

Deloitte.

EMEA TMC client
conference

Realising the benefits
of integrated process
delivery

The Crystal, London
9-10 June 2015



Agenda

Introduction

Case study 1: Deloitte GTCE

Case study 2: real estate business

The future: what's coming?

Acronyms

CIT – Corporate income tax

STAT – Statutory accounts

PBC – Provided by client

CoA – Chart of accounts

GAAP – Generally accepted accounting principles

ERP - Enterprise resource planning

iXBRL – Inline eXtensible Business Reporting Language

TB – Trial balance

LTP – Local tax provision

CITR – Corporate income tax return

DTi – Deloitte Tax Insight

ISAE – International Standard for Assurance Engagements

AGM -

TB – Trial balance

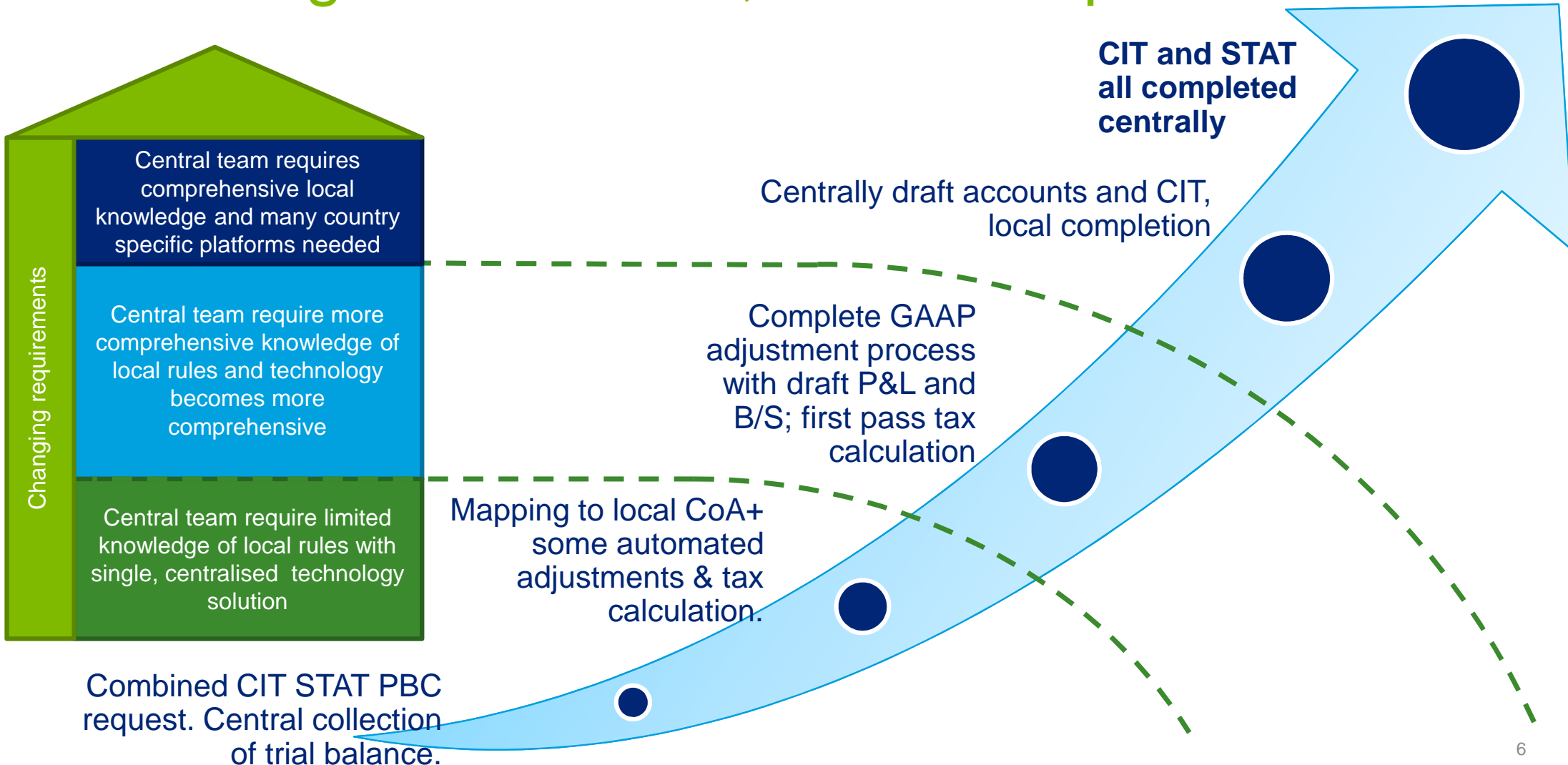
Drivers for change

- Increasing complexity of reporting requirements and new rules
- Centralising of finance technology landscape
- Centralising of finance teams and shared services centres
- Outsourcing of finance functions
- Technology advancement
- Desire to reduce cost

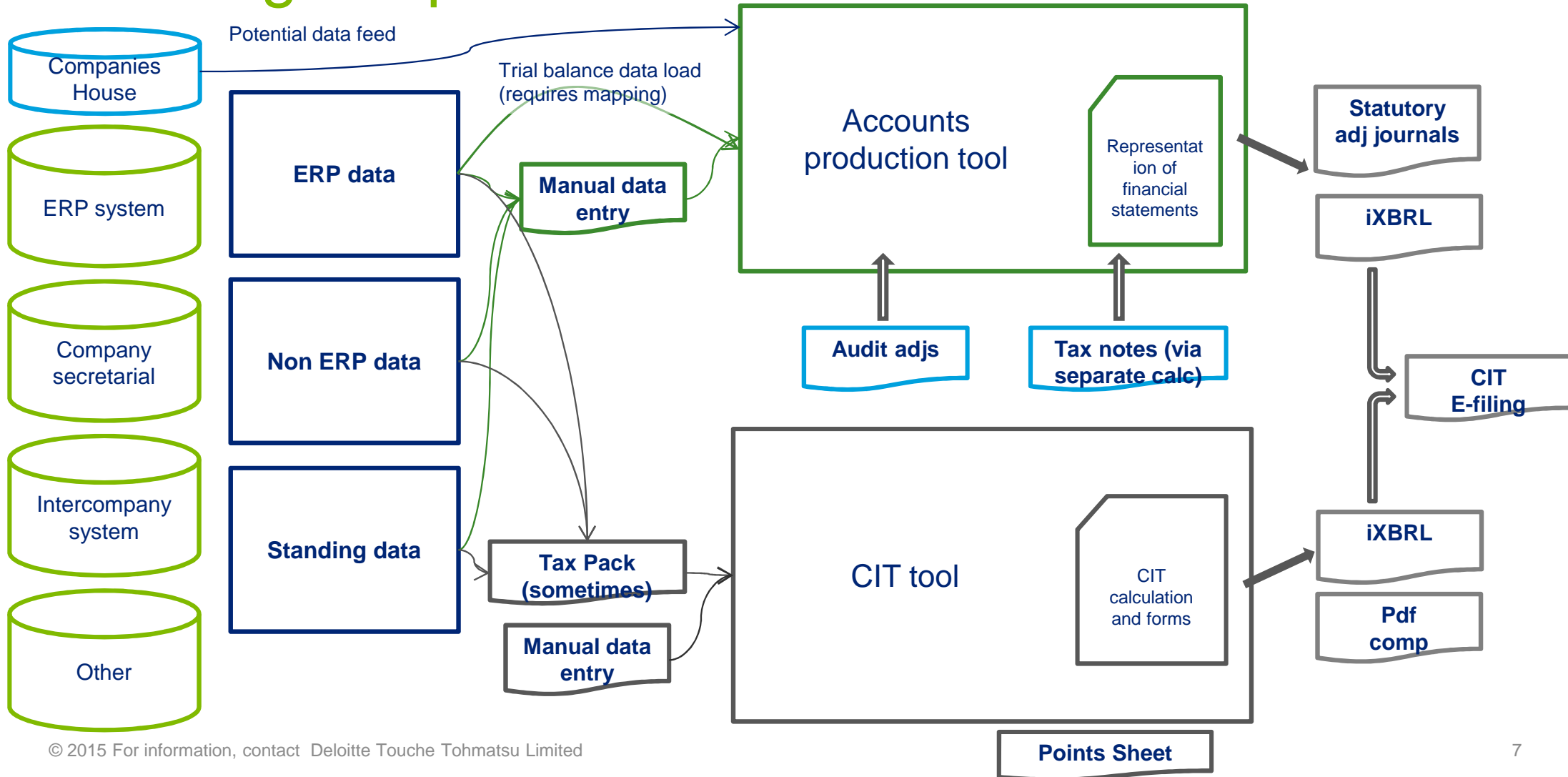
What are the challenges of centralisation

- Defining a common process
- Language requirements
- Training and knowledge of local rules and requirements
- Technology immaturity
- Lack of standard local software across countries
- Local rules specifically requiring local resources

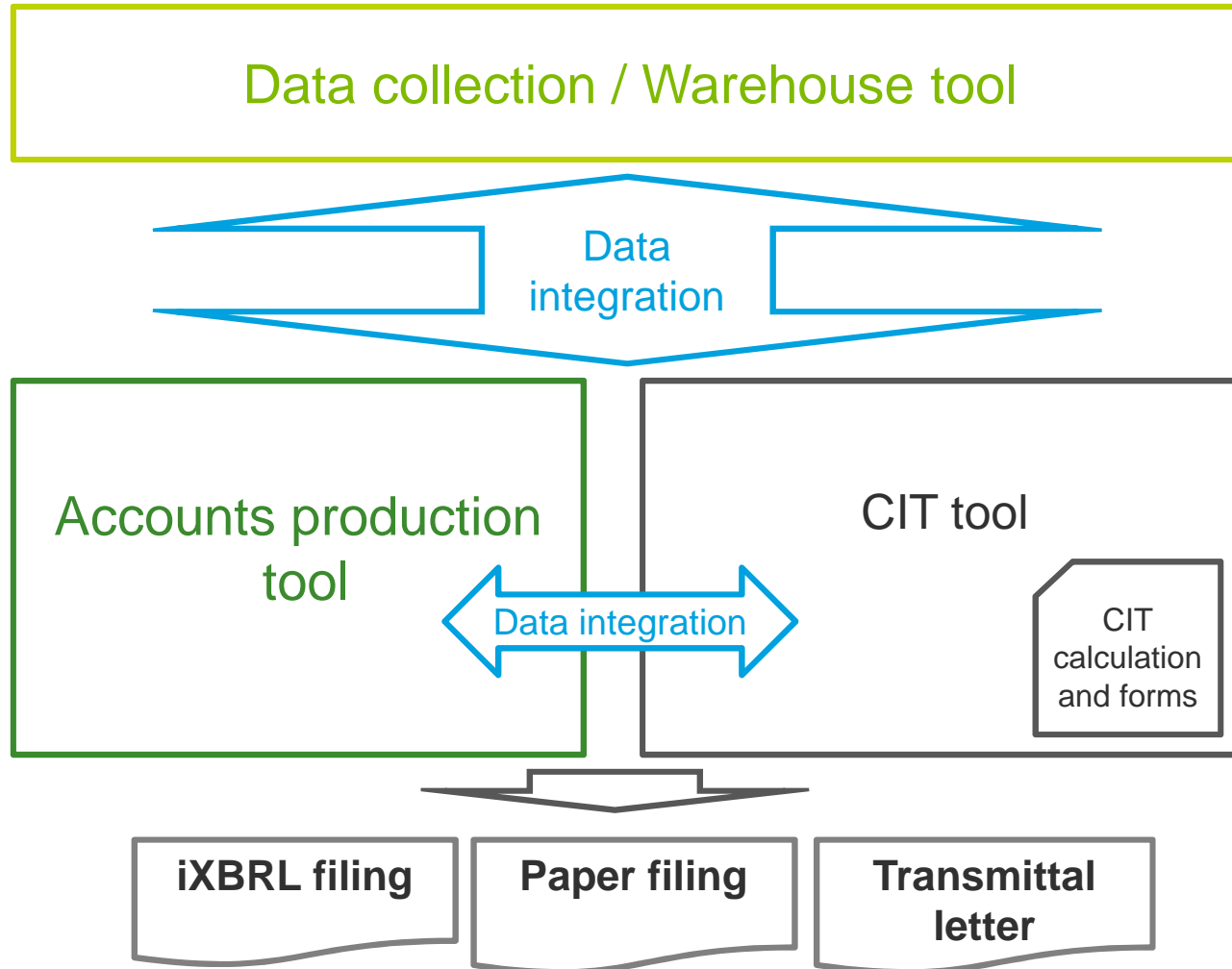
Achieving a centralised, combined process



Non-aligned process



Integrated process



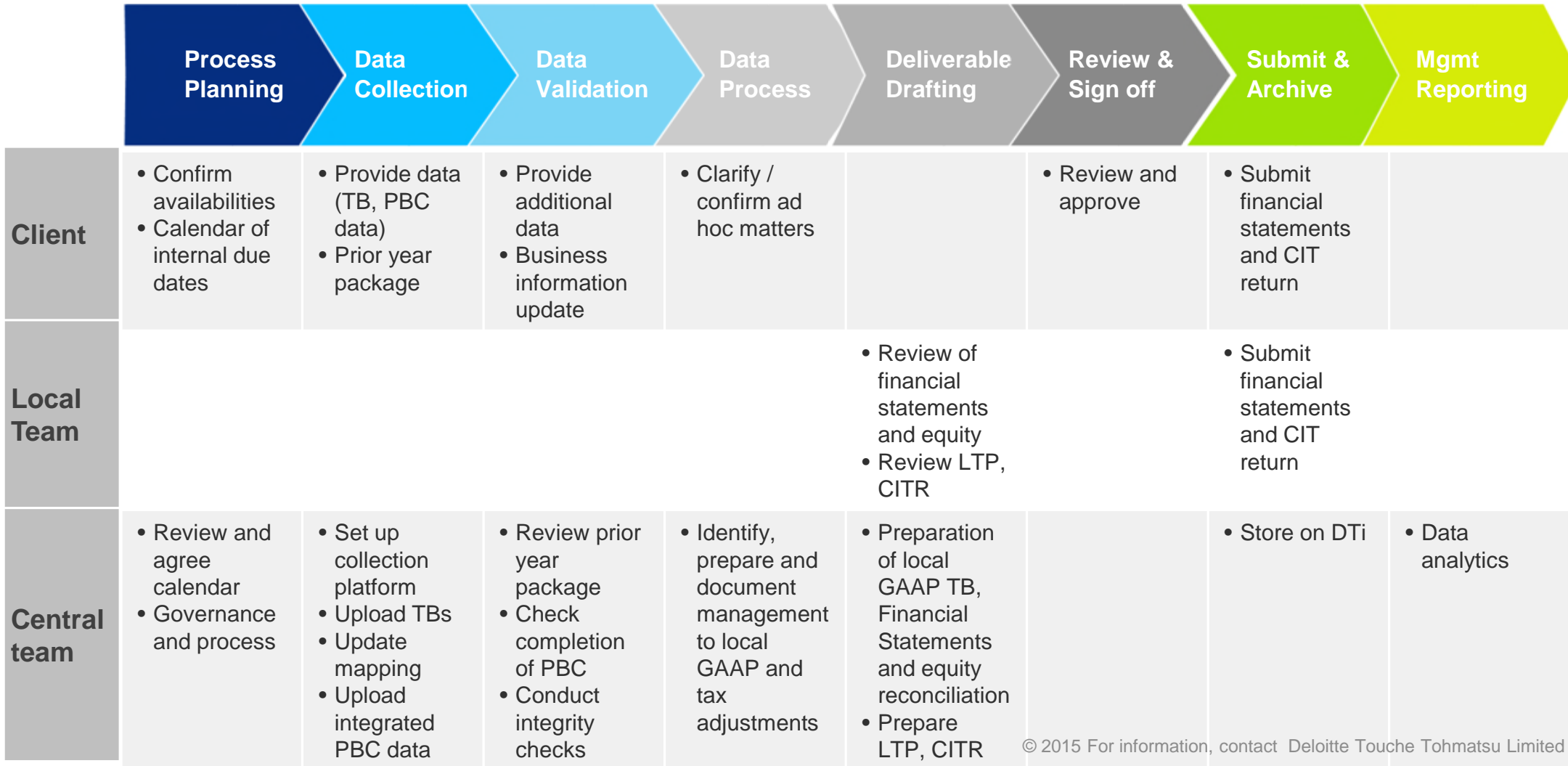
Case study

Deloitte

GTCE



Process



Deloitte Global Tax Centre Europe



20% of the Centre's population sits in Hyderabad, India

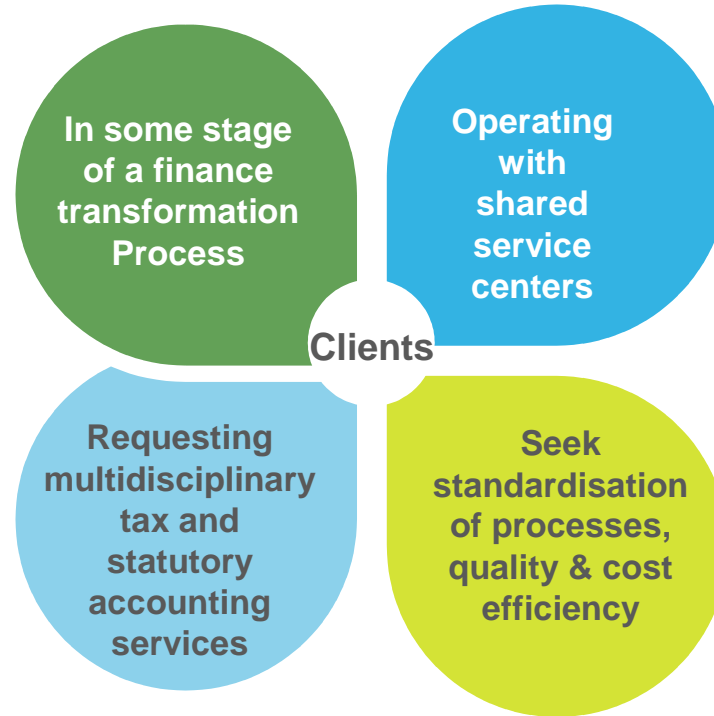
 **200⁺** CLIENTS

30 are large accounts covering Europe and the globe

 **145⁺** EMPLOYEES

Including people of 16 different nationalities

25⁺
+ LANGUAGES SPOKEN



30,000⁺ INDIRECT TAX RETURNS PER YEAR

750⁺ STATUTORY ACCOUNTS PER YEAR

1,300⁺ DIRECT TAX RETURNS PER YEAR IN 40 COUNTRIES

 **ISAE 3402 certified**
(former SAS 70)

Enabling technology

Deloitte conversion tool

Benefits	Features
Reduce risk	<ul style="list-style-type: none"> A single pre-configured solution that provides reconciliation from management GAAP to local GAAP, eliminating unwieldy and error prone spreadsheets
Achieve greater visibility	<ul style="list-style-type: none"> Get all the information you need on a real time basis, drill down whenever you need to see source documentation
Save time	<ul style="list-style-type: none"> Features such as automated checks and flexible import and export functionality eliminates manual tasks and speed up reporting
Ensure standardisation	<ul style="list-style-type: none"> A tool specifically built to support the GAAP conversion that enables standardisation of the reporting process and conversion methodology
Improve consistency	<ul style="list-style-type: none"> Provides consistent reporting across all countries with country specific templates that produces standardised calculations and schedules
Minimises on going report maintenance	<ul style="list-style-type: none"> A self service reporting engine that makes data easily accessible and provide the ability to run real time customised reports

The screenshot displays the Deloitte conversion tool interface. It features a navigation bar with tabs for 'Balance Sheet', 'Profit & Loss', 'Trial Balance', 'Adjustments', 'Details', and 'Check'. The main window shows a 'Balance Sheet 2011 - English' with columns for 'Accounts', '2011', and '2010'. The accounts are categorized into ASSETS, LIABILITIES, and EQUITY. The ASSETS section includes 'Fixed assets' and 'Intangible fixed assets'. The LIABILITIES section includes 'Long-term financial assets' and 'Current liabilities'. The EQUITY section includes 'Equity' and 'Reserves'. The interface also includes a sidebar with various filters and settings, such as 'Fiscal Year' (2010, 2011, 2012, 2013), 'Quarter' (1, 2, 3, 4), 'Transaction type' (Debits), 'Journal type' (Audit Adjustments, Local Adjustments, Management TB, Opening/Closing), 'Legal Entity' (ABC Co.), and 'Current Selection' (Fiscal Year: 2011, Legal Entity Name: ABC Co.).

Accounts	2011	2010
ASSETS	0,00	0,00
A Fixed assets	0,00	0,00
Intangible fixed assets	0,00	0,00
1 R&D expenses, concessions, patents, trade marks, licences, ...	0,00	0,00
2 Goodwill	0,00	0,00
3 Other intangible assets	0,00	0,00
4 Payments on account of intangibles	0,00	0,00
Intangible fixed assets	0,00	0,00
1 Land (including right to perpetual usufruct)	0,00	0,00
2 Buildings, premises, civil and water engineering structures, ...	0,00	0,00
3 Fixtures and fittings, machinery and production tools equip...	0,00	0,00
4 Transportation fixed assets	0,00	0,00
5 Other tangible fixed assets:	0,00	0,00
Furniture in office	0,00	0,00
Technical equipment of the office (fixed installations)	0,00	0,00
6 Tangible fixed assets in course of construction	0,00	0,00
7 Payments on account of construction contracts	0,00	0,00
Net long-term receivables	0,00	0,00
1 Intercompany receivables	0,00	0,00
2 Trade receivables	0,00	0,00
Net long-term investments	0,00	0,00
1 In property	0,00	0,00
2 In intangible assets	0,00	0,00
3 Long-term financial assets:	0,00	0,00
a) Intercompany long-term financial assets:	0,00	0,00
- shares	0,00	0,00
- other participations	0,00	0,00
- loans granted	0,00	0,00
- other long-term financial assets	0,00	0,00
b) Trade long-term financial assets	0,00	0,00
- shares	0,00	0,00
- other participations	0,00	0,00
- loans granted	0,00	0,00
- other long-term financial assets	0,00	0,00
4 Other long-term investments	0,00	0,00
Net long-term payables and accruals	0,00	0,00
1 Deferred tax assets	0,00	0,00
2 Other prepayments and accruals	0,00	0,00
B Current assets	4.832.516,27	0,00
Financials	0,00	0,00
1 Raw materials	0,00	0,00
2 Work in progress	0,00	0,00
3 Finished goods	0,00	0,00
4 Stocks for resale	0,00	0,00
5 Advance payments	0,00	0,00

Case study

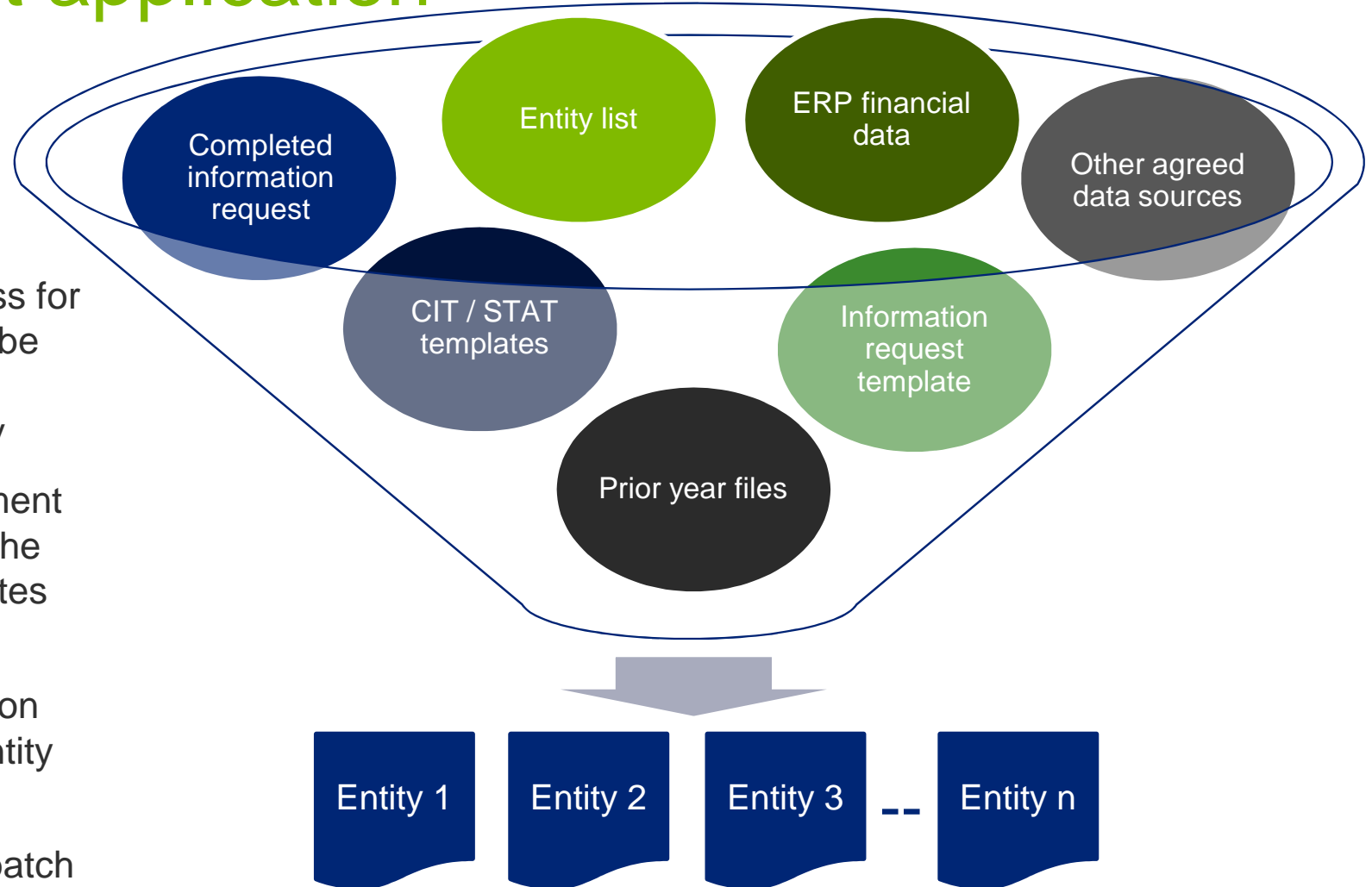
Real estate business



Case study

Country	CIT returns	Stat. accounts	Combined information request	Centralised CIT	Centralised STAT
Austria	2	2	Y	N	N
Belgium	24	24	Y	Y	Y
Czech Republic	32	32	Y	Y	Y
France	206	207	Y	Y	Y
Germany	117	13	Y	Y	Y
Hungary	33	33	Y	Y	Y
Italy	33	33	Y	Y	Y
Luxembourg	300	298	Y	Y	Y
Netherlands	181	201	Y	Y	Y
Poland	93	102	Y	Y	Y
Romania	4	4	N	N	N
Slovakia	16	16	Y	Y	Y
Spain	33	32	Y	Y	Y
Sweden	15	15	Y	Y	Y
UK	120	48	Y	Y	Y

Management application



- Managing the process for many entities would be time consuming if undertaken manually
- A bespoke management application controls the process and automates repetitive tasks
- It allows batch creation and processing of entity files
- Data is gathered in batch

Information request (PBC) process

	A	B	C	D
1	Country	United Kingdom - Branch		
2	Country code	UK (NRLs)		
3	Filing country code	GB		
4	Automate central data	Yes		
5	Generate request			
6				
7				
8				

Automated generation of request for a country

Information request template defines which data items are required in the information request for each country.

Master data list
12/09/2013 18:18

ID	Legal item	Category	Expected format	Mandatory / Optional	Expected company type	C	H	P	S	F	E	L	N	D	A	B	S	U	UK (IR)	TEMPLATE ENTITY COLUMN
Standing data																				
7	legal_s_20	Full legal entity name	General	Text	Mandatory	All														Automated
8	legal_s_21	Short legal entity name	General	Text	Mandatory	All														Automated
9	legal_s_22	Name of Komplementaristuzif applicable	General	Text	Optional	All														Automated
0	legal_s_30	Incorporation date of the company (DDMMYY)	General	DDMMYY	Mandatory	All														Automated
1	legal_s_40	Registration number per the chamber of commerce register	General	Text	Mandatory	All														Automated
2	legal_s_50	City in which the Chamber of Commerce of the Company is created	General	Text	Mandatory	All														
3	legal_s_60	Registration address: Street Number	General	Number	Mandatory	All														
4	legal_s_61	Registration address: Street	General	Text	Mandatory	All														
5	legal_s_70	Registration address: Postcode	General	Text	Mandatory	All														
6	legal_s_80	Registration address: City	General	Text	Mandatory	All														
7	legal_s_90	Registration address: 'Votodstship in ojevodsthi of	General	Text	Mandatory	All														
8	legal_s_100	Registration address: County (low list)	General	Text	Mandatory	All														
9	legal_s_110	Registration address: Community (grinal)	General	Text	Mandatory	All														
0	legal_s_120	Registration address: County	General	Text	Mandatory	All														
1	legal_s_121	NAME and Description of the activity (DIT)	General	Text	Mandatory	All														
2	legal_s_122	NAME and Description of the activity (AIN)	General	Text	Mandatory	All														
3	legal_s_130	Date of resolution by the Court of Registra (this is different to the incorporation date)	General	DDMMYY	Mandatory	All														

Structured data: Each data item is tagged to support the ability to automate

Financial statement disclosures

	2011.11 - 2011.12.31	Eddig év(ek) módosításai	2012.11 - 2012.12.31
1. Belföldi értékesítés nettó árbevétele	-	-	-
2. Export értékesítés nettó árbevétele	-	-	-
I. Értékesítés nettó árbevétele	-	-	-
3. Saját termelésű készletek állományváltozása	-	-	-
4. Saját előállított eszközök aktivált értéke	-	-	-
II. Aktivált saját teljesítmények értéke	-	-	-
III. Egyéb bevételek	-	-	-
Ebből: visszafizt értékesítés	-	-	-
5. Anyagköltség	-	-	-
6. Igénybe vett szolgáltatások értéke	-	-	4,828.00
7. Egyéb szolgáltatások értéke	-	-	232.00
8. Eladott áruk beszerzési értéke	-	-	-
9. Eladott (közvetített) szolgáltatások értéke	-	-	-
IV. Anyagjellegű ráfordítások	-	-	5,060.00
10. Bérköltség	-	-	-
11. Személyi jellegű egyéb kifizetések	-	-	-
12. Bónuszutalások	-	-	-
V. Személyi jellegű ráfordítások	-	-	-

The pre-formatted financial statements are automatically populated based on the uploaded trial balances and Information requests













Benefits

- Cost reduction
 - Reduction in per-entity costs
 - Reduction in loan staff costs
- Increased efficiency
 - Client time on data provision significantly reduced
 - Automated reporting of data items across entities
 - More streamlined working shared service centre (SSC)
 - Automation of associated processes (Tax payments and AGM production)
- Improved quality
 - Improvement in quality and compliance with local rules
 - Reduction in late filing penalties and re-filings
 - Additional data controls and checks

What options exist?

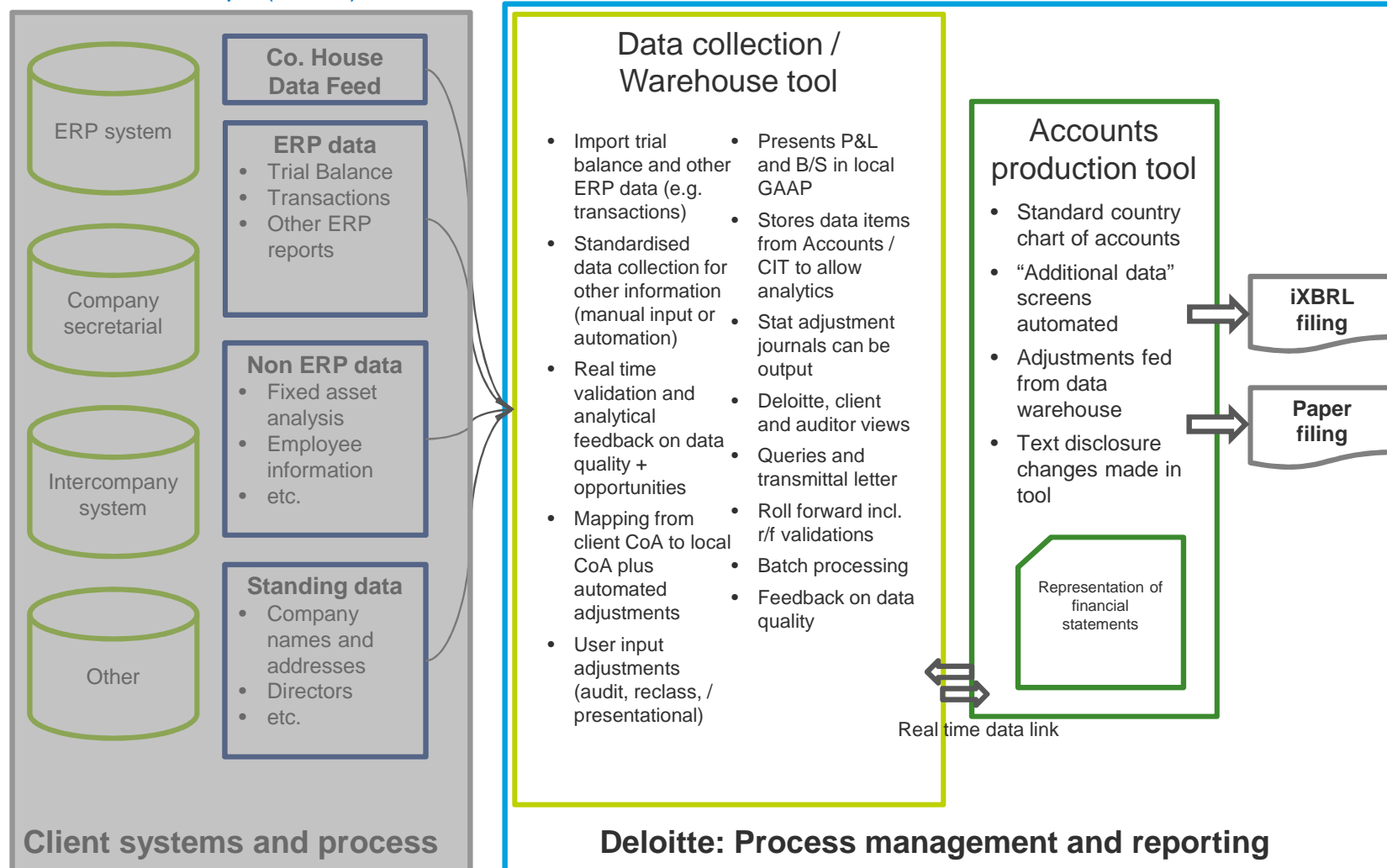


Options

Option	Efficiency	Set-up cost	Recurring cost	In-house FTE requirement
Outsource				
Shared services centre integration				
Tactical solution – Data processing				

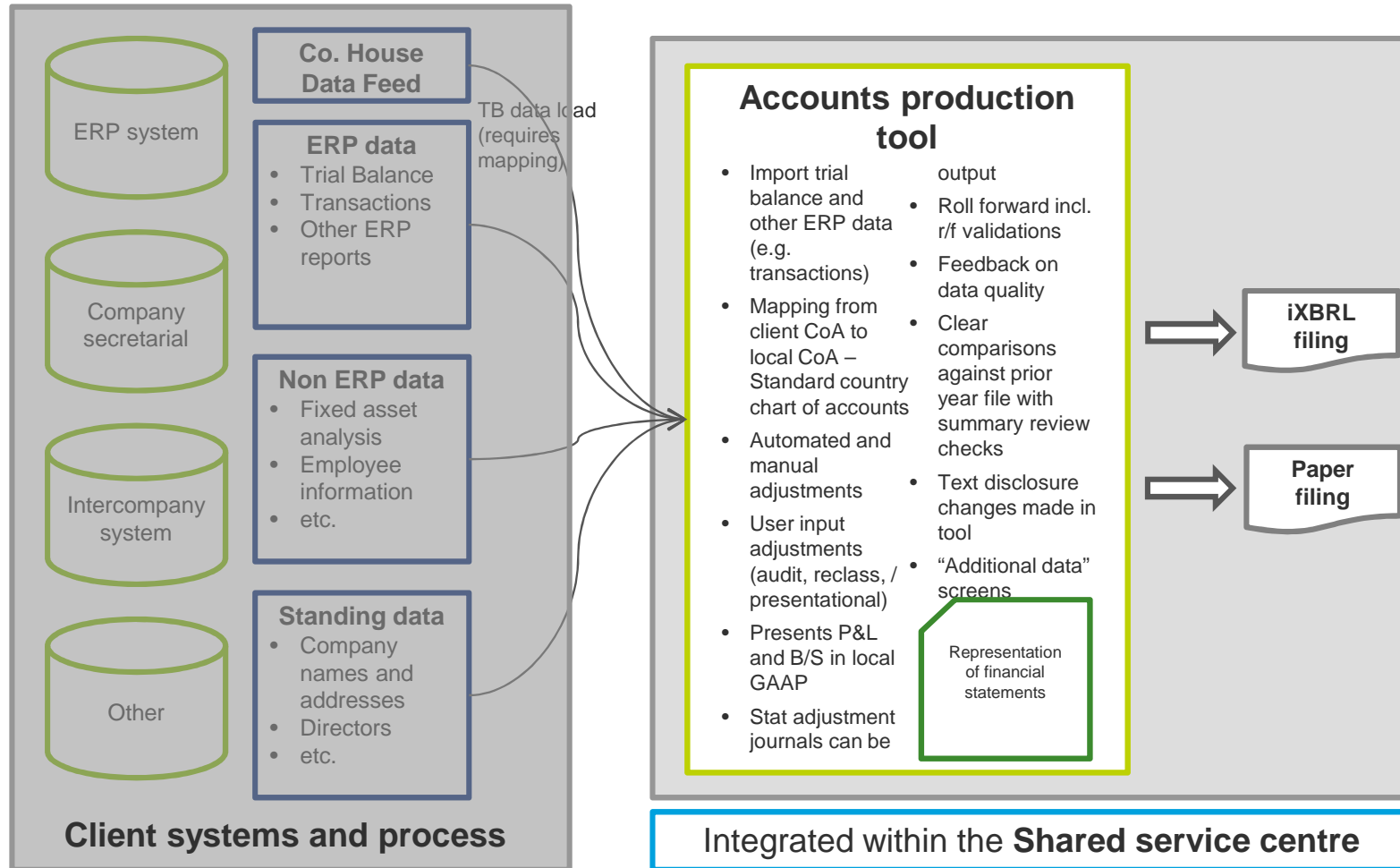
I. Statutory accounts outsource

The end-to-end process from planning and preparation to finalisation of the statutory accounts and financial statements is carried out by Deloitte Global Tax Centre Europe (GTCE).



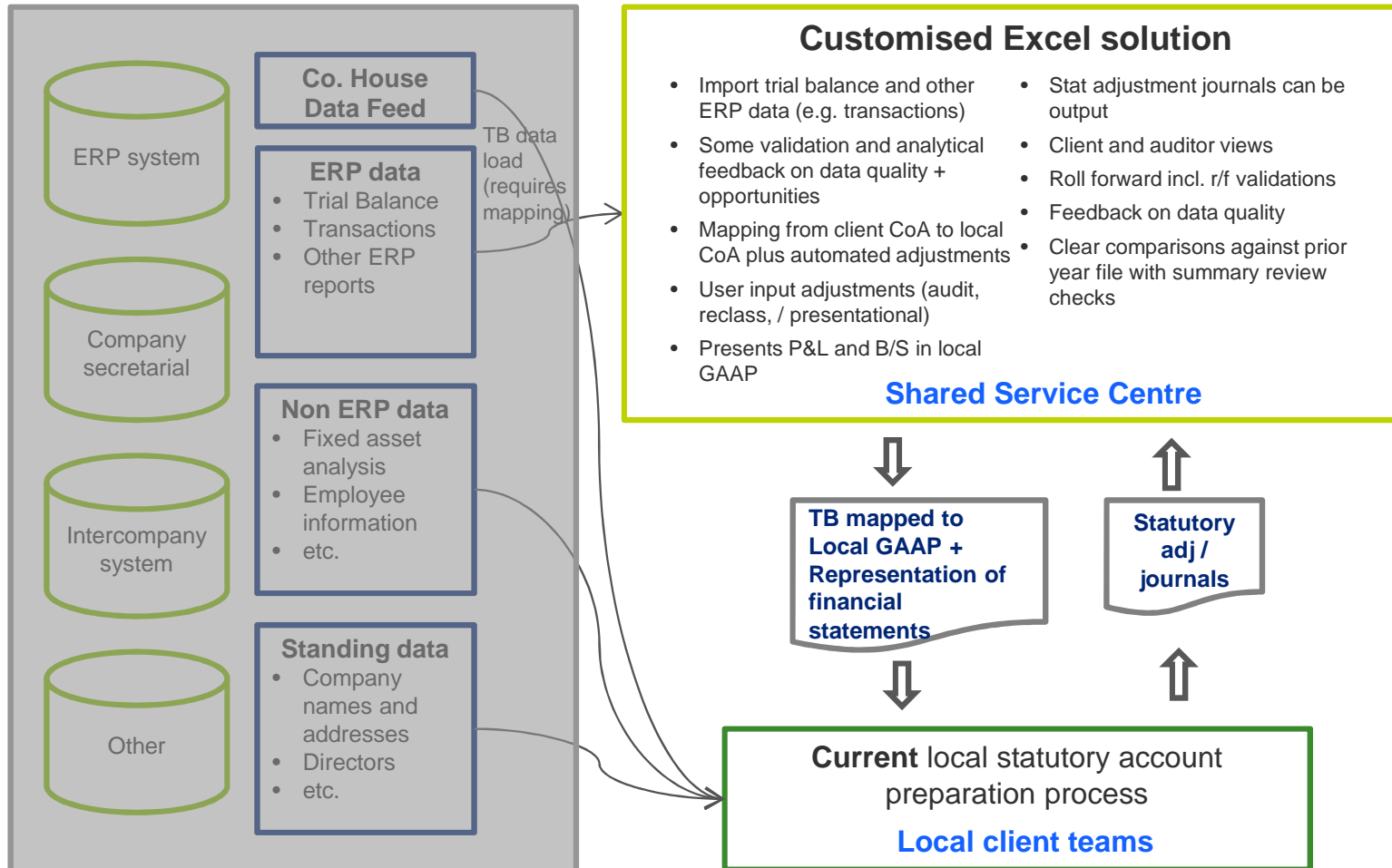
II. Shared service centre integration

A standard approach to harmonise local country/departmental financial reporting processes through the integration of a standardised third party technology solution within the Shared service centre which can be used to produce financial statements and disclosures.



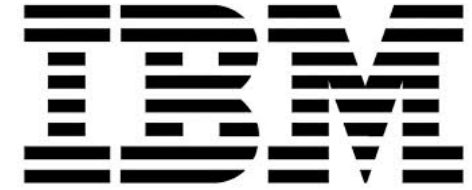
III. Tactical solution – Data processing

Enhancing current processes through greater standardisation, automation and built-in review checks into existing spreadsheets used in data processing; helping improve efficiency accuracy of the statutory accounts.



The future What's coming?





THOMSON REUTERS





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