that will pay off in the future.

Key Words: Tax Management, AKSID corporation, SIKA Group, VAT procedures, VAT return, VAT documents.

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Chapter One: Introduction

1.1 Background of the report

Throughout their internship period, interns can gain experience in a real-world job environment. Thus, this period allows students to gather practical work knowledge during university. United International University offers an internship program with academic credits for business students; that is a chance to incorporate their bookish knowledge with a serviceable environment and skills formulated in a professional environment. This opportunity will allow me to acquire knowledge from the distributor industry. I completed my internship at AKSID LTD., a company distributor and applicator for SIKA AG, a Switzerland-based construction chemical manufacturer.

1.2 Objectives of the Report

Most universities, including United International University, require business students to complete internship reports and academic courses upon graduation. Completing the final report is a requirement for earning a bachelor's degree, which is why this time structure exists. Work experience is required to finish the internship with conditions for our undergraduate program.

The main objective of the research is to explore "VAT & Tax Management: A Case Study on AKSID Corporation Limited." There are also a few other objectives:

- Comprehend the real-world company's environment.
- Abstract the AKSID corporation's background, management, and functions.
- Try to understand AKSID corporation's supply chain.
- Try to learn about the actual Finance and Accounting work environment.

1.3 Rationale of the Report

I am performing this internship for the submission of an internship report at the end of the trimester to my supervisor which is the last condition to do perfectly to complete an undergrad degree from United International University. The internship has been chosen voluntarily from the internship and project, which the university gave me to obtain practical knowledge from the workplace to start my professional journey. As an Accounting major student, my supervisor has suggested that work on “VAT & Tax Management: A Case Study on AKSID Corporation Limited." Information has been collected from the real-world environment which is a completely new experience for me.

1.4 Scope of the report

The scope of this report involves exploring the “VAT & Tax Management: A Case Study on AKSID Corporation Limited." In addition, the research discusses the company's VAT and tax management. This report is thoroughly based on the official's work experience and functional knowledge gained from working and monitoring their daily activities.

1.5 Limitations of the Report

Every task is challenging and preparing a report with work experience is also the same. Boundaries arrived across while preparing this report are challenging which are given below:

- Confidential information wasn’t delivered.
- A major brainstorming part was required when drafting this report due to the shortage of books, papers, and magazines.
- The lack of knowledge in operating such a study is one of its main flaws.

Chapter Two: Industry and Company Overview

2.1 Industry Analysis

AKSID Corporation Limited is an indirect distribution channel of SIKA; it buys all products from Indian SIKA retailers. A distributor company is a company that does not manufacture its products, purchases them from third parties, and resells them. A retail company is a company that sells products to the final customers. Bangladesh has lots of local distributors and distributor companies. Many good distributors are in this country; that's why this sector has huge competition.

2.2 Company Analysis

2.2.1 Introduction of the Company

AKSID Corporation was founded in 2008. Its main job is to provide construction solutions and products in Bangladesh. It also has a daycare service in Mirpur. AKSID is the certified dealer and applicator for SIKA Bangladesh. They have two offices: one in Dhaka and another in Chittagong. Dhaka office counted as a head office, located at Rupayan Shopping Square, Plot C-2, Block G, Bashundhara, Dhaka 1229, LEVEL - 12 Dhaka, Dhaka 1229, BD. They are also certified by SIKA to apply construction solutions in Bangladesh. AKSID always motivates its staff, partners, and clients to make informed decisions and be visionary when it comes to thinking about the environment. They try to be leaders and innovators who defend against harmful chemicals and construction misconduct, which can lead to waste and danger to the environment.

They acknowledge education are guided by representatives to make sure that Bangladesh will sustain. They have some quality Policies;

- knowledgeable staff.
- High-quality products and solutions.
- Consistent standards and application.

- Excellent customer service.
- Timely Delivery.
- Continuous improvement.
- Environmental Policy.

2.2.2 History

Sika Group is a Swiss multinational chemical company, it's headquartered situated in Baar, Switzerland. It has almost 33500 employees and subsidiaries in more than 103 countries. Sika has been doing business in Bangladesh for the last 25 years, and they started their official journey in 2017, with their branch office at Banani. Their products are; Sika MonoTop, SikaGourt, SikaPlast, SikaLatex, SikaCim Pink, Sikadur, Sikafloor, Sikachapdur, SikacoolCoat, etc. They have five management principles that are the foundation for future success, they are;

- Customer First
- Courage for Innovation
- Sustainability & Integrity
- Empowerment & Respect
- Manage Results

Also, Sika has seven target markets;

- Concrete
- Waterproofing
- Roofing
- Flooring
- Sealing & Bonding
- Refurbishment
- Building Finishing

Sika's sustainability strategy is "More value - less impact", and their aim is “enhancing utility and reducing impacts”.

AKSID corporation mainly focuses on construction and infrastructure sectors. Last few years they distributed Sika's products. Already I discussed Sika, they started their journey in 1901 by doing the Gotthard Tunnel. And they successfully operate in more than 103 countries. For this reason, AKSID built a good relationship with SIKA Group. Every project new or old can use this chemical for its rooftop or basement. Sika's products are well-known all over the world. That's why they take the risk to distribute their products, although Bangladesh has already many local distributors of these products.

Their best-selling products are;

Sika Grout214, Sikacimpink, SikaChapdur, Sika Latex Power, Sika Plast 2026, Sika Monotop 122F.

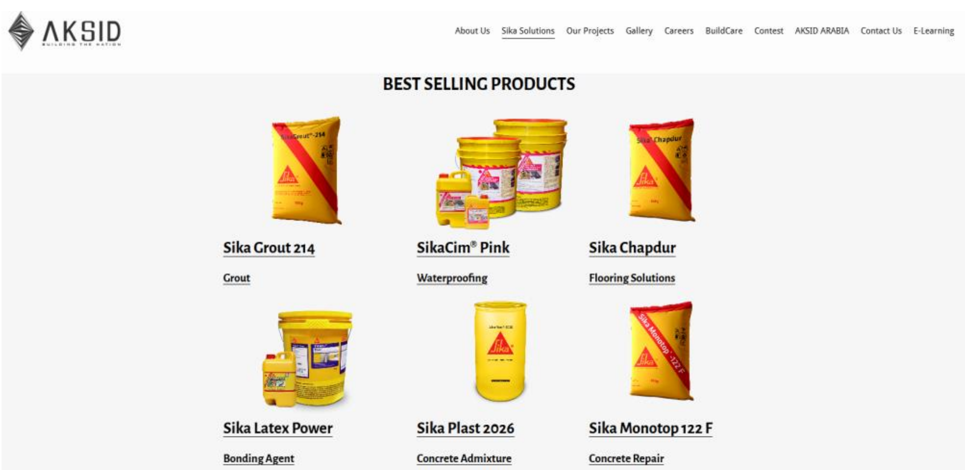

Figure: 1 (Best-selling products of AKSID)

Their project lists are;

Dhaka metro rail project(line-06), Dhaka elevated expressway, Bangladesh Sheikh Mujib Railway Bridge WD-1, Hazrat Shahjalal International Airport- Terminal 1 & 2, BRAC University new campus, and so many others.

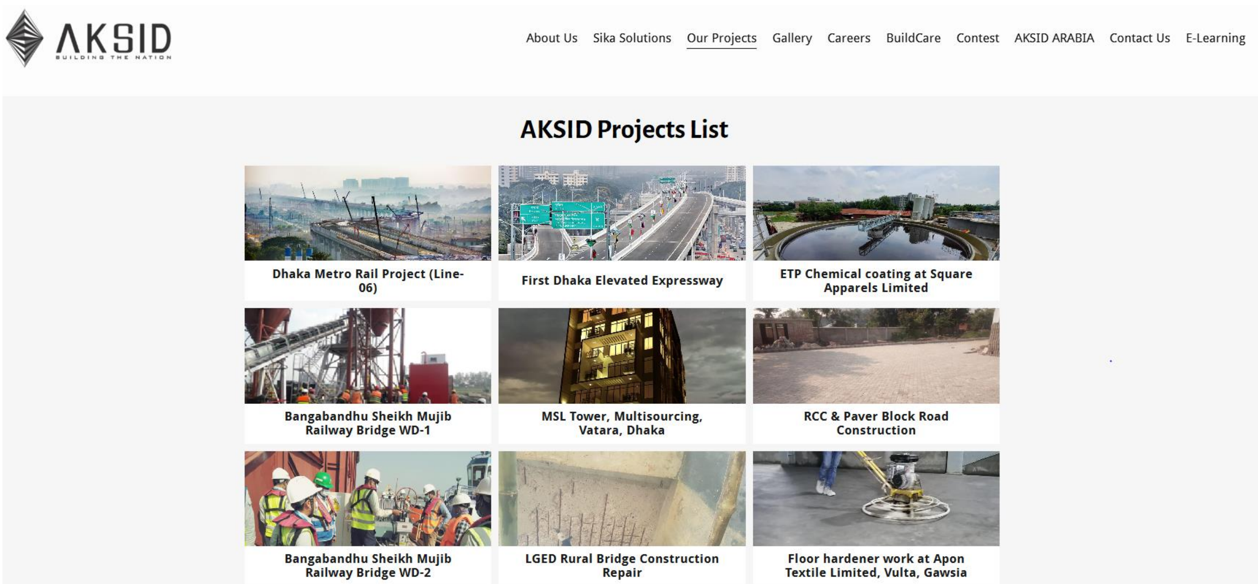

Figure: 2 (Project Lists)

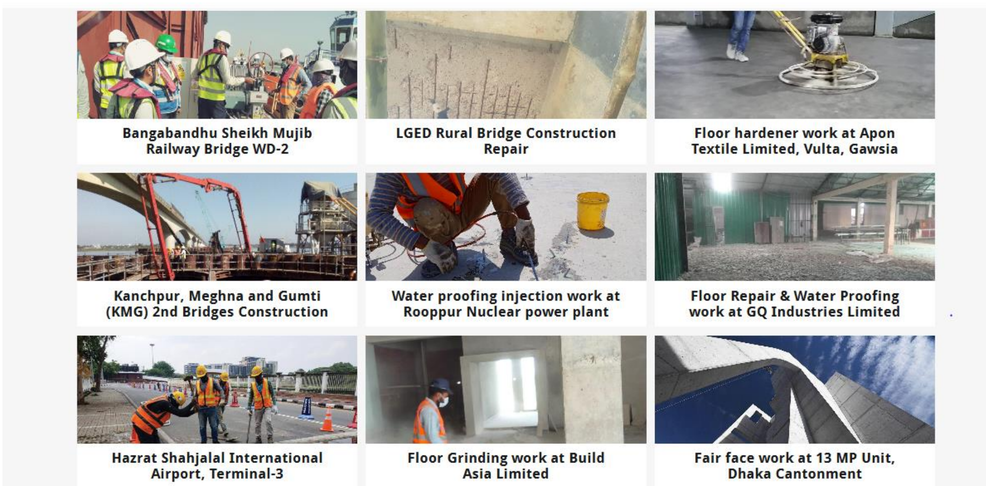

Figure: 3 (Project Lists)

2.2.3 Mission, Vision, and Ethics Of AKSID Corporation Limited

Mission

They are dedicated to providing and maintaining the highest quality standards for their products and services. Their commitment to innovation enables them to not only satisfy current demands but also anticipate future expectations.

Vision

Their vision is to "Provide the best construction and construction solutions possible while working at an international standard with highly capable professional staff."

Ethics

They try to maintain high ethical standards toward customers, suppliers, competitors, and authorities. They claim that they do not compromise on integrity and ethical standards. They care for their employees and try to give an open, honest, and respectful work environment. They maintain safety first. Their code of conduct defines the standards and rules of behavior for the company and all its employees. Their valuable customers are,

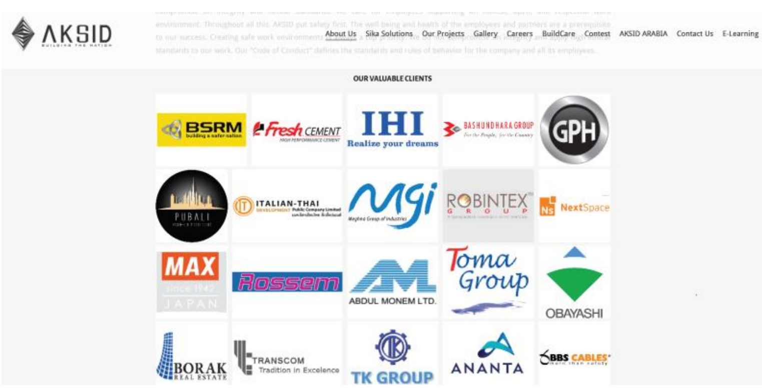

Figure: 4 (Valuable customers)

Figure: 5 (Valuable customers)

2.2.4 Management Organogram

They didn't give me their organogram. I guessed it by looking at their departments.

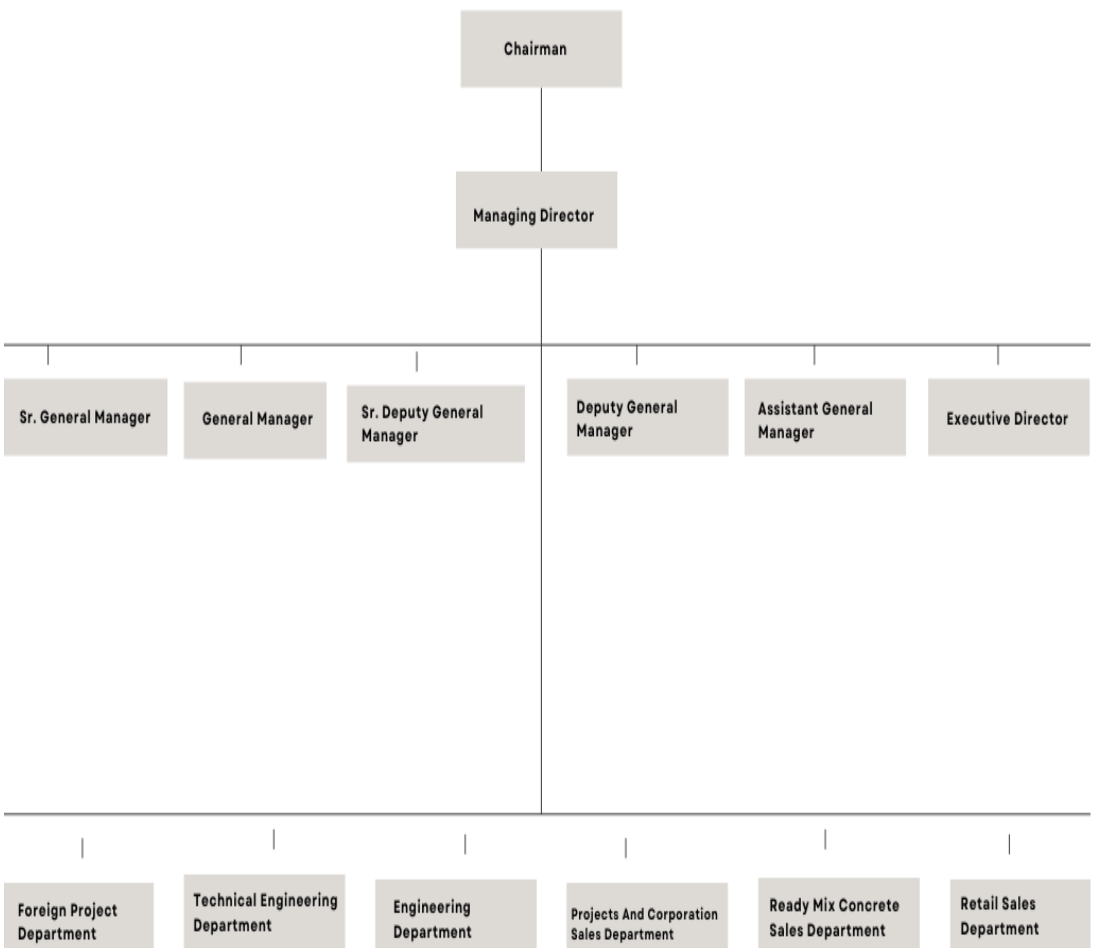

Figure: 6 (Management Organogram)

2.2.4 SWOT Analysis

Strengths

- Strategic Partnership with Sika

AKSID boasts a powerful partnership with Sika, a leading manufacturer of construction chemicals. This collaboration not only helps access cutting-edge products but also ensures the incorporation of the latest technologies in our offerings.

- Diverse Product Range

Their vast portfolio of construction chemicals is designed to cater to a wide array of clients, from major real estate developers to independent contractors, ensuring that we meet the unique needs of every customer.

- Robust Distribution Network

AKSID has established a loyal distribution network across Bangladesh, assuring that its products are readily available and accessible to meet regional demands.

- In-Depth Market Insights

Our expertise in market analysis gives us a competitive edge, allowing us to gain essential insights into client preferences. This understanding empowers us to position our products effectively, enhancing customer satisfaction and loyalty.

Weaknesses

- Overreliance on a Single Supplier

AKSID's dependence on Sika as its exclusive supplier introduces significant operational risks. This reliance can lead to disruptions that impact our ability to deliver products consistently, highlighting the need for a more diversified supply chain.

- Need for Advanced Data Analytics

AKSID has yet to adopt modern data analysis tools like artificial intelligence, which hampers our efficiency in understanding market trends and customer behaviors. Embracing these technologies is crucial for enhancing our decision-making and staying competitive.

- Insufficient Training Programs

Although AKSID's policies include training initiatives, the inconsistency in their implementation can leave employees and customers unclear about product usage. Strengthening and standardizing our training approach would empower users and maximize product effectiveness.

- Underdeveloped Digital Marketing Presence

Presently, AKSID relies heavily on traditional advertising methods, which limits its outreach to younger, digitally-savvy professionals in the construction sector. Investing in a robust digital marketing strategy will position us to engage more effectively with this key demographic.

Opportunities

- Growth in Construction

The rising demand for green buildings offers a tremendous market opportunity for Sika's environmentally friendly products, positioning AKSID to capitalize on this trend.

- Digital Market

Leveraging the power of SEO, social media, and captivating content can empower companies to penetrate new markets and significantly boost brand recognition.

- Increase Centers

There is a remarkable opportunity for the company to extend its distribution centers further, particularly in rural areas where infrastructure is rapidly developing and demand is increasing.

- Outcome Creation

Sika's Corporate R&D Centre stands ready to collaborate with AKSID in launching cutting-edge products, including crack self-healing concrete and advanced waterproofing solutions, setting a new industry standard.

Threats

- Low Market Competition

The construction chemicals industry is tremendously competitive, with both local and global players striving to capture market share. This environment compels AKSID to continuously innovate and introduce cutting-edge products to maintain its competitive edge.

- Unstable Raw Material rates

The prices of raw materials essential for construction chemicals are often unstable, which can negatively impact product pricing and profit margins. AKSID must strategically manage these fluctuations to safeguard financial performance.

- Buyer Switching

A lack of consistent supply or failure to innovate can drive customers towards competitors offering superior deals or more advanced products. It's crucial for AKSID to enhance product reliability and innovation to retain customer loyalty.

- Monetary Fluctuation

Shifts in economic conditions or government regulations affecting the construction sector may lead to reduced demand for AKSID's offerings. Proactively addressing these challenges is vital to ensure sustained growth and market resilience.

Chapter Three: Methodology

3.1 Data Collection

Primary Data

Primary data is gathered from real-life experience and provides qualitative ideas. It takes more time, effort, and cost but ensures accuracy, validity, and reliability.

Secondary Data

Secondary data is gathered from other parties, such as Google, friends, etc. It is quantitative and historical data. It takes less time, effort, and cost. It ensures less accuracy, validity, and reliability.

Data Collection Procedures

I collect all the information using both data. Here, the primary data is my internship experiences. I use Google Data as a support. Google data is my secondary data.

Sources of primary data:

- Face-to-face discussions with the respective officeholders.
- Experiences with practical work.
- A relevant file analysis.
- Face-to-face communication with the relevant employees.

Sources of secondary data:

- Company Website
- Additional sources or documents related to the company.
- Research papers, journals, etc.

3.2 Data Management

I follow some steps to organize my data; they are

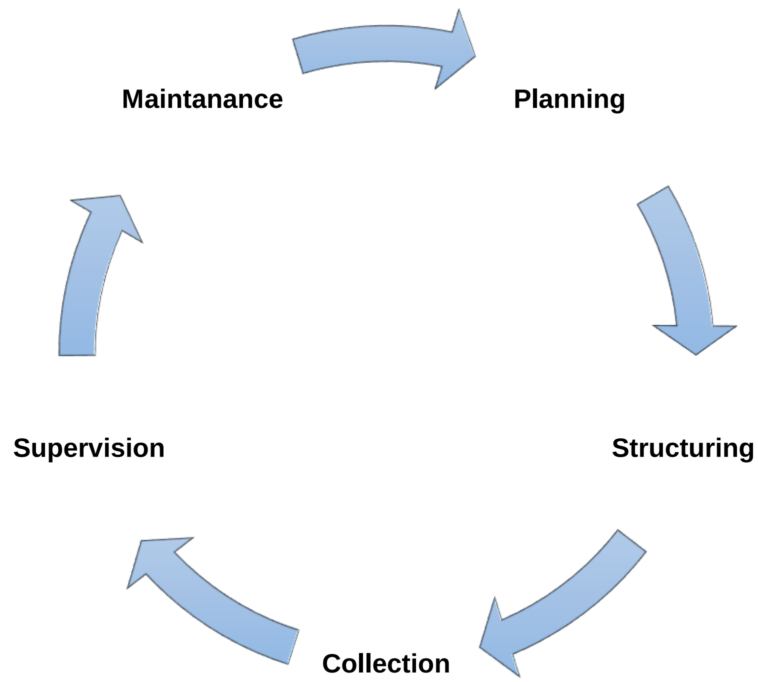

Figure: 7 (Data management process)

First, I planned how to organize my report and what information I would need for writing. Then, I brainstormed about how I would structure the data. After that, I collected all the data and supervised it. Then, I identified the data quality. Lastly, I started writing MS Word with proper instructions.

Chapter Four: Internship Experience

4.1 About Internship Experience

4.1.1 Information About Internship Position

1st June 2024 was my joining date of AKSID Corporation Limited. This journey was four months; the end date was 31st October. AKSID gives many scopes to interns to participate in a mixture of activities that have permitted them to extend their knowledge while also displaying their abilities as interns.

According to AKSID, the four-month internship program is in their curriculum. Throughout their internship period, they evaluated their intern. If the intern performs well, they offer a job. They also provide me with a job as a long-term or short-term employee. Because of their short executives, an intern will be a helpful asset to the organization. Because within four an intern understands basic work that is important for a company, mainly when short of the executive. That's why the organization suffers a significant misplacement if an intern quits their appointment after 4 months. AKSID Corporation had no training planning, they trained their intern randomly. Because they have a short time to work, maybe that happened to lack of motivation to work. But my company's supervisors are trying their best to manage their time so that they can teach me properly.

First, some days were very uncomfortable, so I joined join June month. It was the year-end period; all of them were busy with their closing work. The first junior executive gave me some idea about the company. He gave me an idea about their software; they use CloudERP. He also gave me an idea about their daily sales collection report.

- **Step 1:** Check each Bank and MFS Statement for the sales collection. The customer's payment received is on the credit side of the bank statements. Put the date of the previous day’s date in the statement for searching the amounts. Then post the amounts in the Excel file “Sales Collection Report” with relevant information including Bank Account Number, bKash/Nagad, and Mode of Collection. If it's a cheque deposit, input the cheque number.

- **Step 2:** Take a screenshot of the updated Sales Collection Report and send it to the Sales Coordinator through WhatsApp.
- **Step 3:** The sales Coordinator will communicate the invoices, DO (Delivery Order), and relevant information. After getting the invoice, from the sales coordinator, check the Client's Ledger and Ageing Report. Check if VDS (VAT deducted at sources) and transportation Costs are relevant for the client or not.
- **Step 4:** In the Party Cash Collection, open the Collection Voucher. Put the date from the Excel File, the Client's Name in the Ledger, the salesperson's Name, the Cost Center, and the DO from the invoice.

  - Journal Entry
    - Bank /Bkash Collection/ Nagad Collection Account – Debit
    - Client's Name: Credit
  - Narration: Amount received from Client's Name against DO
  - Attachment: The invoice, and deposit slip (if applicable)

- **Step 5:** Check from **"**Collection Final Approval" after verifying all the information is accurate.
- **Step 6:** Check the Transaction Ledger and Ageing Report of the client to verify that the posting was done correctly against the respective DO.
- **Step 7:** After the previous step, update the Excel file and in the remark write "Posted in ERP".

Also, he gave an idea about the daily cash flow plan;

- **Step 1:** Open the "Daily Cash Flow" Excel file.
- **Step 2:** Copy-paste the whole column of the previous day.
- **Step 3:** Check each Bank's available balances including OD (overdraft account)
- **Step 4:** Post in the Excel File.

- **Step 5:** Check Cash in Hand, Bkash, and Nagad Disbursement closing balances from ERP.

Also, a senior executive who is responsible for daily cash-in-hand opening and closing, fuel bill processing, adjustment, vendor bill payment, IOU adjustment, cheque writing, cheque record update, payment disbursement, Nagad and bKash disbursement, and so on. She also gave some ideas about how to open and close cash in hand, fuel bill placement, and allowance record procedure. Likewise, an assistant manager is responsible for the VAT and tax part of a company. He gave me ideas about MUSHUK 6.3, MUSHUK 6.2.1, and MUSHUK 6.3 written.

In the end, a senior manager is responsible for a range of different tasks. He was the individual who had responsibility for me. He has a very intricate role; he oversees each one of us. Planning, tracking, and supervising finances. He oversees cash flow and predicts future trends, assesses operational performance and communicates results to management, leads cost-cutting assessments and appraisals, conducts capital budgeting and researches new investments, prepares Financial Statements in compliance with IFRS, manages working capital including obtaining short-term debt financing through trade receivables, supervises MIS processing and accounting using web-based ERP systems, manages Tax and VAT issues, handles withholding tax administration, supervises regulatory submissions like Monthly VAT, and monitors daily bank reconciliations while managing cash flow for payment obligations. He is simply observing me.

An intern will get additional benefits along with acquiring job-relevant skills. Firstly, the internship is a paid program. The intern will get TK 5,000.00/- during the internship program. Moreover, after completing the internship, there is usually a high chance of job opportunities based on one's performance. Additionally, the office covers the entire cost of lunch and coffee are also offered.

4.1.2 Internship Period Duties and Responsibilities

At first, I was just engaged with daily sales collection report updates, invoice collection, and processing them in ERP with proper documents. Also regularly updated allowance report, processed fuel bill, and MUSHUK 6.3 written. And also, missing products find out that gave me by the assistant manager. After the junior executive quit his job, my supervisors gave me some fixed tasks.

- Updated daily sales collection report.
- Redrafted daily cash flow plan.
- Take a screenshot of the corrected sales collection report and send it sales coordinator through WhatsApp.
- Consistently check bank balance update results.
- Even, check bKash and Nagad's balance.
- Collect sales invoices from the sales coordinator.
- Arrange those invoices with related documents as attachments for entry.
- Organized all information and entered them in an Excel file.
- Systematize all information and enter all collection data in ERP with related documents.
- Authorize all entries through my supervisor.
- Write down Posted in ERP in an Excel file after authorization.
- Scanned all related documents.
- Also entered vendor payment entries.
- Collect vendor payment documents.
- Cheque report update
- Daily email checking
- Organized papers and filed related files.
- Allowance report update
- Fuel bill entry
- MUSHUK 6.3 writing
- Cash opening and closing

4.1.3 Internship Period Training Part

They have no training period; they just allow their intern to randomly learn.

4.1.4 Contribution to Department Functions

Those are my departmental work;

- Updated the daily sales collection report.
- Redrafted the daily cash flow plan.
- Consistently checked the bank balance update results.
- Monitored balances for bKash and Nagad accounts.
- Authorized all entries with my supervisor's approval.
- Collected vendor payment documents.
- Updated the cheque report.
- Reviewed daily emails.
- Organized and filed related documents.
- Updated the allowance report.
- Recorded fuel bill entries.
- Worked on MUSHUK 6.3 writing.
- Managed cash opening and closing.
- Updated the list of missing products.

4.1.5 Pros and Cons of Company’s Workplace

Stability and Benefits

They pay their regular salary timely. Also, they provide health benefits and allowances. But they will not provide any gratuity funds.

Skilled Growth

Basic skill development is good but not good for advanced career development.

Structure Circumstances

Roles and responsibilities need to be clear; it can enhance work efficiency.

Group Support

Team support is good in the finance and accounting departments. But overall problem-solving support is weak here.

Limited Flexibility

First of all, their office time starts is 8:30 AM to 5:00 PM, But most of the time they spend more time in the office. The location was not good for me, their building has no benefit for extra good food to buy. They spent extra time maybe a good show for performance appraisal but it was a very suffering part for me.

Office politics

Office politics was high in this office.

Dependency on Company Direction

Here has no job security situation. Many employees quit their jobs.

Regular Work

They had a hardcore routine work, so they had a limited opportunity to creative ideas.

Probable for Burnout

Hardcore routine work was the main cause for their weak time management, conflict in regular work, office politics, and increased dependency on the finance department.

4.1.6 HR Conflict Management

Conflict management refers to methods used to identify areas lacking efficiency within an organization. This process involves addressing disagreements, understanding differing opinions, and acknowledging varying needs. Conflict resolution is a vital task for the HR department, as it helps in identifying underlying problems. The HR team primarily focuses on fostering professional relationships, enhancing the work environment, promoting effective communication, and finding suitable solutions to various issues. Effective conflict management is one of the core competencies of HR (Guttman, 2009; Hasan & Huq, 2010; Mash & Adler, 2018). The HR department needs to develop the following nine skills for successful conflict resolution;

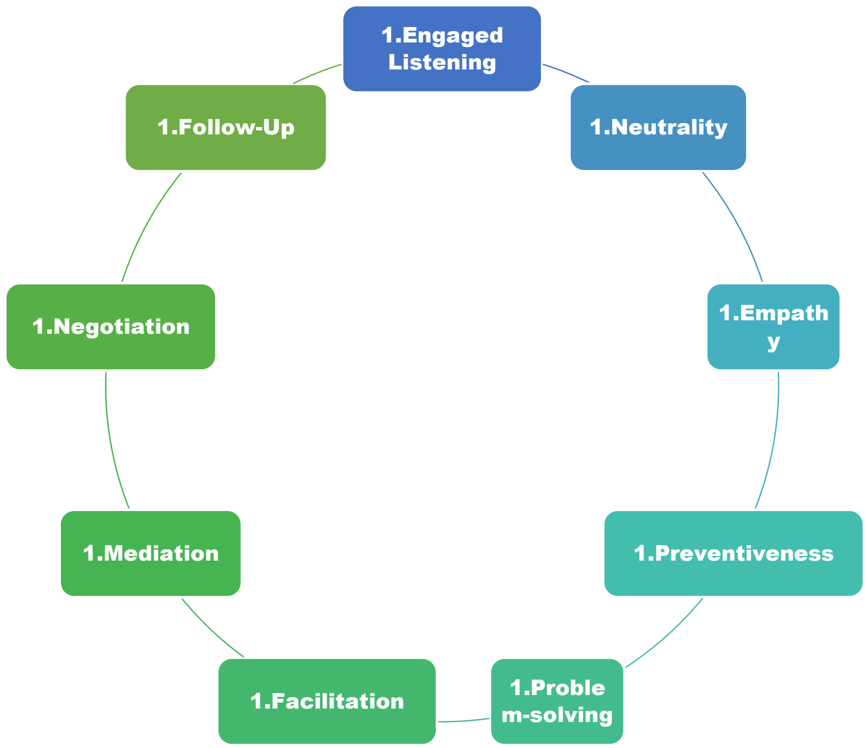

Figure 8: Nine steps of conflict management

By using these skills, HR professionals can successfully control conflicts and promote a healthier workplace.

Engaged Listening

Need to pay close attention to identifying employees' points of view.

Neutrality

HR must need to be neutral and also need calm language to communicate.

Empathy

Judgmental attitudes are unsuitable for HR professionals; HR must understand the situation from a different perspective, and ensure all employees' feelings are valid.

Preventiveness

Taking preventive measures is vital for addressing and solving potential problems.

Problem-solving

Identify the root causes of issues and develop creative solutions to address them.

Facilitation

Allow time and space for discussions to help resolve conflicts among employees.

Mediation

Guide discussions in a way that encourages mutual understanding and agreement.

Negotiation

Negotiation is one of the most important skills for HR professionals.

Follow-Up

Regularly follow up on all tasks and solutions.

4.1.7 Time Management

Time management refers to the process of planning how much time to allocate to specific tasks. It increases work efficiency and productivity, reduces excessive burdens, promotes smarter working habits, and simplifies tasks.

Steps to improve time management

Eight steps for improving time management at the workplace;

- Separate the Extensive Goals into Small Goals.

Break down larger objectives into smaller, achievable milestones to track progress more effectively.

- Uphold the priority-based approach.

Focus on tasks based on their importance and urgency to ensure that essential work is completed first.

- Make a To-Do schedule.

Systematize your tasks in a to-do schedule to keep track of what needs to be accomplished.

- Set Deadline.

Establish specific deadlines for tasks to create a sense of urgency and accountability.

- Avoid Multitasking.

Concentrate on one task at a time to improve efficiency and the quality of your work.

- Minimize Distractions.

Identify and eliminate distractions in your work environment to maintain focus.

- Eliminate Procrastination.

Carry bold steps to overcome procrastination and stay on track with your tasks.

- Take Mandatory Breaks.

Organize regular breaks to refresh your mind and sustain productivity throughout the day.

Key Benefits of Effective Time Management:

- Ensure timely delivery of work
- Enhance the quality of your output
- Increase overall productivity

- Relieve stress and anxiety levels
- Enhance your quality of life
- Unlock new opportunities for career advancement
- Free up valuable time for leisure and relaxation

Figure 9: Why time management is important at the workplace?

4.2 Background of the VAT and TAX

4.2.1 Understanding TAX

Taxes are compulsory financial charges. The government charges it to individuals, businesses, or entities. There are various types of taxes; Income tax, Sales tax, Corporate tax, Property tax, and so on. Tax systems are very wide all over the world. Before doing business and earnings individuals and corporations need to understand their local tax laws. Taxation is the process of taxing people or things.

4.2.2 Types of TAX

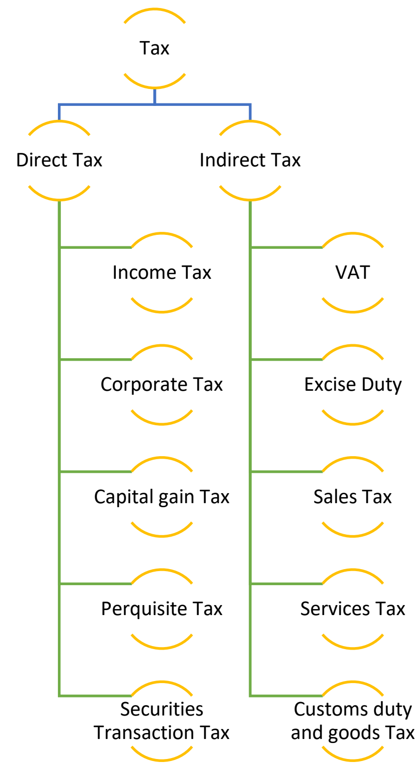

Figure: 10 Sample of types of TAX

- Noted: These sample types of tax are not proper classifications; It just makes to support my documents.

Direct Tax

Direct tax is charged on the income of prosperity of a person and paid by the person directly to the government. Tax burden is progressive on people and tax evasion is possible. It cannot be shifted to others and reduce inflation. Direct Taxes are; Income Tax, Corporate Tax, Capital gain Tax, Perquisite Tax, Securities Transaction Tax, etc.

Indirect Tax

Indirect tax is charged on the goods or services a people buy from the store or local markets that indirectly paid to the government. It is imposed on the seller but collected from the consumer. It drops on different people. It can be shifted to others; evasion is more difficult and it contributes to inflation. Indirect taxes are; VAT, Excise Duty, Sales Tax, Services Tax, Customs duty and goods Tax, etc.

4.2.3 understanding VAT

The full form of VAT is value-added Tax. VAT is an indirect tax; it is smoothly receivable, achieves high productivity with does not have any connection with the taxpayer. It imposes on goods and services in all stages like production, sales, distribution, and final consumer.

History of the VAT

VAT is a European creation; It introduced the French tax authority in 1954. According to NBR, In Bangladesh Value Added Tax Act 1991, Value Added Tax and Supplementary Duty Act, 2012, and Value Added Tax and Supplementary Duty Rules, 2016.

Procedures of VAT

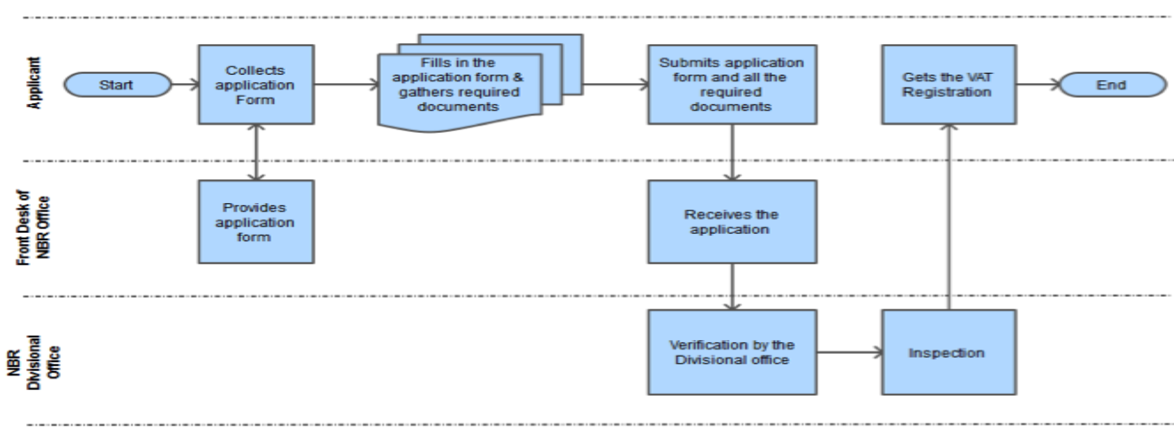

Figure: 11 (Vat Procedures)

Registration procedures- According to the Bangladesh Trade Portal website

Step 1: Collect applications from the NBR Office or website.

Step 2: Fill up the application with supporting documents.

Step 3: Submit and confirm the documents by NBR officials.

Step 4: Physical review of the business assumptions.

Step 5: Lastly receive a VAT Registration Certificate.

Require Documents- According to the Bangladesh Trade Portal website

1. Collect and fill application form.
2. Company’s Trade License.
3. Bank Solvency Certificate.
4. Owners photograph (2).
5. Owners NID or Passport copy.
6. IRC/ERC if the enterprise is doing Import and Export Business.
7. Article & Memorandum of Association (if the enterprise is a Limited Company.).
8. TIN Certificate.
9. Location map of Enterprise premises.
10. Copy of BOI Registration.
11. Deed of Agreement.

How to Submit a VAT Return

Submitting a VAT return can be complex. Here are simple guidelines to help you understand the process. Submitting a VAT return is mandatory for businesses and all types of industries. This ensures that the company's financial records are accurate.

- Register for VAT

Before submitting a VAT return, the company must be registered. Then visit the NBR (National Board of Revenue) website and track the registration process.

- Keep Proper Records

Record sales, purchases, and expenses; also include invoices, customer receipts, and other financial documents.

- Compute Your VAT

Calculated CAT collected on sales and VAT paid on purchases.

- Fill Out the VAT Return Form

From the NRB website download the VAT return form. Fill it with the required details and calculations.

- Submit the VAT Return

You can submit a VAT return through the NRB portal or at the local VAT office.

- Pay the VAT

Make your payment through banks authorized by the NBR to stay compliant and avoid any penalties.

- Keep a Copy for Your Records

After submission, safeguard a copy of your VAT return and the payment receipt for your records; this is important for future reference and audit protection. By following these steps, you’ll not only fulfill your legal obligations but also strengthen your business’s financial integrity.

Chapter Five: Recommendation and Conclusion

5.1 Recommendation

AKSID corporation needs to improve lots of things, some things are recommended here;

- Maintain communication across departments to boost collaboration.
- Adopt integrated ERP systems for uninterrupted operations.
- Leverage advanced tools to optimize data analysis and decision-making.
- Enhance customer demand forecasting for better inventory management.
- Upgrade employee training programs to maximize team potential.
- Offer comprehensive client training and familiarity sessions to build loyalty.
- Rework marketing strategies to capture a wider audience.
- Expand digital outreach to increase brand visibility and engagement.
- Streamline promotional activities for greater efficiency and impact.
- Commit to continuous improvement initiatives to stay ahead of the competition.

5.2 Conclusion

This internship report on "VAT and Tax Management of AKSID Corporation" highlights a critical area that requires specialized knowledge. During my internship, I aimed to develop a fundamental understanding of these complexities. However, AKSID Corporation Limited faces organizational challenges, particularly in its finance department, which presents significant management issues. As a finance intern, my responsibilities covered a range of tasks, which unfortunately distracted me from fully engaging in the VAT and Tax domain. In this report, I provide background information on AKSID Corporation and examine its relationship with Sika Company. I also contextually explore the histories, missions, visions, and ethical values of both entities. Additionally, I conduct a SWOT analysis to outline the company's strengths, weaknesses, opportunities, and threats, which enhances awareness of its operational landscape. I share my personal experiences, detailing both the positives and negatives of working in this environment, including issues related to time management and conflict resolution within human resources. By identifying these challenges, we can propose effective improvement solutions. Finally, I delve into the background of VAT and tax, clarifying their histories and procedures, and offering practical instructions for submitting a VAT return. This comprehensive approach aims to foster a deeper understanding of our financial responsibilities and emphasize the need for improved management practices within the corporation.

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