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# Tax Planning and Client Onboarding in a Professional Services Firm: An Exploratory Case Study from an Indian Financial Advisory Organization

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**ABSTRACT**

Tax planning and client onboarding are two linked functions in professional services firms that offer financial advisory work. Onboarding, which includes Know Your Customer (KYC) verification, establishes the client's identity and risk profile. Tax planning then builds on that verified profile to reduce tax liability within the law and to support long-term financial goals. This paper reports an exploratory, descriptive case study based on a two-month on-the-job training placement (25 May to 25 July 2026) in the finance function of Accrual Intelligence Manuals India Private Limited (AIM India), a New Delhi-based unlisted private company offering wealth advisory, accounting, taxation and related services. Data came from participant observation, discussions with managers and team members, internal training material and public secondary sources. The paper documents the firm's seven-step onboarding workflow and eight-step tax planning workflow, and analyses the sector using Porter's Five Forces and PESTLE. Observations suggest that (i) clients' financial goals centre on wealth creation, tax saving and retirement; (ii) tax-saving opportunities shape the choice of investment instruments, with mutual funds and systematic investment plans (SIPs) the most favoured; and (iii) complete and accurate onboarding is a precondition for both regulatory compliance and a smooth client experience. The study is limited by its short duration, restricted access to confidential data and a small observational base, so its findings are indicative rather than generalisable. The paper closes with practical recommendations on process standardisation, automation and staff training, and with directions for further research.

**Keywords:** tax planning; client onboarding; KYC; financial advisory; professional services; India; mutual funds; process standardisation

## 1. Introduction

Financial advisory firms operate where regulation, client trust and technology meet. A new client must first be identified and assessed. Only then can the firm give tax and investment advice that is accurate, suitable and defensible. In practice, onboarding and tax planning are often treated as separate administrative and advisory tasks. This paper treats them as stages of one service chain: onboarding creates the verified client profile, and tax planning uses that profile to produce recommendations.

India's financial sector has changed quickly through digitalisation, financial inclusion programmes, the Goods and Services Tax (GST), the Unified Payments Interface (UPI) and electronic KYC (e-KYC). The mutual fund industry reflects the growth. The Securities and Exchange Board of India (SEBI) has reported industry assets under management (AUM) of roughly ₹81.6 lakh crore by May 2026, and a sharp rise in the number of unique investors since 2019. As more individuals seek advice on taxation and investment, firms that can onboard clients efficiently and plan taxes competently are better placed to grow.

Published work on tax planning and KYC is mostly conceptual, regulatory or based on large banks. There is less description of how a small, multi-service advisory firm runs these processes from day to day. This paper contributes a practitioner-level account of that kind, drawn from a supervised internship.

### *1.1 Definitions*

**Tax planning** is the analysis of an individual's or organisation's financial situation in order to minimise tax liability within applicable tax law. It works through deductions, exemptions, rebates and eligible investments, and supports both savings and compliance.

**Client onboarding** is the structured process by which a new client is registered and integrated into a firm's services. It typically includes registration, KYC verification, document collection, risk assessment, regulatory checks and service activation.

### *1.2 Objectives*

The study had four objectives:

1. To study the tax planning practices and strategies the firm uses for its clients.
2. To understand the client onboarding process, including KYC verification, documentation and compliance requirements.
3. To analyse how tax planning and onboarding affect operational efficiency and client satisfaction.
4. To gain practical knowledge of professional service delivery, regulatory compliance and client relationship management.

### *1.3 Scope*

The study covers the tax planning and onboarding practices observed during the placement. It does not include confidential client data or strategic organisational information.

## 2. Theoretical Background

The study draws on five linked concepts.

**Tax planning theory.** Tax planning is the lawful arrangement of financial affairs to reduce tax liability. It involves identifying deductions, exemptions and tax-saving investments available under the Income Tax Act.

**Financial planning.** Financial planning evaluates a person's financial position and designs strategies to meet short- and long-term goals. It covers budgeting, saving, investing, insurance, retirement planning and tax management.

**Risk and return.** Investment choices should reflect a client's risk appetite, objectives and horizon, since higher expected return is generally associated with higher risk. This idea underlies modern portfolio theory (Markowitz, 1952), the capital asset pricing model (Sharpe, 1964) and later work on mutual fund performance and the cross-section of returns (Jensen, 1968; Fama & French, 1992).

**Customer relationship management (CRM).** CRM concerns building long-term client relationships through quality service and satisfaction. Onboarding is the first formal point of contact, so it is an important part of CRM.

**KYC and compliance.** KYC verifies identity and address, and compliance procedures help prevent fraud and money laundering and keep the firm within the rules set by regulators.

### *2.1 Conceptual framework*

The framework used in this paper begins with client acquisition and onboarding, in which information and KYC documents are collected and verified. The verified profile is then used to analyse income, goals, risk appetite and preferences. Tax planning strategies and financial recommendations follow from that analysis. Regulatory compliance and CRM run through every stage.

## 3. Sector and Organisational Context

### *3.1 The financial services and consulting sector*

India's financial services sector includes banks, non-banking financial companies (NBFCs), insurers, mutual funds, brokers, fintech firms and advisory organisations. Financial consulting is a sub-sector that offers tax planning, financial planning, investment advisory, accounting, auditing, risk management, valuation, compliance support and onboarding support. Demand for these services has risen with changing tax law, tightening compliance requirements and growing investment awareness.

### *3.2 Competitive environment (Porter's Five Forces)*

| Force | Assessment | Reasoning |
|---|---|---|
| Threat of new entrants | Moderate to high | Capital requirements are low, but reputation, client trust, expertise and compliance take time to build. |
| Bargaining power of clients | High | Clients can compare many providers on fees, quality and expertise. |

| Force | Assessment | Reasoning |
|---|---|---|
| Bargaining power of suppliers | Moderate | Skilled professionals and technology providers are the main inputs, and demand for qualified staff is rising. |
| Threat of substitutes | Moderate | Filing software and AI-based advisory tools can replace routine work, but complex planning still needs professional judgement. |
| Competitive rivalry | High | Chartered accountant firms, tax advisers, consultancies and fintechs compete on quality, price, technology and reputation. |

The overall picture is one of intense rivalry and strong client bargaining power, in which expertise, compliance, technology adoption and a client-centred approach are the main sources of advantage.

### *3.3 External environment (PESTLE)*

- **Political:** tax reforms and initiatives such as Digital India and financial inclusion programmes create demand, and policy changes alter client needs.
- **Economic:** growth, inflation, interest rates and the expansion of startups and SMEs shape demand for planning, taxation and compliance services.
- **Social:** higher financial literacy and incomes increase demand for tax planning and wealth management.
- **Technological:** cloud accounting, automation, analytics and digital KYC improve efficiency and accuracy.
- **Legal:** tax law, anti-money laundering (AML) rules and KYC norms require continuous monitoring, and non-compliance brings penalties and reputational harm.
- **Environmental:** paperless documentation and digital record-keeping reduce paper use and support sustainable practice.

### *3.4 Regulatory and policy setting*

The Reserve Bank of India (RBI) regulates banks and financial institutions, SEBI regulates securities markets and mutual funds, the Insurance Regulatory and Development Authority of India (IRDAI) regulates insurance, and the Pension Fund Regulatory and Development Authority (PFRDA) regulates pension schemes such as the National Pension System (NPS). The Ministry of Finance and the Income Tax Department set and administer tax policy. Initiatives such as the Pradhan Mantri Jan Dhan Yojana, GST, UPI and e-KYC have widened access and simplified verification.

### *3.5 The organisation studied*

Accrual Intelligence Manuals India Private Limited (AIM India) was incorporated on 29 September 2017 and is registered with the Registrar of Companies, Delhi. It is an unlisted private company with authorised share capital of ₹10 lakh and paid-up capital of ₹5 lakh. It offers wealth management and advisory, accounting, taxation, investment planning, consulting, and training and development, including student internships. It describes its aim as providing a one-stop route to financial independence, tailored to each client's circumstances, objectives and risk comfort.

Because AIM India is unlisted, market indicators such as market capitalisation, share price and listed-company earnings per share do not apply, and detailed audited financials were not available for analysis.

A SWOT summary of the organisation is given below.

| Strengths | Weaknesses |
|---|---|
| Diversified, integrated service portfolio; finance and taxation orientation; experience with training and internships | Limited public financial information; smaller scale than large institutions; lower brand visibility |

| Opportunities | Threats |
|---|---|
| Rising investment awareness and financial literacy; digital service delivery; tax and retirement planning demand | Competition from banks, fintechs and advisers; regulatory change; cyber risk; market volatility; changing client expectations |

## 4. Methodology

### *4.1 Research design*

The study is descriptive and exploratory. It is a single-organisation case study built on participant observation during a supervised placement in the finance function.

### *4.2 Data sources*

**Primary data** came from direct observation, participation in daily work, discussions with managers and team members, and hands-on exposure to onboarding and tax tasks. **Secondary data** came from company training material, regulator and government websites (the Income Tax Department, SEBI, the Association of Mutual Funds in India and the RBI), standard textbooks and academic literature.

### *4.3 Tasks undertaken*

Three tasks formed the basis of the study:

1. **Tax document preparation:** reviewing and organising documents such as Form 16, salary slips, bank statements, investment proofs and insurance records, and keeping records for filing and advisory use.
2. **Client onboarding and KYC:** collecting client information, verifying KYC documents, entering data and maintaining client records.
3. **Income tax analysis:** studying sources of income, deductions, exemptions and tax-saving options, and assisting with basic tax computations.

### *4.4 Ethical considerations*

No confidential client information is reported. The two illustrative cases in Section 5.3 are hypothetical and were constructed to represent typical situations, not real clients.

## 5. Process Documentation and Illustrative Cases

### *5.1 Client onboarding and KYC workflow*

The onboarding workflow had seven stages:

1. Client inquiry and initial discussion, in which requirements and basic details are captured.
2. Collection of KYC documents, such as PAN, Aadhaar, address proof and photographs.
3. Identity and address verification.
4. Data entry into the firm's system.
5. Compliance and documentation check against KYC and internal requirements.
6. Client profile creation, including risk assessment and financial needs analysis.
7. Onboarding approval and record maintenance.

### *5.2 Tax planning workflow*

The tax planning workflow had eight stages:

1. Collection of income and financial information (PAN, occupation, income, Form 16, bank statements, investment proofs).
2. Classification of income sources under the relevant heads.
3. Identification of deductions and exemptions.
4. Calculation of taxable income.
5. Computation of tax liability.
6. Review and verification.
7. Tax planning recommendations.

8. Final report preparation and record maintenance.

The two workflows connect directly. The documents and verified details collected during onboarding are the inputs to the first stages of tax planning, so errors at onboarding carry forward into advice.

### *5.3 Illustrative cases (hypothetical)*

**Case 1: Tax planning for a salaried individual.** A 30-year-old software engineer with an annual gross salary of ₹10,00,000 had not fully used available deductions. After collecting salary slips, Form 16, PAN and investment details, the advisory steps were to recommend Section 80C instruments (ELSS mutual funds, Public Provident Fund, life insurance premiums), consider an additional National Pension System contribution, and check eligibility for health insurance deductions under Section 80D. The illustrative inputs were ₹1,50,000 under Section 80C, ₹50,000 of additional NPS contribution and a ₹25,000 health insurance premium. The case shows how deductions can be matched to a client's long-term goals. The exact tax saved depends on the tax regime chosen and the prevailing slab rates and deduction limits, which change with each Union Budget and should be verified against current law.

**Case 2: Onboarding and KYC for a new advisory client.** A 28-year-old marketing executive sought financial planning and investment advisory services. The firm collected her details, obtained PAN, Aadhaar, photograph and address proof, verified the documents, recorded the information and created a profile, reviewed compliance, and obtained declarations and consent forms. The profile was then activated and she became eligible for advisory services. The case shows that verification and documentation come before advice and form the base for the client relationship.

## 6. Observations and Findings

The observations below come from the internship record and are presented as indicative proportions. They are the author's estimates from placement activity and client interactions, not the result of a structured survey with a defined sample, so they should be read as descriptive impressions.

6.1 Distribution of learning exposure

| Functional area | Share of exposure |
|---|---|
| Financial planning | 30% |
| Taxation | 25% |
| Mutual funds and SIPs | 20% |
| Customer onboarding and KYC | 15% |
| Portfolio management | 10% |

Financial planning and taxation together accounted for over half of the exposure, which reflects how closely goal setting and tax efficiency are tied together in advisory work.

### *6.2 Client financial goals observed*

| Goal | Share |
|---|---|
| Wealth creation | 35% |
| Tax saving | 25% |
| Retirement planning | 20% |
| Child education planning | 12% |
| Emergency fund creation | 8% |

Wealth creation and tax saving made up the majority of stated goals, with retirement planning the third most common.

### *6.3 Preferred investment instruments*

| Instrument | Preference |
|---|---|
| SIPs and mutual funds | 40% |
| Fixed deposits | 25% |
| Insurance plans | 15% |

| Instrument | Preference |
|---|---|
| PPF and other tax-saving schemes | 12% |
| Others | 8% |

SIPs and mutual funds were the most favoured, consistent with their flexibility, low entry cost and long-term wealth creation potential, and with the sector-wide growth in mutual fund participation noted in Section 1.

### *6.4 Importance of onboarding stages*

| Stage | Importance |
|---|---|
| Document collection | High |
| Identity verification | High |
| Address verification | High |
| Risk profiling | Medium |
| Account activation | High |

### *6.5 Summary of findings*

1. **Planning demand is goal-driven.** Clients seek structured solutions for wealth creation and security, and financial planning is becoming more central to advisory work.
2. **Tax considerations steer investment choice.** Tax-saving opportunities strongly influence which instruments individual investors select.
3. **Onboarding is a control point.** Accurate KYC verification and documentation are critical for compliance and for a smooth client experience, and they determine the quality of every later stage.
4. **Process discipline matters.** Data entry, ledger and voucher recording, reconciliation and reporting need high accuracy, and manual handling is a source of error.

## 7. Discussion

The findings support a view of tax planning and onboarding as one chain rather than two functions. A client whose documents are complete and verified at entry can be profiled quickly, and the profile feeds directly into income classification and deduction planning. Conversely, incomplete or inconsistent onboarding data slows tax work and raises compliance risk.

The competitive analysis explains why this matters commercially. With high client bargaining power and intense rivalry, a firm cannot rely on price alone. A fast, accurate and compliant onboarding experience, followed by tailored tax planning, is a visible way to differentiate. Technology trends point the same way: digital KYC, e-signatures and automated tax computation reduce turnaround time, though they also raise the stakes for data protection.

The preference for SIPs and mutual funds fits both the tax-saving motive (for example through ELSS) and the growth of the mutual fund sector. It also underlines the advisory responsibility of matching products to risk profile, which is why risk profiling, although rated medium in importance for onboarding, should be treated as a bridge between onboarding and investment advice rather than a secondary step.

## 8. Recommendations

Based on the observations, the study recommends the following for firms of this type.

1. **Standardise processes.** Document standard operating procedures (SOPs) for onboarding, tax preparation and review, and keep them accessible so that work is done consistently.
2. **Increase automation.** Integrate accounting and workflow software more deeply into data entry, ledger creation, voucher recording, reconciliation and report preparation to reduce manual error and turnaround time.
3. **Invest in training.** Run regular training and knowledge-sharing sessions on accounting practice, software and changing tax and KYC rules.
4. **Monitor with KPIs.** Use daily reporting and key performance indicators to track accuracy and turnaround, and review processes periodically to find time savings.

5. **Continue client education.** Financial literacy initiatives help clients understand investments, taxation, risk and planning, which supports better decisions and trust.
6. **Protect client data.** Pair digitalisation with sound cybersecurity and data protection practice.

These measures are expected to reduce errors, shorten processing time, improve coordination and raise service quality, which together support sustainable growth.

## 9. Limitations

- **Short duration.** A two-month placement could not provide in-depth exposure to every function of a broad sector.
- **Restricted confidential data.** Access to client portfolios, personal financial information and internal reports was limited by confidentiality and data protection requirements.
- **Limited financial data.** AIM India is unlisted, and detailed audited financials and market indicators were not available.
- **Dependence on available information.** Parts of the analysis rely on information the organisation provided and on public secondary sources.
- **Limited role in client decisions.** An intern's involvement in actual investment decisions was limited, since final recommendations rest with authorised professionals.
- **Indicative quantification.** The percentage distributions in Section 6 are observational estimates without a defined sampling frame, and the two cases are hypothetical. The results should not be generalised.

## 10. Conclusion and Future Work

This paper described how a professional services firm connects client onboarding and tax planning, and examined the sector and organisational context in which they operate. The observations suggest that clients are goal-driven, that tax benefits shape instrument choice, with SIPs and mutual funds the most favoured, and that rigorous onboarding is the foundation for compliant and efficient advice. The main practical implication is that firms should manage the two functions as a single service chain and support it with standard procedures, automation and trained staff.

Future research could use a structured sample of clients and advisers to test the proportions reported here, compare several firms of different sizes, and measure the effect of digital KYC, automation and training on turnaround time, error rates, productivity and client satisfaction.

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