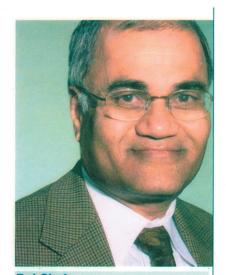
Claiming an Obscure Niche



Raj Shah
Universal VAT Services

ometimes the biggest challenge facing Raj Shah is convincing his clients there really is unclaimed gold buried in the mountains of receipts filed each year by its international traveling employees.

The former accountant could hardily believe it himself when he read an obscure journal article. The story told of how U.S. companies could claim refunds of the Value Added Taxes (VAT) they paid European Union countries when employees and staff traveled to those nations for tradeshows and other business activities.

He formed an alliance with PriceWaterhouseCoopers to train his new company in the process of claiming refunds of these taxes including not just the European VAT, but the Canadian national sales tax. These taxes, levied on virtually all types of business-related expenses, can be reclaimed by corporations or

"We approached Proctor and Gamble and told them that they could recover VAT," he recalls, "and the company was formed, with P&G as our inaugural account."

By going after the big players first, Shah knew that he would gain credibility in an area that offered tremendous opportunities, both for his company and its clients. After all, the potential VAT refund for U.S. companies alone is more than \$800 million a year.

These taxes – levied on all products and services such as hotels, car rentals, meals, conferences and tradeshows – range from 17.5 percent in the United Kingdom to 25 percent in Sweden. Most of these tax refunds are never claimed.

Universal VAT collects the receipts from its clients and then files all the paperwork. Working on a percentage basis gained the company many loyal customers, but it made for tough going in the beginning. Some refunds could take up to a year to collect. To hold down costs, Shah outsourced back-office functions, such as processing of the returns and other paperwork, to India, where costs were lower.

Today, he is the leader in this emerging field, with a client list that ranges from Kellogg's to Georgetown University. He's still making his pitch for reclaiming this "money left on the table" and each day, he's gaining more converts.

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academic institutions.

Because this was a virtually unknown niche, even to most major corporations, he decided that his first client would need to be one of the world's largest.