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Securing  
tomorrow today

Getting the  
resourcing  
model right

Christophe de Waele – Deloitte Belgium  
Bob Maurau – Deloitte Belgium



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# The tax compliance function

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



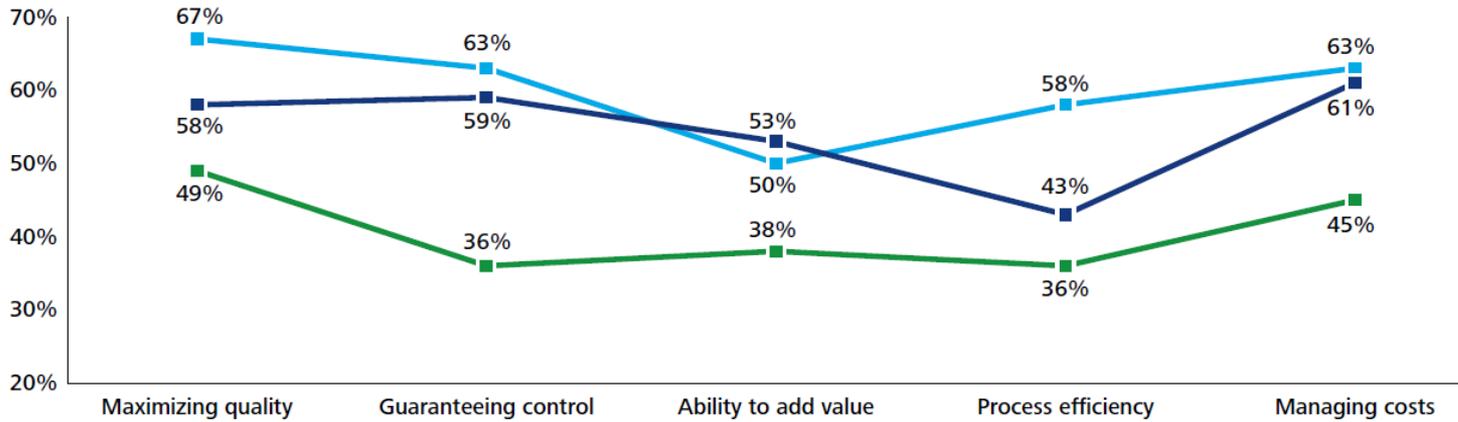
doing more, with less

- 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
<b>Organisation</b> 	Operational cost		
	Ease of operation, staff recruitment and retention		
<b>Process / Data</b> 	Process ownership, data and compliance		
<b>Business</b> 	Market differentiation		
<b>Local requirements</b> 	Language, culture		

 High level of risk and difficulty

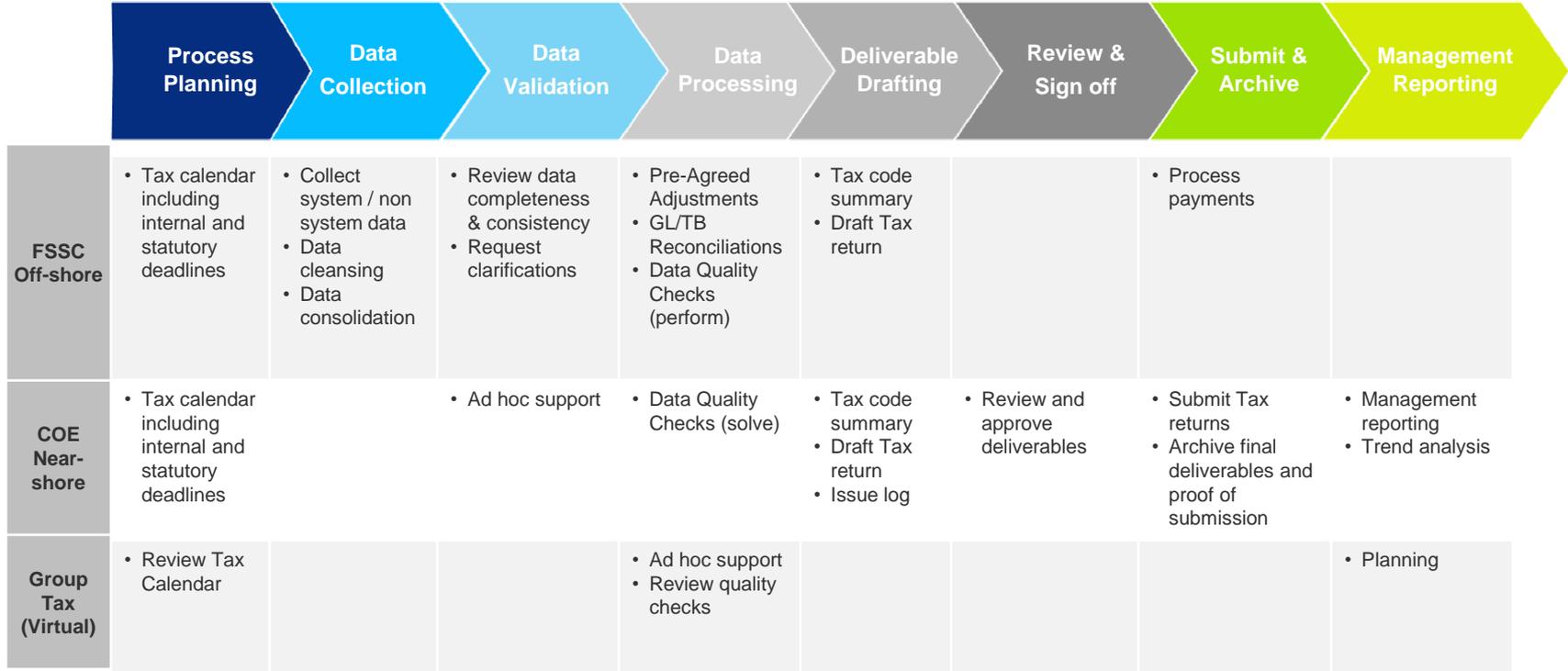
 Low level of risk and difficulty

# 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
	<b>Group Tax</b>	<b>Center of excellence</b>	<b>FSSC</b>

# Case Study 1 - insourcing

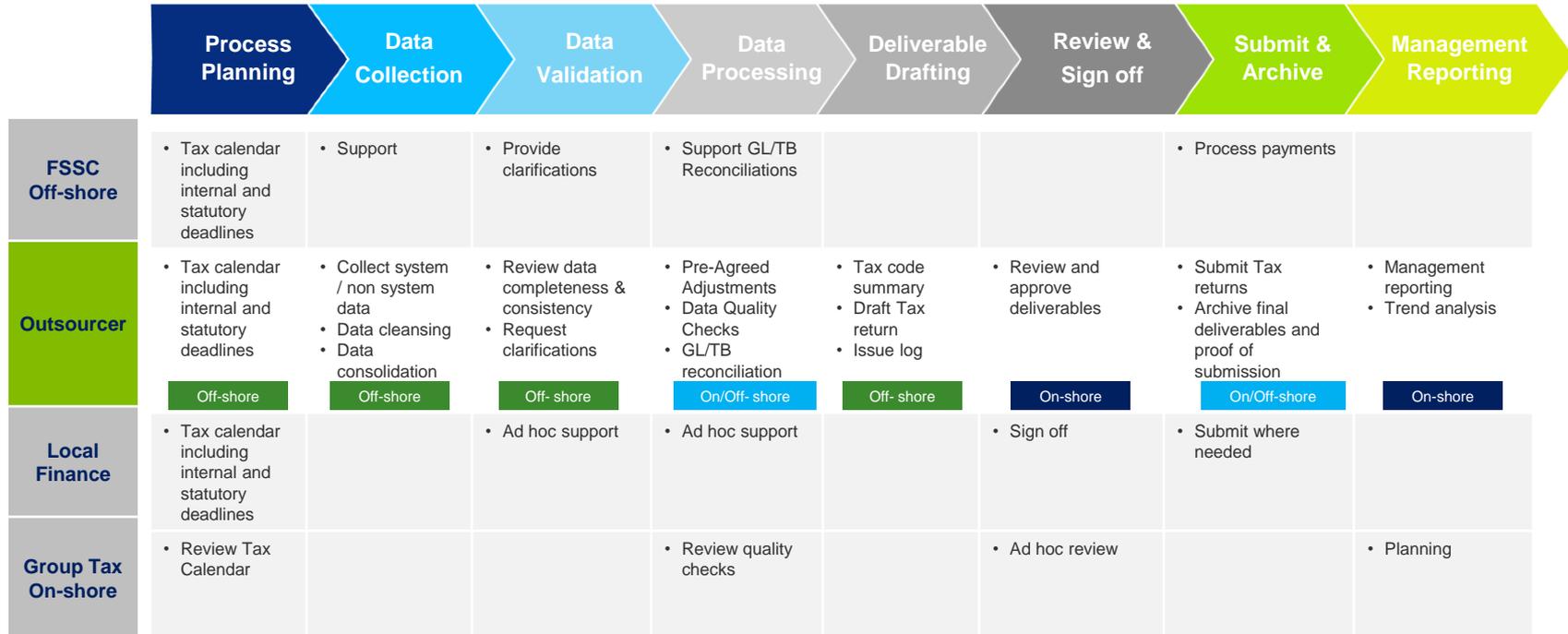
Insourced tax compliance model for a large multinational company in the technology sector



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

# Case Study 2 - outsourcing

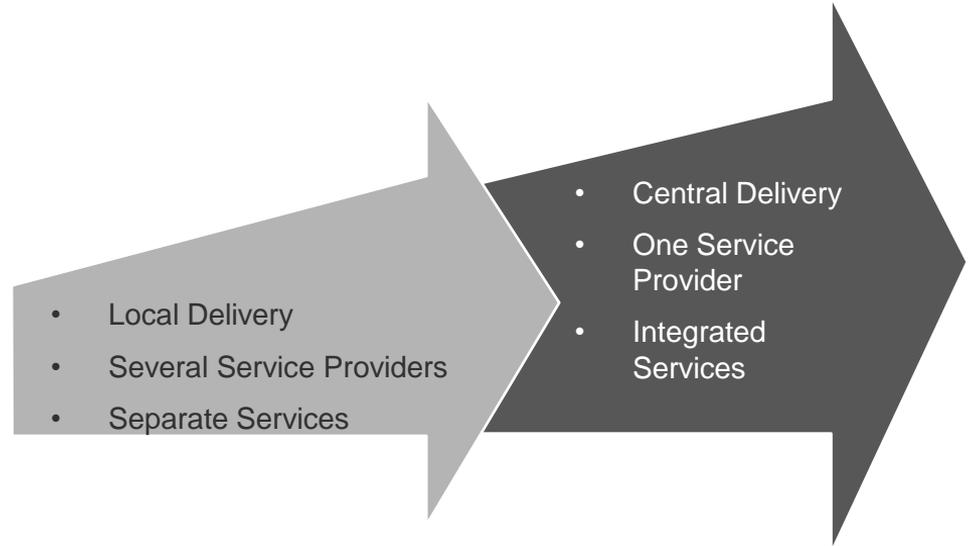
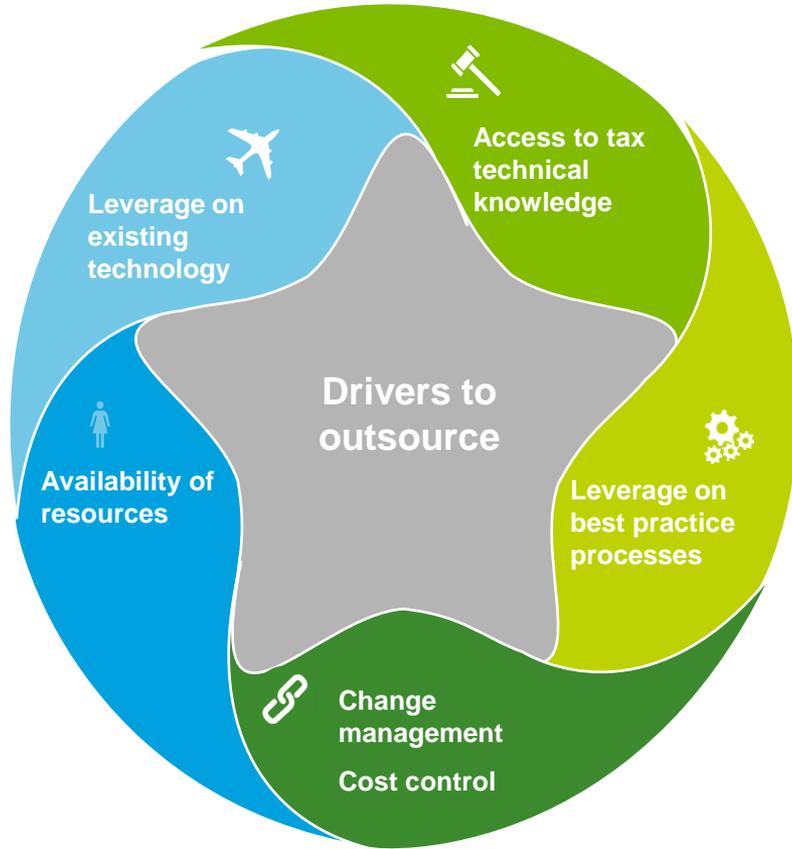
Outsourced tax compliance model for a large multinational company in the media sector



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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