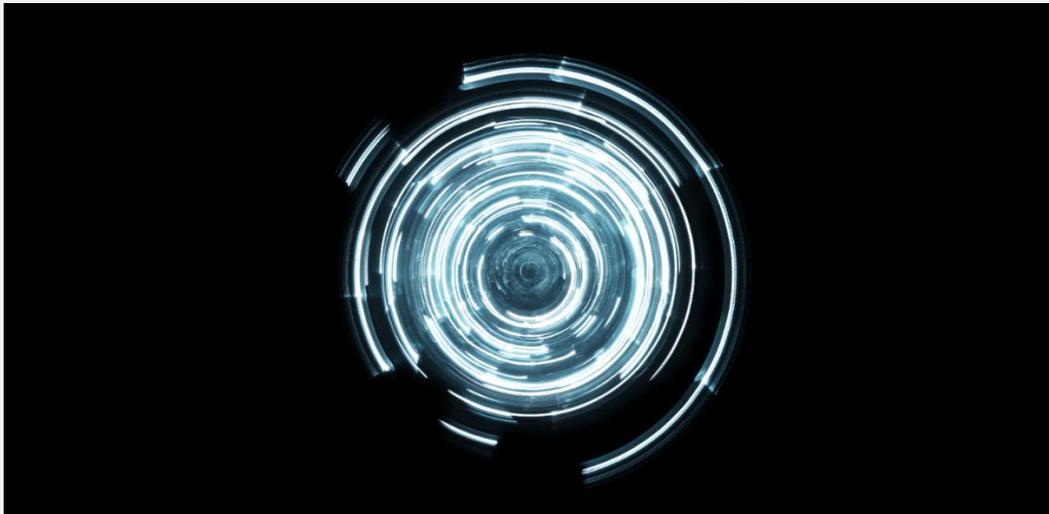


Malaysia | Tax | 1 April 2022



Tax Espresso – Special Alert

A transparent world - Driving tax technology transformation

Greetings from Deloitte Malaysia Tax Services.

We are pleased to share [Technology in Focus](#), the third report in our [Tax Transformation Trends series](#). The report taps into the insights of 300+ tax and finance leaders globally and examines how technology has ushered in an entirely new age of transparency for the tax function.

The study shows that business leaders are expecting these dynamics to intensify with the OECD's Pillar 1 and Pillar 2 agreements, and revenue authorities' accelerated shift towards digital tax administrations. In this survey, **70% of the surveyed tax and finance leaders predict revenue authorities will**

have more direct access to their systems within three years. Businesses will increasingly feel like they are operating in glass houses.

The study explores how tax leaders use technology to prepare for greater scrutiny and how they can best provide transparency by:

1. Focusing on **data quality, automating processes, and rethinking operating models.**
2. **Leveraging** the momentum of **NextGen ERP and finance transformation projects** to provide the means necessary to address data quality issues and ultimately allow for transparency.
3. **Using the OECD's Pillar 1 and Pillar 2** and the move towards digital tax administration **to create the business case for investment in the tax department.**

In addition to the survey, the report drew insights from a series of interviews conducted with tax leaders at companies including Anglo American, Arxada, ASML, DSM, Enpro, ING, Macquarie, and Suncor.

Further key findings from respondents with opportunities for Tax:

- **86% are implementing a next-generation cloud-based ERP system** such as S/4 Hana or Oracle Cloud.
- **Tax leaders rank strengthening operational transfer pricing (48%),** improving tax data management and governance (46%), and preparing for future digital tax administration requirements for direct tax (45%) as three of the biggest drivers of tax technology investment over the medium term.
- **80% say their function is evolving toward blended operating models** which combine outsourcing, in-sourcing, and co-sourcing tax operations, with the precise contours determined by the specific process and geographic location.

Dive deeper into these findings in the [full report](#).

For any queries, please reach out to your usual Deloitte contact or our team focused on Tax Automation and Tax Technology:

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