

## VAT Analytics Tool

### Automatized analysis of VAT data



The introduction of electronic checks has taken the tax audit regime to a new level, from ad-hoc review of paper based documents to the use of technology enhanced electronic solutions to verify a whole set of transactions.

#### Automated data analysis

The provisions relating to invoices stored electronically – governed by the Decree No. 23/2014 (VI. 30.) NGM on the Tax Identification of Invoices and Receipts, and on the Supervision by the Tax Authority of Electronically Stored Invoices (“Decree”) – came into force on **1 July 2015**. The new rules regulate the formal requirements of the data to be provided to the tax authority. The aim of the legislation by the amendment is to ensure that electronically stored invoices can be obtained in a standard format by the tax authority.

As of **1 January 2016** the requirements regarding invoicing systems are extended with a new functionality “data export for tax audits”. In practice it means a module which enables the export of invoice data (issued on paper or electronically) classified by invoice date and invoice number range, in line with the data content and data structure prescribed by the Decree.

The introduction of unified electronic data transmission may mean the start of a new era in the tax audit practice, as the ad-hoc review of paper based documents will be replaced by the use of technology enhanced solutions to assess a whole set of transactions. The new rules will enable the tax authority to identify system-based non-compliance in an efficient manner.

#### VAT Analytics Tool – Deloitte’s VAT data analysis solution

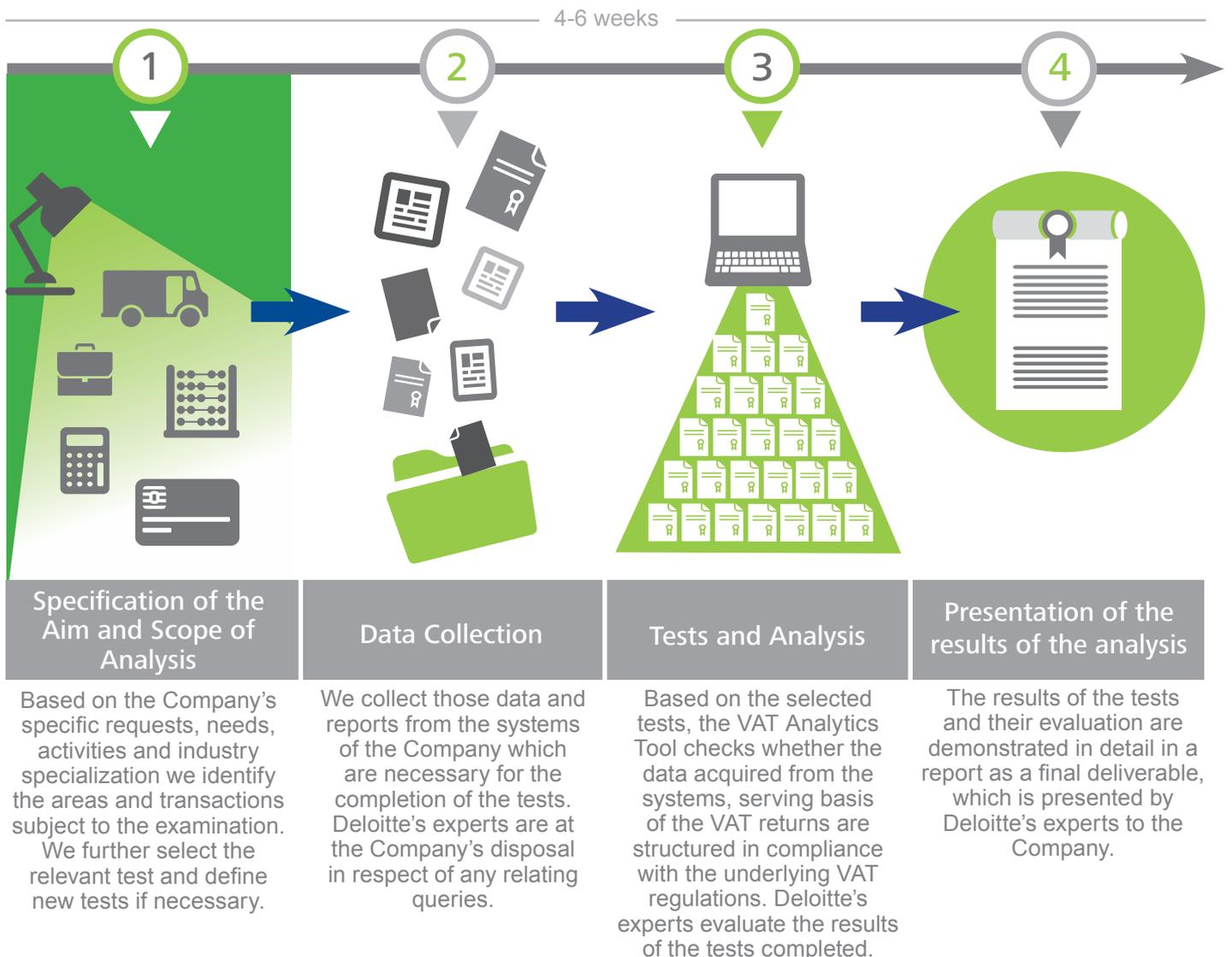
Deloitte developed an automatized, technology based analytical solution, which enables taxpayers to verify the VAT treatment of transactions which are reflected in the VAT return by running pre-determined test. The solution runs more than 70 pre-defined tests and may be further **customized**. The areas of examination, the transaction types and the relevant tests to be carried out are defined on the basis of the activity and the request of the Company.

The VAT Analytics Tool combines the VAT regulation and the available information technology tools, thus it is able to check compliance with the VAT rules **effectively** and **without any potential errors** originating from manual processes. In addition, the VAT Analytics Tool is able to **identify potential risks and saving opportunities on a transaction level** in the practice of the Companies.

The VAT Analytics Tool analyses the Companies’ VAT analytics which are reflected in the VAT returns and other supplementary information acquired from the ERP systems of the Companies. The analysis is based on a set of rules including more than 70 automated tests prepared by the VAT specialists of Deloitte in line with the rules set forth in the Act CXXVII of 2007 on value added tax (“VAT Act”).

# Process

The process of the practical application of the VAT Analytics is divided into four phases:



The final deliverable of the VAT Analytics Tool is a detailed report, in which the risks and saving opportunities identified are described and quantified on transaction level.

## Timing

Depending on the availability of the data necessary for the analysis we undertake to present the results of the analysis within **4-6 weeks** subsequent to the specification of the Aim and Scope of Analysis.

Should you have any questions, please contact our experts:



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