



Case study

Granvia Textiles is a 60-year-old, family-owned company in the traditional textile manufacturing sector. Known for its high-quality woven fabrics, the company serves premium regional and international fashion and home textile brands.

Over the last five years, Granvia Textiles has begun modernizing its operations and embedding sustainability into its core strategy. The following major business developments have taken place:

- Launch of Granvia Digital, a proprietary AI-powered business-to-business (B2B) online ordering platform.
- Establishment of Granvia Greenworks, an innovation unit focused on environmental, social and governance (ESG) initiatives, including waterless dyeing, recycled fiber research and development (R&D) and generation of carbon credits.
- Creation of Granvia Global Sourcing, a procurement and logistics arm handling vendor relationships and cross-border sourcing.
- Expansion into new markets via digital channels, onboarding vendors and remote staff across multiple jurisdictions.

All business units are wholly owned by Granvia Textiles Co., which is incorporated in Country X (the home jurisdiction).

Additional information

- Remote staff are engaged in Countries A, B and C, including digital developers and marketing support teams.
- Staff from Greenworks and Granvia Digital are frequently seconded to other entities for projects.
- The company has limited intercompany documentation and has not conducted a formal transfer pricing review.
- Granvia Textiles is preparing for Series B investment and a future initial public offering (IPO) - targeted within three to four years.



Required:

The chief financial officer (CFO) of Granvia Textiles has requested a meeting with you (their tax advisor) to discuss on the preparation for its Series B investment and future IPO. However, he has only three minutes to meet with you. As such, prepare a presentation on the following:

- a) Identify two or three significant tax issues or risks.
- b) Highlight initial high-level considerations to support Granvia Textiles' investment readiness from a tax perspective.

You may include any commercial considerations that may be relevant to your analysis.



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