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Securing
tomorrow today

Getting the
resourcing
model right

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- On-shore vs near-shore vs far-shore
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The tax compliance function

- Greater expectations from the tax compliance function:
 - Strategic input
 - Business partnering
 - Efficiency gains through technology



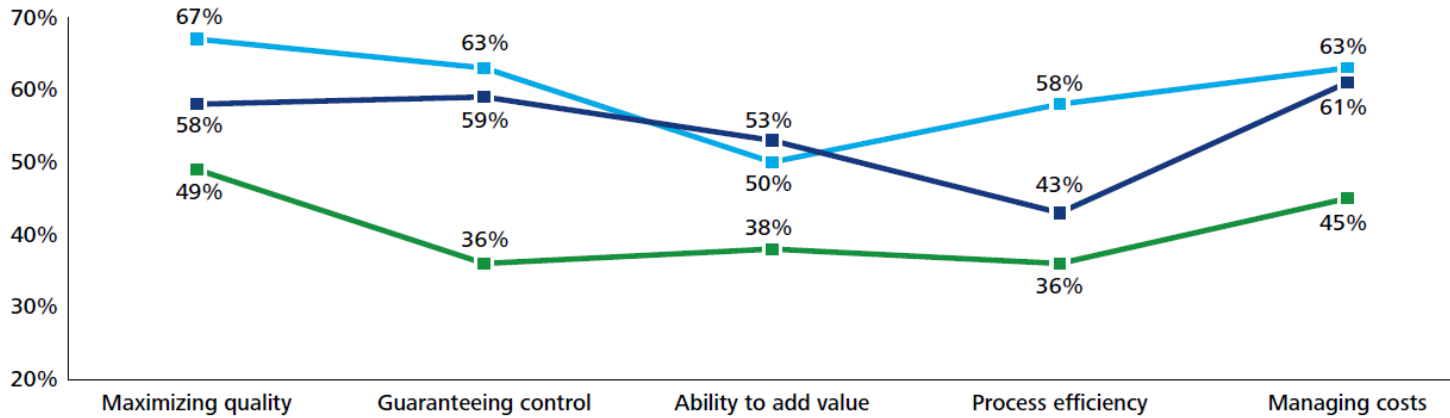
doing more, with less

- More challenging environment:
 - Increased complexity of legislation
 - Revenue authority transformation
 - Wider scrutiny of tax matters
 - Trend towards centralisation

The tax compliance function

Satisfaction with operating model by method

(% Happy)



■ Method 1 ■ Method 2 ■ Method 3

Method 1	Delivered and managed locally
Method 2	Delivered locally, managed centrally
Method 3	Delivered and managed centrally

Source: [Deloitte market research report 2013](#)

The resourcing challenge

**Centralised
or
Decentralised?**



**On-shore,
Near-shore
or
Far-shore**

The resourcing challenge

TAX COMPLIANCE



- Resources needed in SSC / Local Finance Team / Tax COE
- Value add work & staff motivation SSC

- Technical & business
- Capture, share and maintain
















- Standardised & globally scalable
- Flexible to address country specifics

- Data quality & integration
- Processing tools
- Management tools & reporting





Local expertise

- Subject matter expertise on complex tax technical issues
- Tax audit support & representation

Centralised vs decentralised: key drivers

		Centralised	Decentralised
Organisation			SSC strategy Role of retained finance Tax and local GAAP knowledge at SSC 
Process / Data			Structured vs unstructured process Granularity of data and tax sensitisation Quality and location/ownership 
Technology			Number of ERP / legacy system(s) Harmonisation of ERP systems Consolidation, integration and level of localisation 
Business			Fully fledged vs stripped Stability of the business model 
Local requirements			Complexity of local requirements / regulation Language requirements 

On/near/far-shore : general considerations

	On-shore	Near-shore	Far-shore
Organisation 	Operational cost		
	High level of risk and difficulty	Low level of risk and difficulty	Low level of risk and difficulty
Process / Data 	Ease of operation, staff recruitment and retention		
	Low level of risk and difficulty	High level of risk and difficulty	High level of risk and difficulty
Business 	Process ownership, data and compliance		
	Low level of risk and difficulty	High level of risk and difficulty	High level of risk and difficulty
Local requirements 	Market differentiation		
	High level of risk and difficulty	Low level of risk and difficulty	Low level of risk and difficulty
	Language, culture		
	Low level of risk and difficulty	High level of risk and difficulty	High level of risk and difficulty

 High level of risk and difficulty

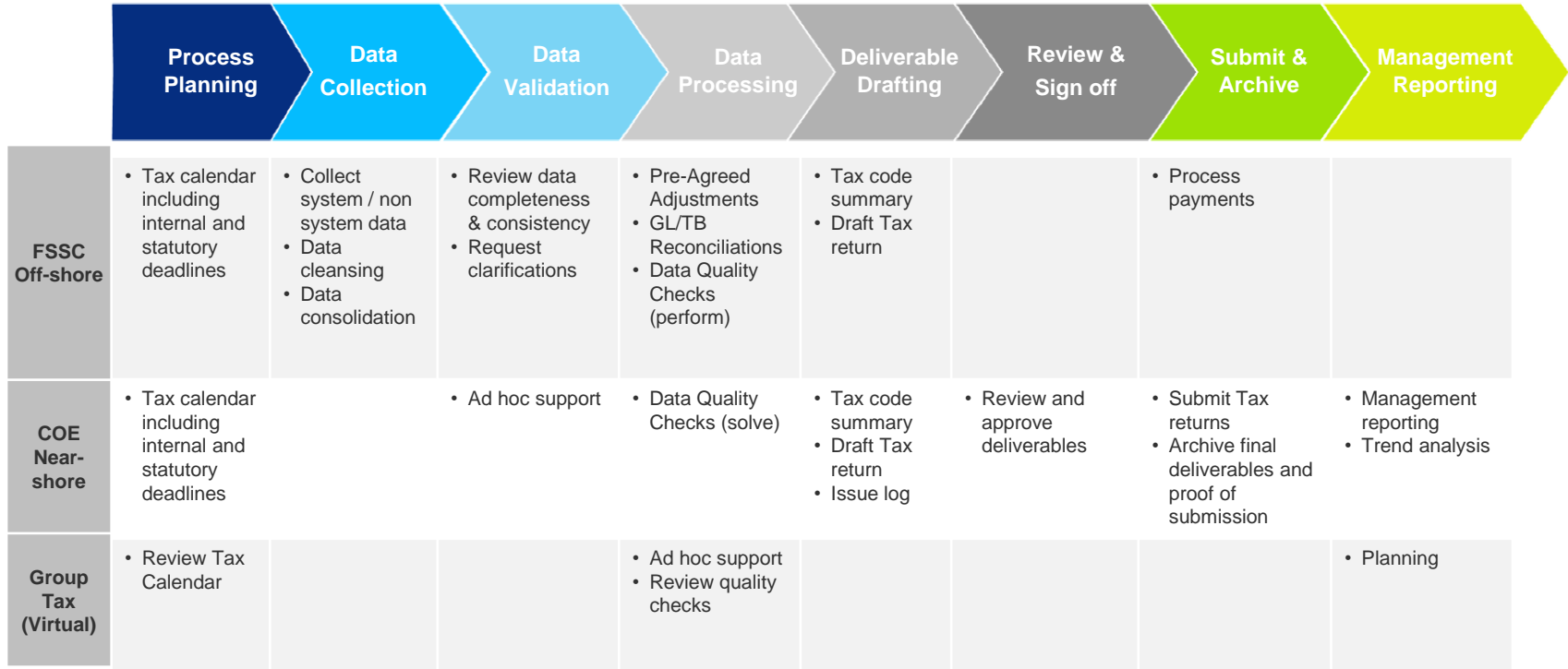
 Low level of risk and difficulty

On/near/far-shore: tax compliance considerations

	On-shore	Near-shore	Far-shore
Business / Group Tax / Finance dependent	Yes	Some	No
Compliance process	Tax technical	Mix	Rule based processing
Language dependent	Yes	Some	No
	Group Tax	Center of excellence	FSSC

Case Study 1 - insourcing

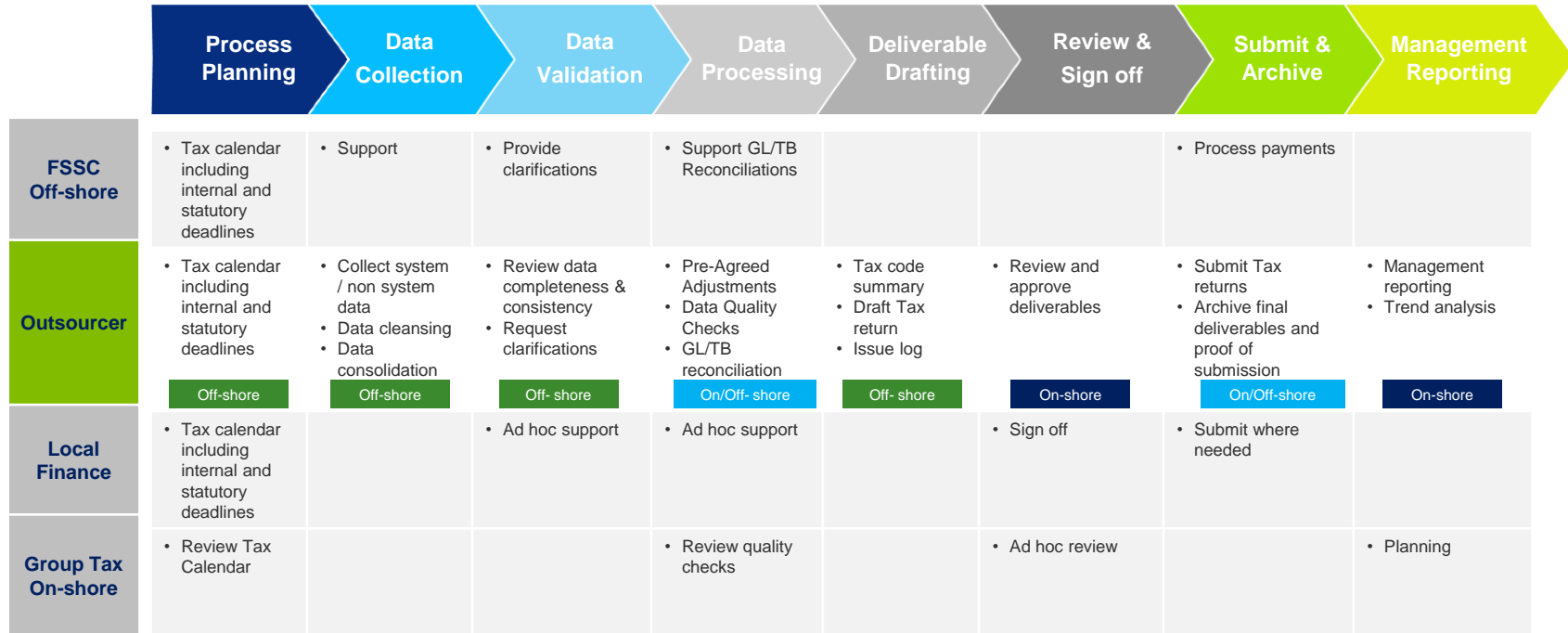
Insourced tax compliance model for a large multinational company in the technology sector



Outsourcing in view of expanding scope of COE, allowing to onboard new jurisdictions

Case Study 2 - outsourcing

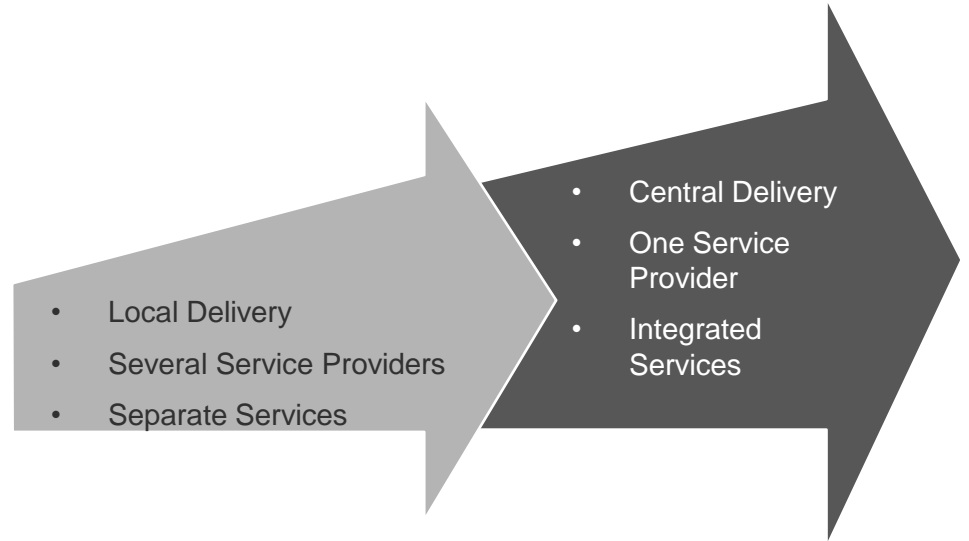
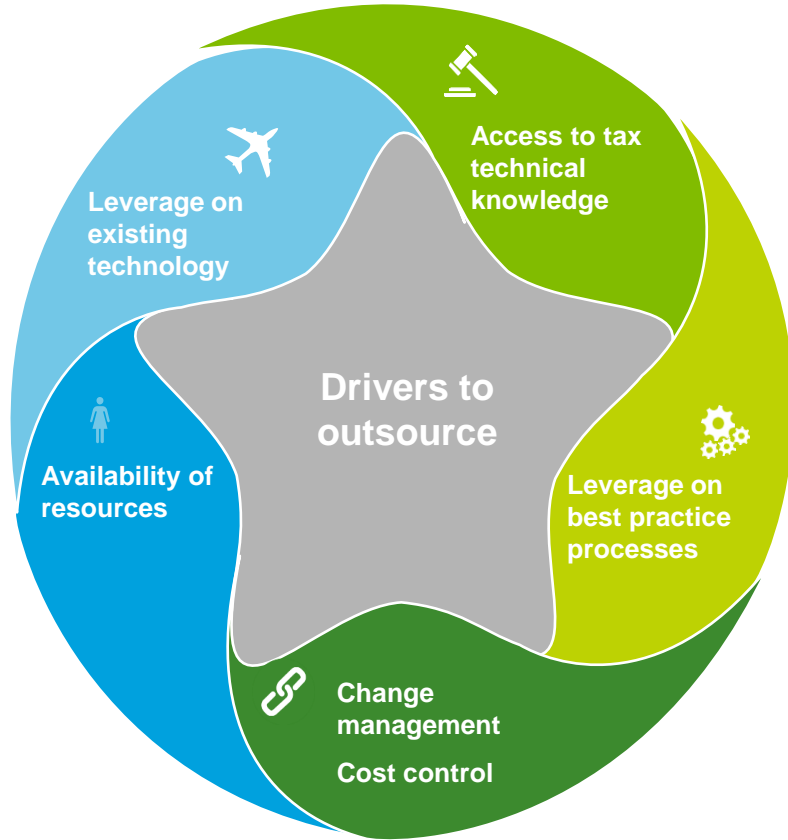
Outsourced tax compliance model for a large multinational company in the media sector



Outsourcing in view of :

- standardisation and automation of process to be moved into FSSC
 - Building competencies for near-shore COE
 - Bridging gap between FSSC and local finance

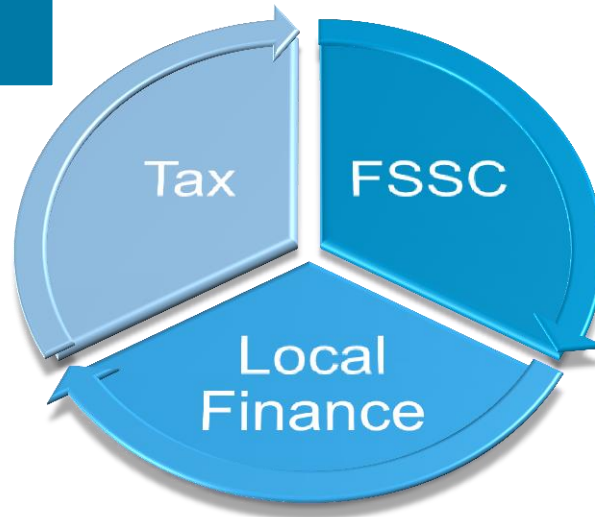
Transformational outsourcing benefits



Conclusion

ON-SHORE / VIRTUAL

- Oversight and control
- Risk & opportunity



FAR-SHORE / F&A

- Language independent
- Rule based processing

NEAR-SHORE COE

- Language dependent
- Tax technical

Option to outsource

ON-SHORE

- Not involved
- Involved in high complexity business / jurisdictions
- Clustered / regional



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