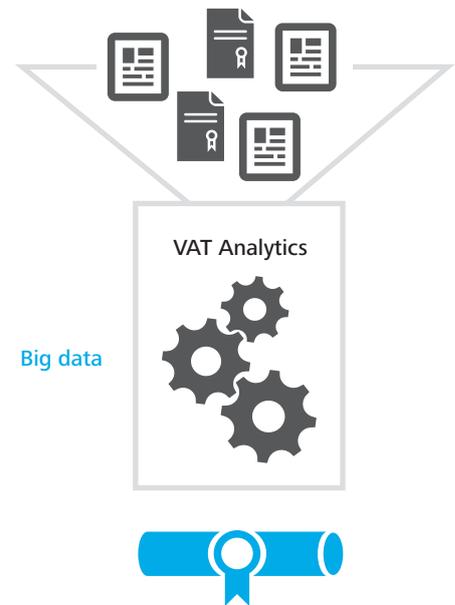


## VAT Data Analysis

The introduction of electronic reviews takes the tax audit system to a higher level – from an ad-hoc review of selected documents to an automated system of checking the entire data set. Get ready!



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### Electronic Reviews

During tax audits, the tax administration is automatically given access to software, information and communication means, as well as output data. Additionally, as a result of the introduction of the VAT Transactions Statement last year, extensive data is available to the tax administration and can be analysed without a tax audit of VAT payers being started.

Consequently, electronic reviews efficiently take the tax audit system to a higher level, significantly increasing the risk of issue detection and potential penalisation.

### Deloitte VAT Analytics

Deloitte has developed a tool (VAT Analytics) enabling an aggregated review of the entire set of documents that are reflected in the VAT return, EC Sales List and VAT Transactions Statement. An input for VAT Analytics is a data file from an accounting system containing detailed information about accounting documents.

A Deloitte team of VAT specialists has prepared more than 70 tests which after uploading a data file check whether VAT rules have been applied correctly and identify specific accounting documents that could be incorrect.

### Project Phases

The project is divided into four phases:

#### 1. Analysis Refinement and Focus

As part of this phase, the existing set of more than 70 tests is supplemented with specific tests depending on the industry in which the relevant company operates and its specific business cases.

#### 2. Data Preparation

An expert user exports data from the company's accounting system. It is usually not necessary to involve the company's IT Department in the export as a manual is available describing the step by step data extraction from SAP and Oracle.

#### 3. Conducting Tests and Analyses

A set of more than 70 tests examines the use of correct tax codes according to the customer's VAT ID and the VAT regime of the relevant transaction, the use of correct foreign exchange rates, the correctness of the VAT ID using the European VIES system, the classification of documents in the correct taxation period, the correctness of VAT rates, etc.

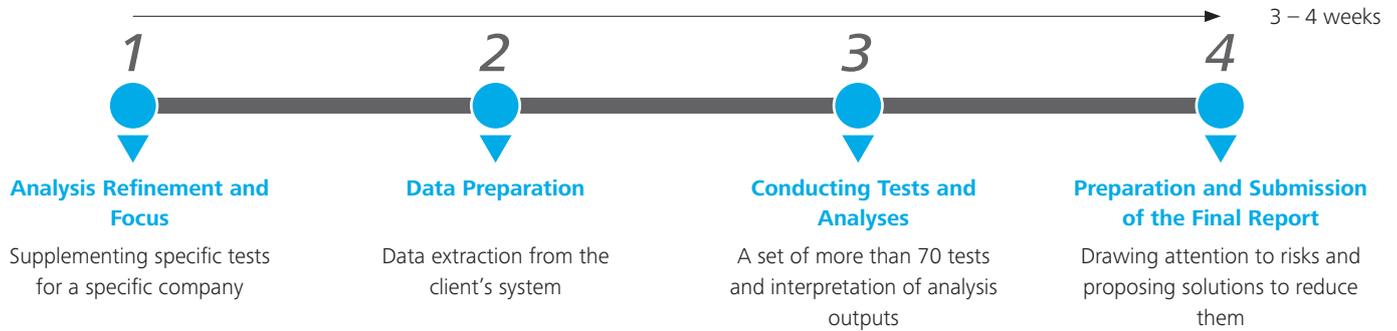
#### 4. Preparation and Submission of the Final Report

Each area and case identified during testing as being risky or incorrect is discussed with the company's representatives. These findings may indicate an opportunity for system improvements enabling the company to prevent any future VAT risks.

## Project Duration

The VAT Analytics project is usually implemented during four weeks depending on the date of delivery of the data file.

The project is divided into four phases and can be implemented in less than a month.



## Examples of Deliverables

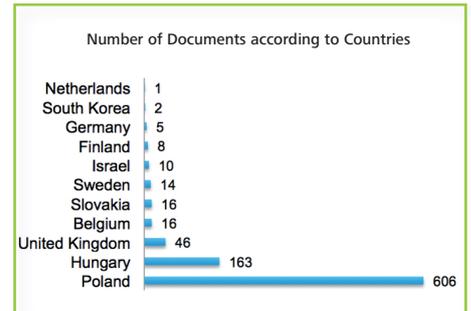
Summary information on all tests:

Test	Analysis type	Number of analysed subjects	Number of findings	Share of findings (%)
Issued tax documents				
AR 1-1	Verification of the provided address – street, town/city, state, post code (excluding intern documents "SO", apart from intern documents "SO" for intercompany "SO" –_IDT)	42 664	570	1,34%
AR 1-2	A check of the availability of a tax identification number – foreign business partners (excluding intern documents "SO")	2 941	887	30,16%
AR 1-3	A check of the availability of a tax identification number – local business partners – only issued invoices, i.e. excluding bank statements, received invoices, asset recognition) and tax code "EO"	38 584	527	1,37%
AR 1-7	Issued invoices for clients not found in the business partner chart, excluding the tax code "EO" and intern documents "SO"	42 484	371	0,87%
AR 2-1	The issue date follows more than 15 days after the date of taxable performance, excluding the tax code "EO" and intern documents "SO"	42 484	1327	3,12%
AR 2-2	Pay date earlier (preceding month) than the date of taxable performance	43 825	0	0,00%
AR 3-1	Foreign VAT code of the local business partner	391	8	2,05%

Findings supplemented with supporting analyses, if any:

Detailed list of documents assessed as incorrect:

TEST_data obch part_AR 1-2							
Document_No	TX-Code_descr	Document_Type_descr	Doc_Date	Country	Tax_base_amount	Tax_Amount	Business_Partner_Name
1000004	EU goods import 20% (reverse)	Received invoices for goods from related parties	01.12.12	South Korea	-1929,15	385,87	
1000037	EU goods import 20% (reverse)	Received invoices for goods from related parties	31.12.12	Poland	-129776,64	-27030,53	
1000038	EU goods import 20% (reverse)	Received invoices for goods from related parties	31.12.12	Poland	-149934,96	-29986,99	
1000039	EU goods import 20% (reverse)	Received invoices for goods from related parties	31.12.12	Poland	68632,2	-13726,44	
1000041	EU goods import 20% (reverse)	Received invoices for goods from related parties	31.12.12	Poland	-267741	-53548,2	
1000045	EU goods import 21% (reverse)	Credit note for goods from related parties	07.01.13	Hungary	1775,47	371,53	
1000047	EU goods import 20% (reverse)	Received invoices for goods from related parties	18.12.12	United Kingdom	-11406,74	-2286,65	
1000048	EU goods import 20% (reverse)	Received invoices for goods from related parties (other subjects)	19.12.12	United Kingdom	-2242,05	-436,32	
1000049	EU goods import 20% (reverse)	Received invoices for goods from related parties (other subjects)	20.12.12	United Kingdom	5172,73	-1044,46	



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