



# Securing tomorrow today

Improving the process  
of VAT compliance and  
return preparation

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# Today's presenters



**Vanessa Rand**  
Heathrow Airports

Head of Indirect Tax Advisory and Compliance for the BAA airport group - Heathrow, Gatwick, Stansted, Glasgow, Aberdeen, Edinburgh, Southampton Airports



**Demian de Souza**  
Deloitte

Tax Management Consulting Director focussed on global tax and finance technology implementations and tax process improvement.



**Adam Gray**  
Deloitte

Tax Management Consulting Director specialising in the tax aspects of finance transformations, ERP implementations and process optimisation.

In Deloitte's 2014 indirect tax client survey, our clients identified indirect tax compliance as their number 1 priority area for the next 12 months.

In addition to this, 70% of respondents identified the “timely and accurate submission of VAT/GST returns” in their top 3 priorities.

“We going through a finance transformation in which our local finance departments will close and move to a small number of finance shared service centres. I need to design the new process for the preparation of VAT and other indirect tax returns”

“It currently takes us about 3 weeks to prepare and submit our VAT return – I need a way to speed things up”

“At present we prepare our VAT returns by collecting data and inputting this in a spreadsheet – I know this isn’t the best process but I’m not sure what the alternatives are.”

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## The VAT challenges

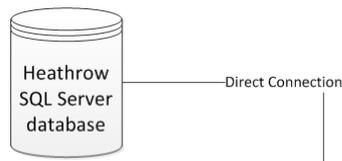
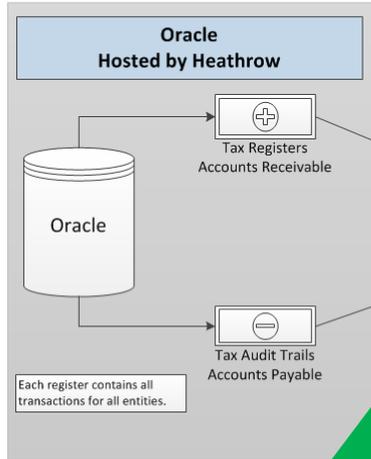
- The UK compliance process was taking too long
- Too much effort every month was going into sorting out and consolidating the various sources of VAT data
- Over reliant on Excel in business critical parts of the compliance process
- A struggle to manage the teams located in both London and Glasgow
- Unsure of how technology could help improve things
- Keen to retain control and keep the compliance 'in house'

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## Approaching the project

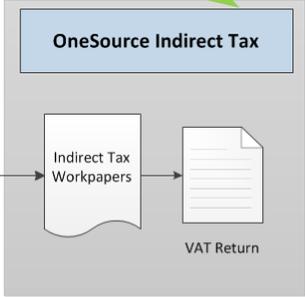
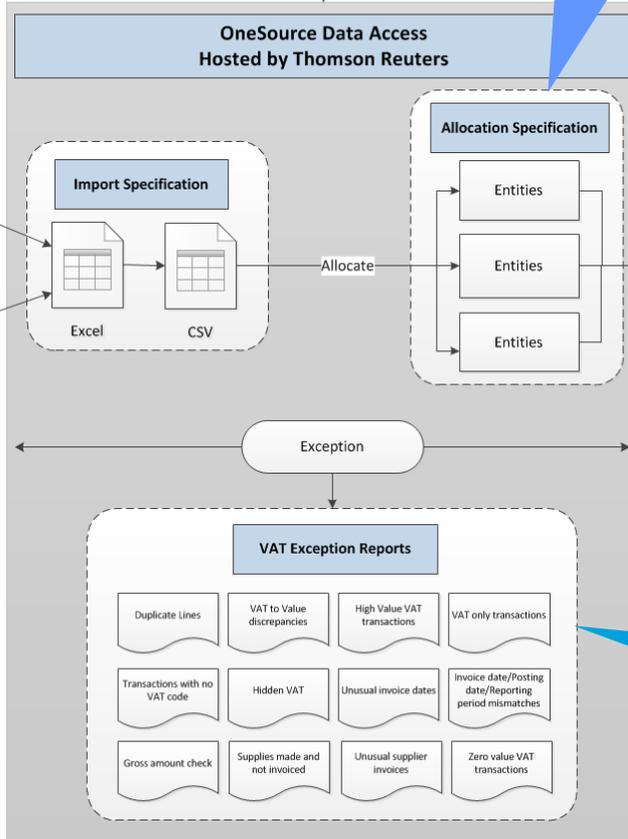
- Gain insight into the 'art of the possible'
- Understand what others have done across a range of business profiles:
  - UK only businesses
  - European and global VAT operations
  - Decentralised compliance spread around the business
  - Shared Service Centres delivering compliance from a single team
- Consider how to simplify the challenge of consolidating & standardising VAT data
- Be prepared to adapt the standard technologies to reflect the business' needs
- Put the processes and technologies in place in a way that will support the business as it both grows and evolves

# Heathrow Airports The Solution



Automated allocation to entities & periods

Standard 'non Excel' environment for preparation across all locations



Easy consolidation of transactions into one place

Built in Exception Reports with the ability to add new ones

# VAT compliance and technology

## The current trends

- More businesses say “enough is enough” and putting concerted effort into change
- Pressure to do more in a tighter time frame and to a higher quality
- The decentralised approach to compliance is being challenged more:
  - Inefficiencies being called out
  - Collective responsibility being taken more
  - Now increasingly seen as a weakness
- Barriers to the SSC approach (both domestically and internationally) are reducing

# VAT compliance and technology

## The current trends

- Economic uncertainty highlighted the impact of VAT reporting on cash flow
- Tax authorities keener to understand how businesses are using VAT technology
- Appetite for sympathetic solutions that don't rely on major finance system changes
- VAT Technology market still evolving:
  - A few more 'international players', although plenty of room for more!
  - Differing views on how much integration with the source financial systems is needed
  - Still quite a lot of excel automation being offered in the market
  - No solution does it all... yet

Breaking down the current issues **can feel daunting** at first. Especially if you also have to persuade your business of the **need for change**.

However, real and **sustainable improvement can be achieved** without major disruption to your business.



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