Securing tomorrow today
Implementing a tax provisioning system – Hyperion Tax Provision

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Today’s challenges of tax data recording & reporting

- Increased pressure for closing periods
- Increased complexity of regulatory requirements
- High quality of tax reporting disclosures is expected
- Collecting all relevant tax data (level of detail)
- Inappropriately set-up technology and inadequate resources
  - Multiple manual processes
  - Too much reliance on Excel
  - Multiple spreadsheets / multiple data sources
  - Tax information management and analysis
- Less time but more pressure on quality

Client’s needs and requirements
- Enhance tax accounting knowledge within the group
- Obtain a higher level of comfort and a more comprehensive insight into the (consolidated) income tax position
- Implement a standardised tax process to report for income taxes
- Increase efficiency and mitigate risks
- Strengthen (internal) controls
Deloitte’s vision on optimisation

- Tax Reporting Pack automation
- Tax Reporting Pack improvement
- Structured Data in ERP
- Tax Accounting Analytics
- MS Excel Tax Reporting Pack
- Data
- Technology
- Process
- People
# Hyperion Tax Provision

**Bringing finance & tax together**

<table>
<thead>
<tr>
<th>Finance Dashboard</th>
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<tbody>
<tr>
<td>Financial Close Management</td>
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<tr>
<td>ERP (sub-) ledger</td>
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<tr>
<td>Middleware</td>
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<tr>
<td>Database Systems</td>
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<tr>
<td>and Hardware</td>
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**Transactions Entry**  
**Audit Trail**  
**Reporting Figure, text**
Enterprise Performance Management (EPM)

GOALS

- **Link** strategies to plans and execution
- **Monitor** financial and operational results against goals
- **Drive** enterprise-wide performance improvement

RESULTS
Oracle Hyperion EPM applications
Plan for growth, report with confidence, accelerate business value

- Broadest and deepest EPM application coverage
- Most integrated EPM suite
- Data, metadata and process integration with Oracle, SAP ERPs
- Best in class BI integration
- Centralised enterprise dimension management for EPM, ERP, BI
Tax and finance share the same DNA
Beyond integration!
Core values for both finance and tax:

- Efficiency
- Stronger controls
- Improved analysis/transparency
Oracle roadmap - tax excellence
Hyperion Tax Provision
Bring finance & tax together

- **Purpose-built / out-of-the-box**: a Tax Provision solution that is built on the Hyperion Financial Close Suite:
  1. **Data collection** - automated & manual
  2. **Tax provision calculation** - IFRS & US GAAP
  3. **Tax reporting** - out-of-the-box tax reports & ad-hoc

- **Owned by tax** - leverage your existing investment in Hyperion, but both tax & finance retain the flexibility they need

- **Rapid implementation & ease of use**: the technology & expertise is already in the finance organisation
Hyperion Tax Provision
Out of the box

- Metadata & Dimensionality
- Data Collection
- Tax Provision Calculation & Journal Entry
- Tax Automation
- Reports & Disclosure
Deloitte’s implementation approach for Hyperion Tax Provision

<table>
<thead>
<tr>
<th>Validate the current state and define requirements</th>
<th>High level design in relation to HFM</th>
<th>Final design HTP and configuration</th>
<th>Roll-out and training</th>
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<tbody>
<tr>
<td>Key activities</td>
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<tr>
<td>• Validate project approach</td>
<td>• Design chart of accounts</td>
<td>• (re)Design new tax provision process</td>
<td>• Roll out Hyperion Tax Provision to (part of) the entities in scope</td>
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<tr>
<td>• Conduct process workshops (understand interim and annual tax reporting processes)</td>
<td>• Design hierarchy/entities</td>
<td>• (re)Design local processes for key jurisdictions</td>
<td>• Provide Hyperion Tax Provision user training to the people responsible and involved</td>
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<td>• Understand tax operating environment</td>
<td>• Define Tax journal entry/data flows</td>
<td>• Design administrative processes for managing the system</td>
<td>• Support and review the completed schedules after the first submissions/financial closings</td>
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<td>• Review today’s chart of accounts</td>
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<td>• Define user groups, security and workflow</td>
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<tr>
<td>• Understand information flows and data management approach</td>
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<td>• Design interfaces, timing and frequency</td>
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<td></td>
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<td>• Capture accounting and entity hierarchies</td>
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<td></td>
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<td>• Define opening balance requirements</td>
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<td>• Develop functional and technical specifications</td>
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<td>• Design infrastructure strategy</td>
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<td>• Conduct change impact assessment and plan end-user learning curriculum</td>
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<td>• Deliver Hyperion Tax Provision</td>
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Major Deliverables/Quality Objectives

- Overview Roles & Responsibilities
- PMO strategy
- List of requirements

- Defined high-level requirements for interface between HTP and HFM, clearly and consistently so that they are understood, agreed to and be ready for the design of HFM
- Structured high-level peer reviews will verify that requirements are being met
- Defined requirements clearly and consistently so that they are understood, agreed to and signed off by stakeholders
- Structured peer reviews will verify that requirements are being met
- Test scenarios and conditions
- Deliver Hyperion Tax Provision
Tax and finance share the same business case ingredients

### 1. Create efficiencies
- Leverage ERP systems, consolidation systems, and other existing technologies based on tax department requirements
- Reduce manual processes and minimise hours spent on non-value added tasks
- Align provision and other tax functions to avoid duplication of effort, manual movement of data and re-work
- Support planning, statutory and compliance tasks that are considered difficult or overly burdensome to implement due to reliance on offline calculations, worksheets, top-side adjustments, and other work-arounds required to complete

### 2. Create value
- Make more and in-depth analysis through efficiency
- Create opportunity for tax data analytics
- Enable scenario planning
- Spend less time on the past, offer time for seeking opportunities
- Efficiencies gained through automation will allow for new prioritisation

### 3. Mitigate risks
- Implement standard processes across business units to reduce the risk of error
- Mitigate end user computing risk resulting from over-reliance on spreadsheets in the provision process
- Track tax department responsibilities and embed planning capabilities
- Improve quality of information captured and ability to report
- Technology-enabled solutions ensure tax benefits are supported and maintained going forward
Takeaway

• Connecting finance and tax departments – both departments have
  ✓ The same DNA
  ✓ The same core values
  ✓ The same core requirements

• By combining the strengths of both departments the organisation will
  ✓ Increase efficiency
  ✓ Create value
  ✓ Mitigate risks
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