

Tax Management Consulting
Why and What?



In an increasingly demanding and global environment, managing tax is becoming more complex.

The world's leading tax departments integrate business strategy and risk management into their tax organization and operating model.

Tax departments often face significant resource constraints, requiring an increased focus on efficiency and effective use of technology.

Tax information is increasingly important to management's ability to plan and forecast.

Why Tax Management Consulting?

Tax Management Consulting (TMC) helps businesses create new standards of best practice in tax processes, controls and outputs. We draw on our deep experience to deliver the right combination of **tax, technology and consulting** solutions that bring about change. We view the tax function as a part of the wider organization and can help you develop a new role, one which pro-actively manages change, creates value for the organization, and meets the challenges of quality, assurance and control.

Deloitte's TMC offerings bring:

- Improved efficiency and reduced costs through automation and systemization.
- Greater quality assurance through improved data management, ensuring data integrity and accuracy.
- Reduced risk: an improved control environment with greater risk management.
- More timely status reporting and transparency, without excessive manual effort.
- Better understanding of tax in a company and how the management of tax compares with peer organizations.
- A motivated and focused tax department aligned with and well respected by the business in which it sits.
- Tax professionals undertaking challenging tax work and not tied up in mundane manual processes.
- Greater value from tax – which may mean reduced cost of certain processes or could lead to greater exploitation of available tax opportunities.



So what is TMC?

"We have varying degrees of tax expertise around the world and we need external providers to fill the gaps"

Anonymous,
Tax Director

"As we harness technology we will reallocate resources, so that more people are supporting our business units, and less people are doing compliance work"

Anonymous,
Tax Director

In an increasingly demanding global environment, managing tax responsibilities and planning for tax issues is becoming more complex. With consulting, technology and outsourcing experience, Deloitte helps businesses meet the challenges of multi-jurisdictional tax operations, including compliance, reporting and risk management for direct and indirect taxes. We help clients transform their processes, technology and resourcing models as well as complementing their own organization with global outsourcing capabilities. This allows tax departments to meet key objectives for quality and control but at the right cost and in a way that then allows them to create real value for their organization.

Our services cover:

- **Tax department strategy, risk management and operating model**
- **Tax technology**
- **Global tax compliance and reporting outsourcing**

Tax department strategy, risk management and operating model

Managing tax responsibilities and tax affairs is becoming more complex. Tax departments are facing a broader range of challenges and expectations, ranging from increased scrutiny from tax authorities across the globe to pressure from boards and audit committees. The global focus on multinationals paying their 'fair share' of tax has put tax functions under further scrutiny.

To assist our clients to respond to these challenges, Deloitte's Tax Management Consulting team helps our clients to document their tax strategies and prepare Tax Clarity Reports detailing the organisation's total taxes and broader economic contributions.

We also help businesses create new best practice standards in tax processes, controls, outputs and automation solutions. We don't just look at tax in isolation, we see the bigger picture, and how the tax function fits into the wider organisation. Our specialists (often in conjunction with a finance transformation project) can help you evolve a new role for your tax function, one that actively manages change, creates value for the organisation, and meets the challenges of quality, assurance and control.

We also bring the best of Deloitte's Analytics capabilities to assist our clients to identify and manage tax risks. Tools such as Deloitte's Tax Cube and Global Cube provide Heads of Tax with deep tax risk and best practice insights and benchmarking capabilities.

Tax technology

Tax departments face significant resource constraints, requiring an increased focus on efficiency and effective use of technology to streamline their compliance and reporting processes. Overreliance on spreadsheets and manual processes, outdated technology, and lack of integration between tax and finance systems hamper tax departments' ability to obtain and analyze the data needed for timely and accurate tax compliance and reporting.

We assist tax departments in the design, selection, and implementation of tax software for global and local purposes for both direct and indirect taxes, through our comprehensive knowledge of the tax technologies available. Our services include helping clients to make the right technology choices and then configuring and integrating those choices through the entire record-to-report business cycle for tax. Solutions include enterprise systems, middleware, tax applications and management reporting dashboards.

In particular, the integration of tax data requirements into enterprise resource planning (ERP) systems is increasingly critical for tax departments to operate efficiently and effectively. We help organizations “tax enable” their ERP systems, encompassing the direct and indirect tax requirements and the related data to support tax planning, compliance and tax audits on a global basis. We also assist with data retention, document management and the prioritization of controls.

Creating value and using data more effectively

Tax information is increasingly important to management’s ability to plan and forecast. Our Tax Management Consulting team can assist your organization to leverage data analytics for tax and assess the data and information required to support these efforts. In addition, we can help your organization gain insights into past tax performance and how tax technologies, applications, and leading practices can help your tax department plan and execute tax planning more effectively.

Global tax compliance and reporting outsourcing

There’s been considerable change in the tax world – change that has radically affected tax compliance and reporting.

You’ll recognize four key contributing factors:

- globalization - with an emphasis on emerging markets;
- increased regulation affecting tax compliance processes;
- revenue authorities adopting a more sophisticated and commercial approach; and
- the spread of mandatory electronic filing making businesses embrace new tax technology and the opportunities faster, more accurate processing can bring.

You can view these changes as problems, combined with challenging economic conditions, and pressure on costs and resources. However, these changes may actually be an opportunity - an opportunity to rethink your tax compliance approach.

Recently, we surveyed over 250 global companies in a Deloitte research project and it was clear that many were already implementing enterprise systems and introducing shared service centers. We found that companies were looking for a single global service provider, offering integrated tax compliance and reporting services. We saw a desire for improved quality and visibility, and we heard that any new approach needed to be flexible and tailored, aligning with an organization and its unique resourcing needs.

Over the recent years, more than 500 Deloitte people from 50 countries have been rethinking tax compliance and reporting services as part of our approach. We focused on the three main elements, the process or methods we adopt, the technologies we use and the resourcing models we deploy.

We started by looking at the main tax compliance and reporting services Deloitte offers:

- corporate income tax;
- indirect tax;
- global tax provision; and
- statutory accounts.

We deliver these services in broadly 3 ways -

Method 1 – Decentralized

All the work is done locally in-country. There's no global overlay, but the service is delivered using standardized global processes and technologies.

Method 2 – Co-ordinated

There's an important proportion of the work done locally, but it's brought together, coordinated and managed at a global or regional headquarter location.

Method 3 – Centralized

As well as coordination through one office, delivery of the services is undertaken centrally through compliance centers supported by local office engagement teams.

We know compliance and reporting is never a case of 'one method fits all' so we make sure we get the right method, for each process in a unique mix, tailored to your individual organization. Rethinking compliance and reporting has put technology in the spotlight too. We have deployed global processing systems to efficiently collect company data, make accounting and tax adjustments and generate tax and other returns or reports. We use third party applications wherever we can and we integrate them.

Engagement management systems are a critical part of successful tax compliance and reporting, essential to meet the need for rigorous management of global service delivery. We found there wasn't a system available which could provide the level of transparency and analysis needed so we built our own — Deloitte Tax Insight. It's an intelligent engagement management system, written in the latest Microsoft SharePoint software, and it offers workflow task lists, information dashboards, status reports, and temporary document storage, as well as areas for team and engagement management.

Finally we found that the most effective teams have four components:

- a local engagement team;
- a central coordination and engagement management team;
- near-shore compliance centers that can produce returns and deliver services particularly in our centralized Method 3 approach; and
- far-shore support centers to further increase efficiency and reduce costs.

We have local offices in around 150 countries and a network of Deloitte specialist partners and teams around the world. We have people experienced in delivering the most complex global compliance services. We even have an established network of compliance centers in Belgium, South America, and Singapore, and a 'far-shore' center in India. Rethinking our resources has meant we can deliver an enhanced service, aligned with your current resourcing and at the same time providing greater cost control.

So, in summary, rethinking tax compliance and reporting has enabled us to adopt a more collaborative approach, realize the value from better integration of our services, and increase efficiency and control costs. This new approach offers real benefits for you, in particular increased confidence in your tax compliance and reporting arrangements, a clear path to future improvement and real value through insight into your tax affairs.

Our TMC practice in Asia Pacific

We combine in-country tax knowledge with in-depth knowledge in technology. For that purpose we have teams of TMC specialists in various locations throughout the region providing you with solutions that help in taking your tax department to the next level. Our TMC practice in Asia Pacific can:

- Advise listed corporates on the preparation and implementation of tax governance policies.
- Undertake tax risk assessment projects.
- Design and implement tax risk management frameworks.
- Advise clients on the tax aspects of Finance Transformation projects.
- Implement tax aligned ERP starting from requirement gathering until go-live.
- Implement tax data analytics projects.
- Implement a variety of tax management solutions.
- Offer flexible and tailored integrated tax compliance and reporting services.

Building the tax department of the future

As the legal and regulatory environment continues to grow more complex, and as businesses continue to expand globally, leading-edge tax departments will play increasingly important roles in risk management and the overall performance of the enterprise. Achieving this next step toward the tax department of the future will likely require critical refinements, and these changes will likely require extraordinary efforts from corporate leadership, the board, the finance function, and the tax department itself.

Deloitte's Tax Management Consulting groups can help ease the transition. They have the skills, resources, experience, and tools — and a cohesive yet flexible approach — necessary to support a smooth migration from your current state to the next-generation tax department. Their teams are composed of specialists from a wide variety of backgrounds, disciplines, and industries. So as issues and opportunities appear, they can apply the resources necessary to guide and reinforce your in-house tax resources.

Uncertainty has become a fact of life in the global economy, yet it doesn't need to be a barrier to your tax department's performance. From record to report, Deloitte Tax Management Consulting teams can provide your organization with scalable, flexible, and cost-efficient options to address shifts in your tax operational needs.

Find out more

A team to support you wherever you are

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