

Partnership to develop solution to complex Carbon Tax calculations

Cova Advisory and Xnovos have announced a new partnership to produce a software system to help companies to cope with the demanding requirements of the new Carbon Tax.



The two consulting firms have signed an MOU, and are committed to helping meet demand for a comprehensive support package to simplify the administrative burden which has arisen with the tax.

“We already offer consulting services to a lot of big corporates on tax... Now we have a joint-venture with Cova Advisory to apply the same logic to help corporates manage the Carbon Tax,” said Eric Roberts the CEO of Xnovos.

The aim is to combine Xnovos’ knowledge of developing software to manage complicated tax calculations with Cova’s in-depth understanding of the complexities of the Carbon Tax, and its painstaking monitoring of legislative and reporting changes.

The target market for the new product will be large corporates such as mining, steel, and chemicals companies, as well as manufacturers.

“Firms which sign up to this new joint offering will enjoy continued support,” said Cova partner Duane Newman.

"We will ensure that the package is updated with legislative changes and any new reporting requirements."

Since 2017, companies are obliged to submit Greenhouse Gas Emissions reports to the Department of Environment, Fisheries and Forestry by end of March, and from 2020 they will also need to submit carbon tax returns and pay carbon tax by end of July.

"Where we come in is that we help manage the information flow and calculations to automate the preparation of the reports and returns, which ensures they are accurate and aligned with each other," said Roberts.

Tumelo Chipfupa, founding partner at Cova comments, "The process can often be messy. It may sound obvious, but Carbon Tax is a niche specialty where you need to understand both carbon emissions and tax.

"Information for assessing Carbon Tax liabilities must be obtained from different sources – such as the foreman at a smelter, a company's invoices, with input from environmental experts. This has all then to be processed to assess a firm's Carbon Tax liability."

The new software is currently being developed to be ready to meet the March and July deadlines in 2020.

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