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Automating the Preparation of VAT Returns



Our Agenda

13.00-13.30 Current Trends in Indirect Tax Compliance

13.30-14.20 Breakout 1

14.25-15.15 Breakout 2

15.15-15.35 Coffee Break

15.40-16.30 Breakout 3

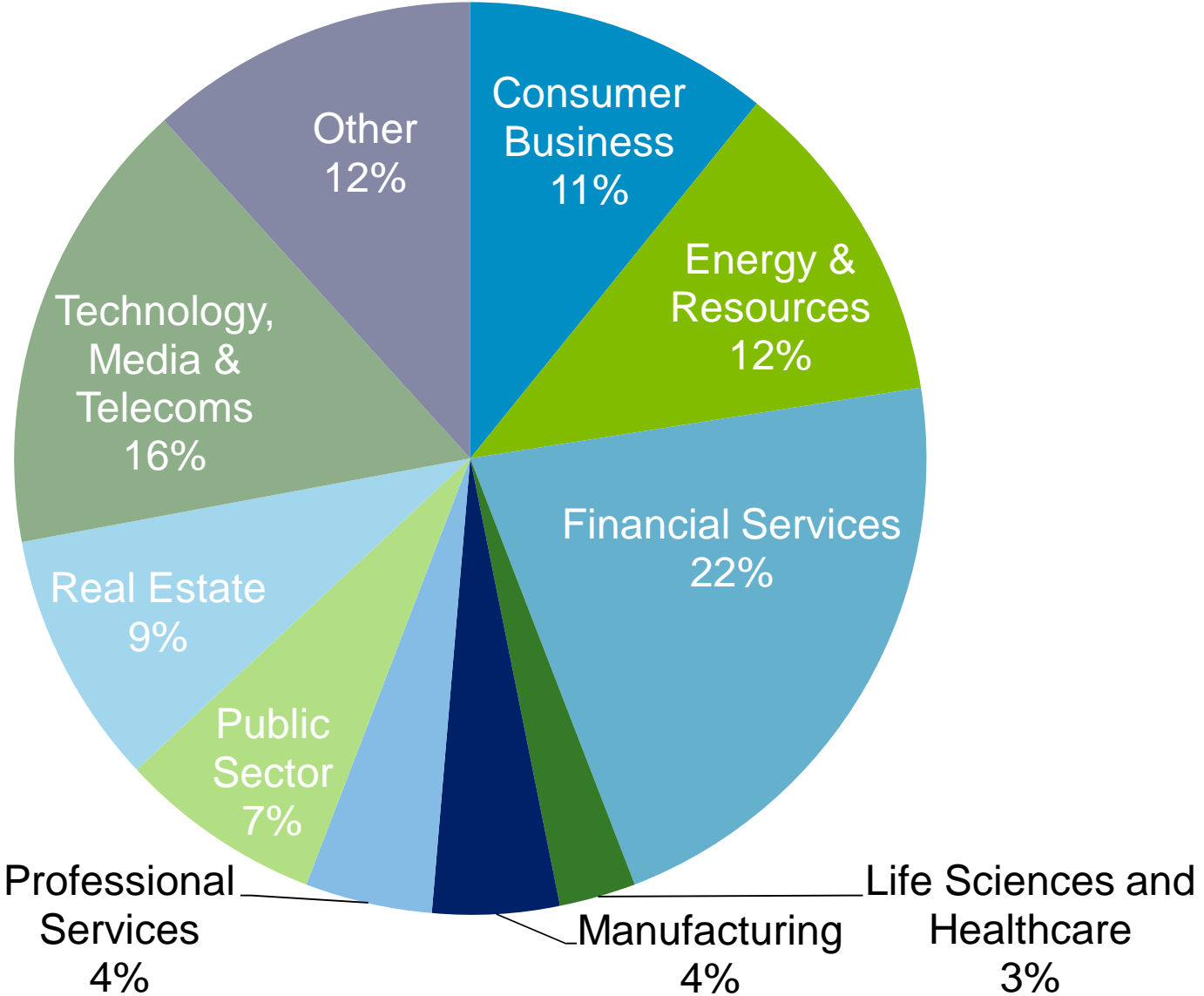
16.30-17.00 Achieving Best in Class Compliance & Using Technology to Reduce Tax Authority Risk Ratings

17.00 Drinks and Canapes

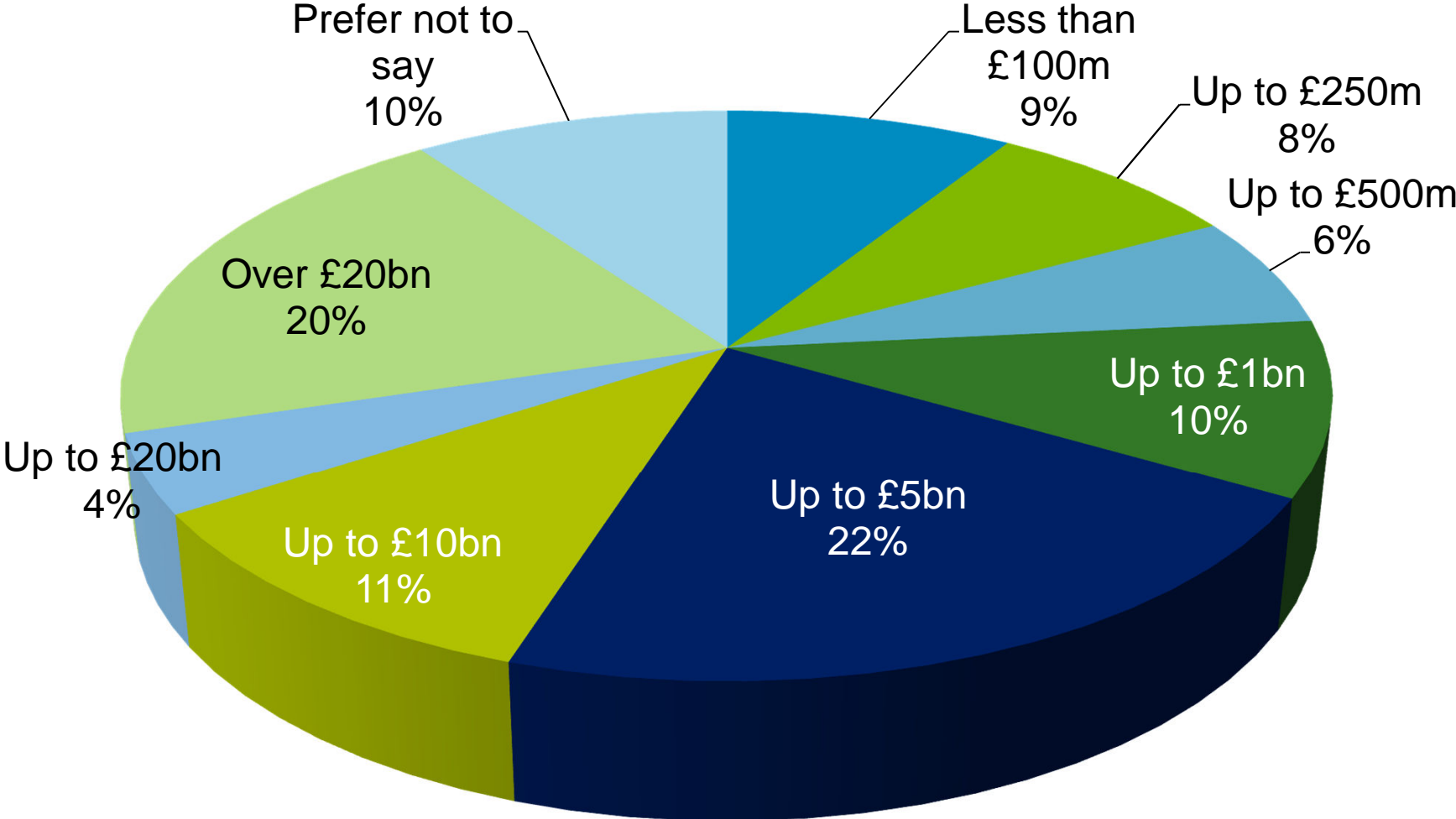
Breakouts

- *Configuring ERP Systems for VAT Compliance*
- *Best Practice & Technology in a Tax Centre of Excellence*
- *Vertex*
- *Thomson Reuters ONESOURCE*
- *Making the most of Excel*
- *Automating Reconciliation of VAT Returns to Intrastat, ESL's and General Ledger*

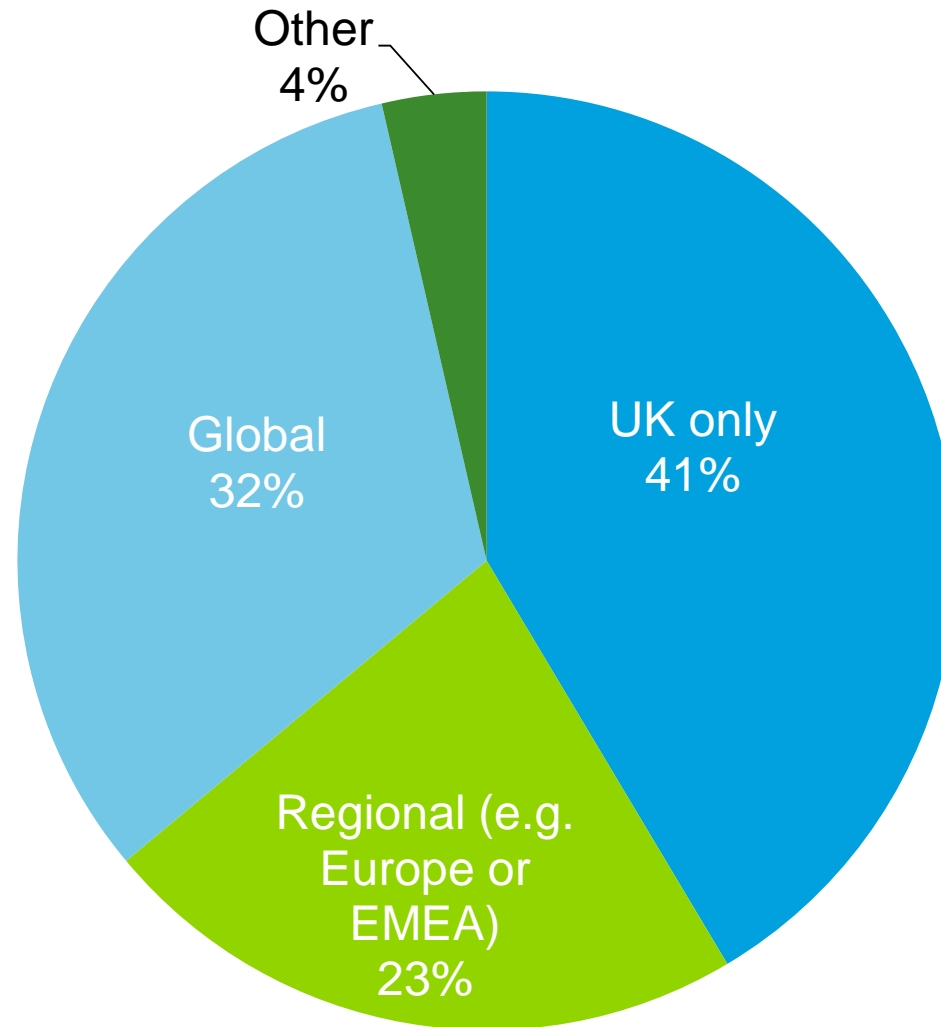
What industries do you work in?



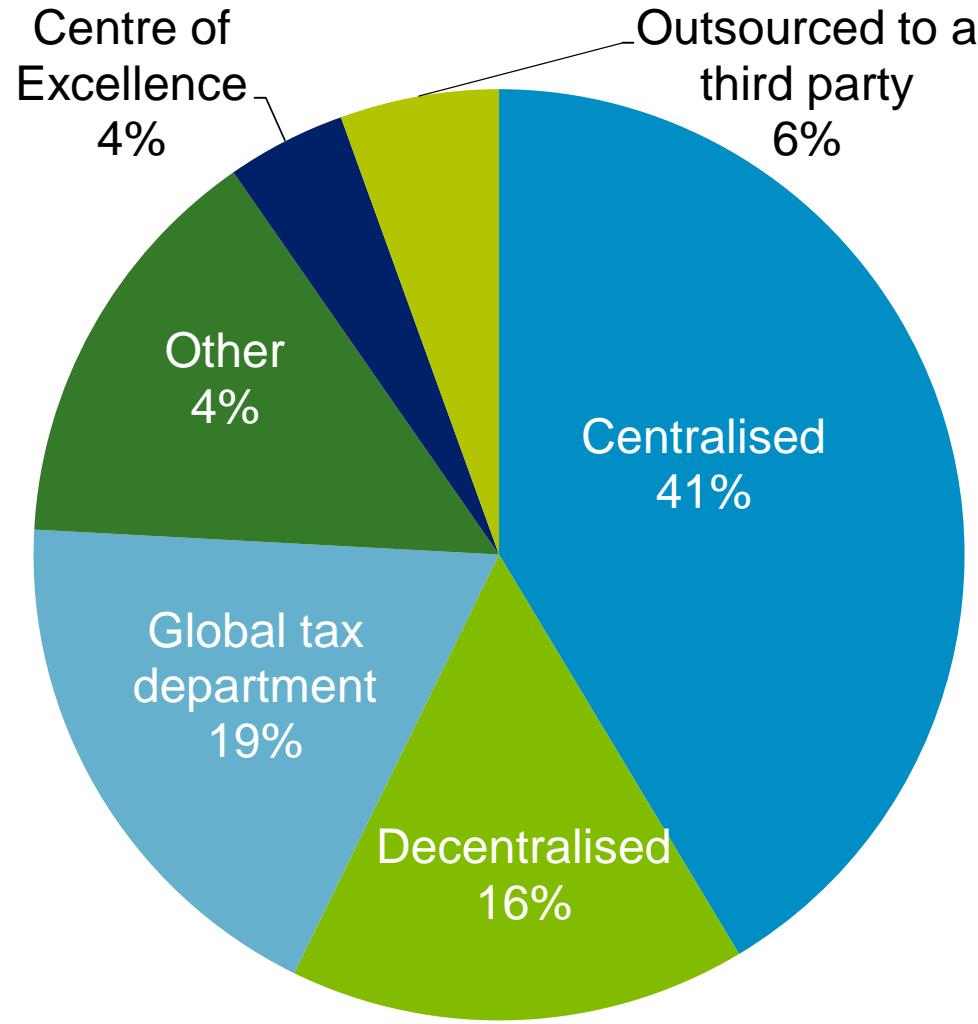
What is the global revenue of your organisation



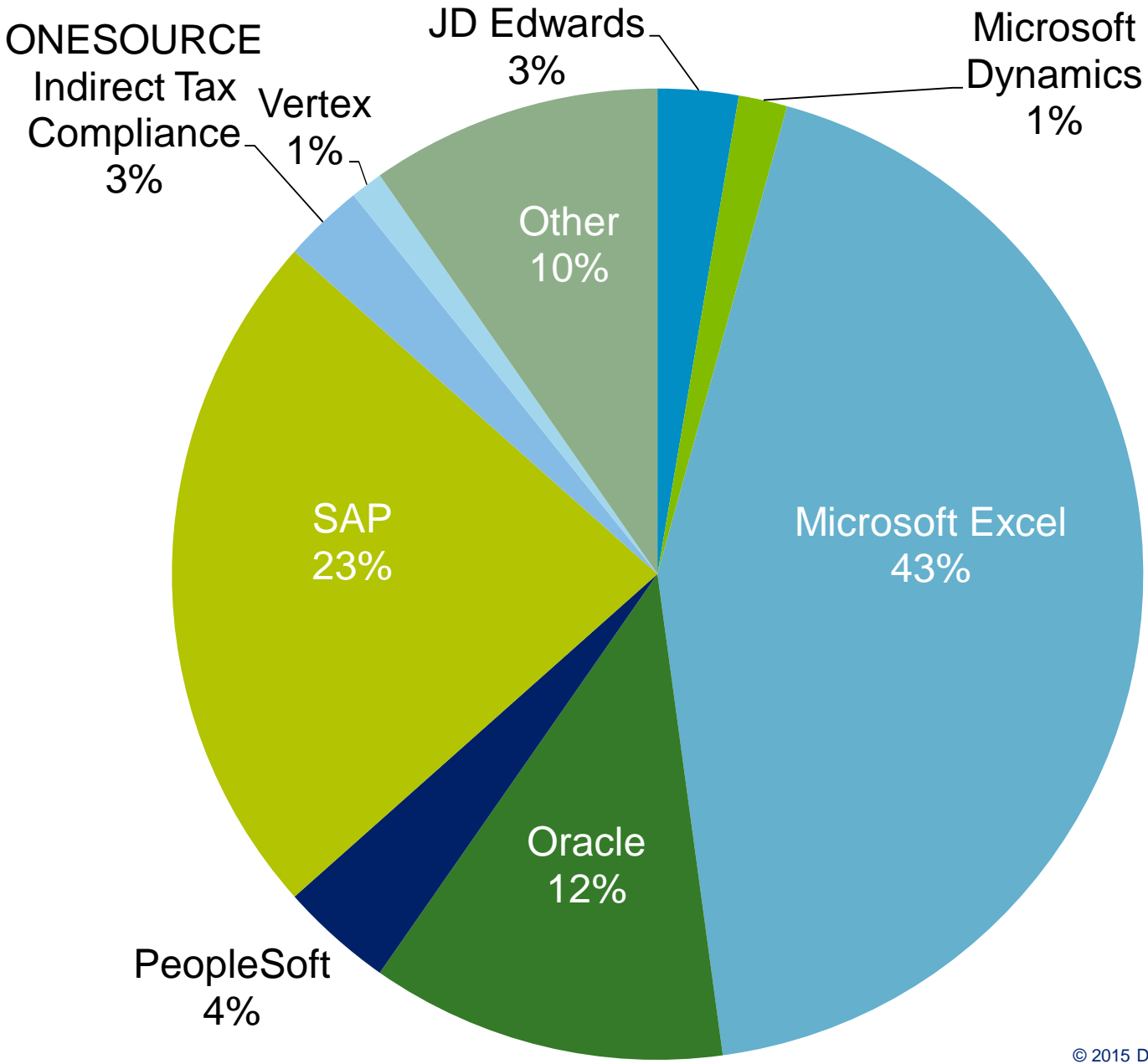
What's the scope of your responsibility for VAT & automation



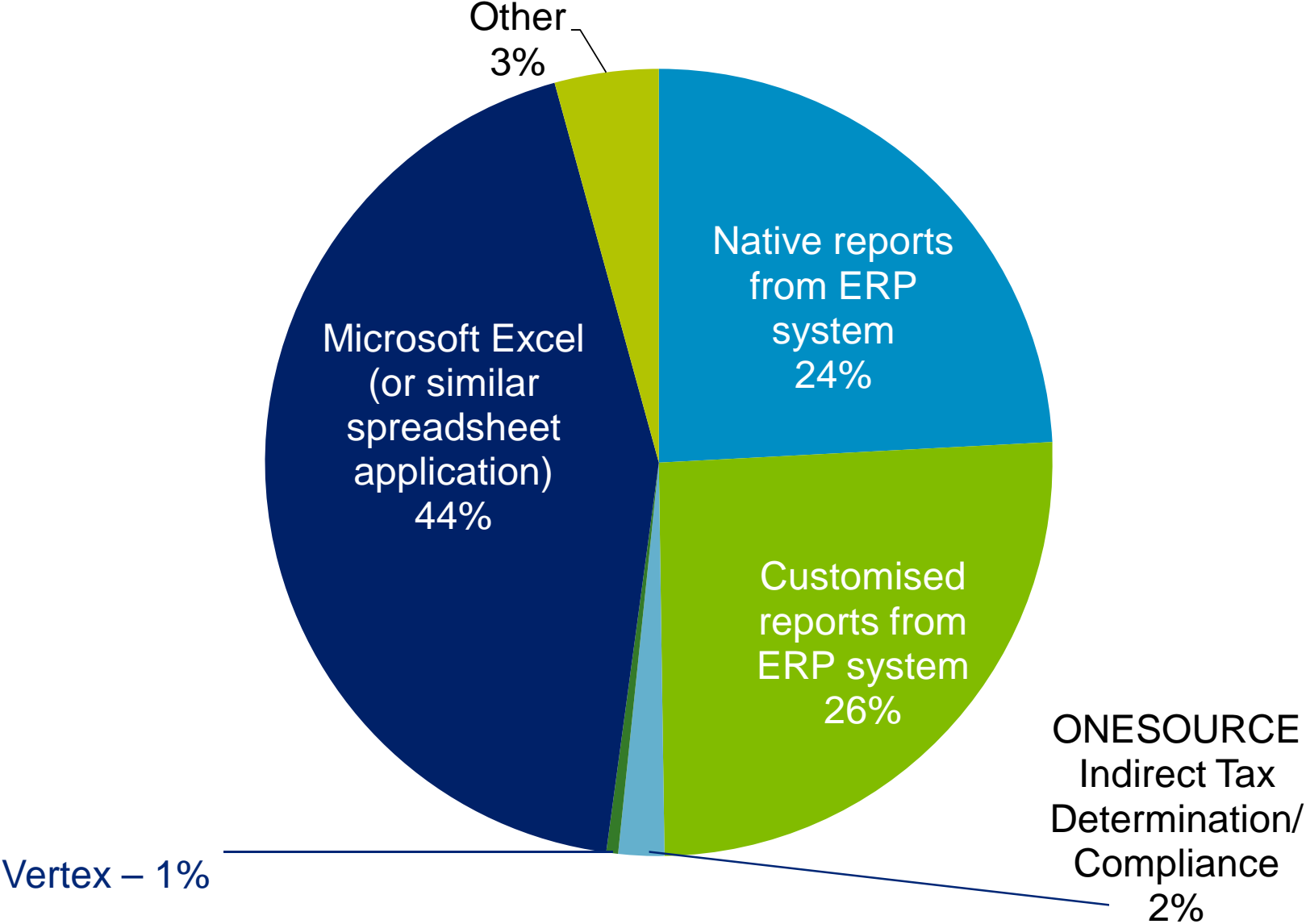
What is your organisation's approach to VAT compliance?



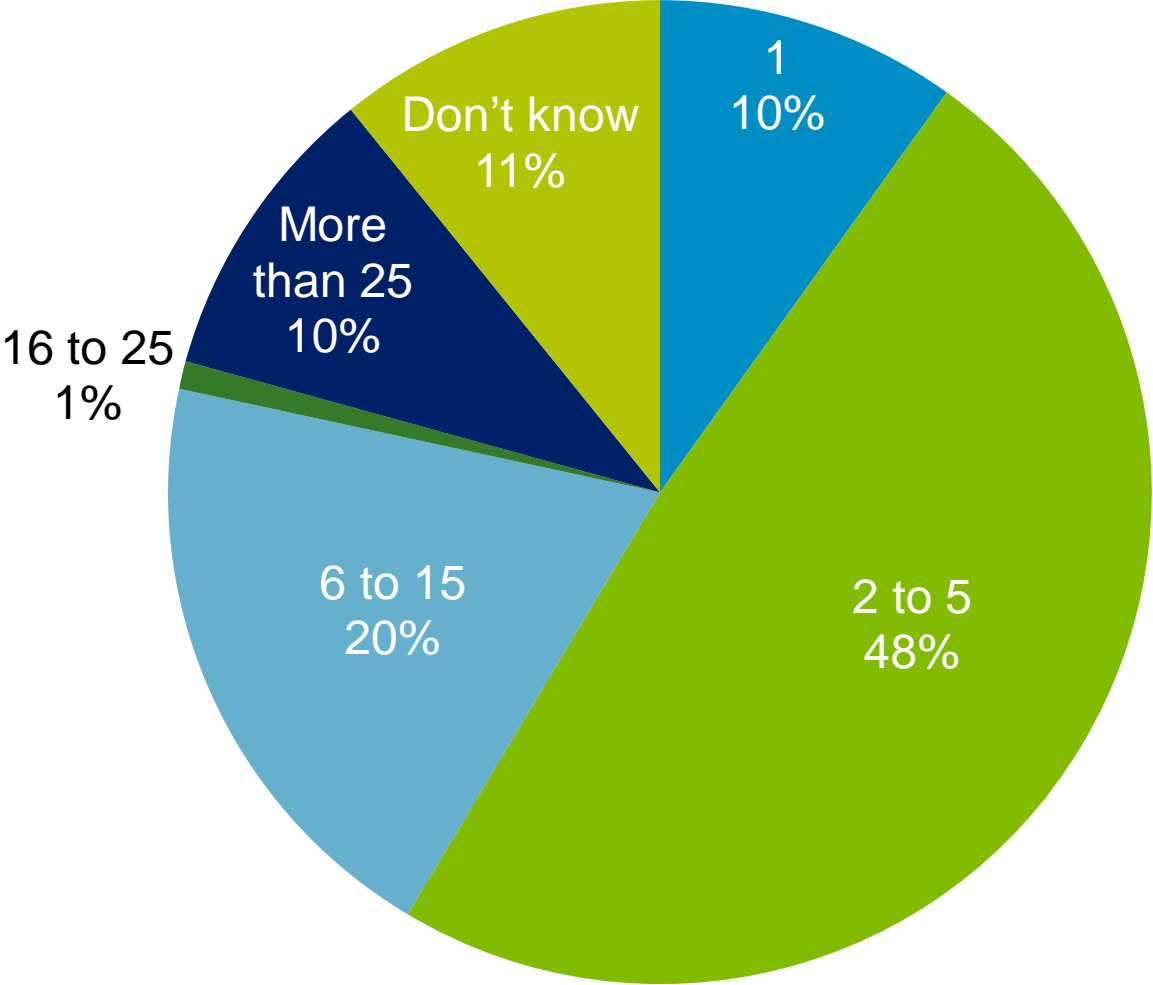
What software do you widely use to prepare VAT returns?



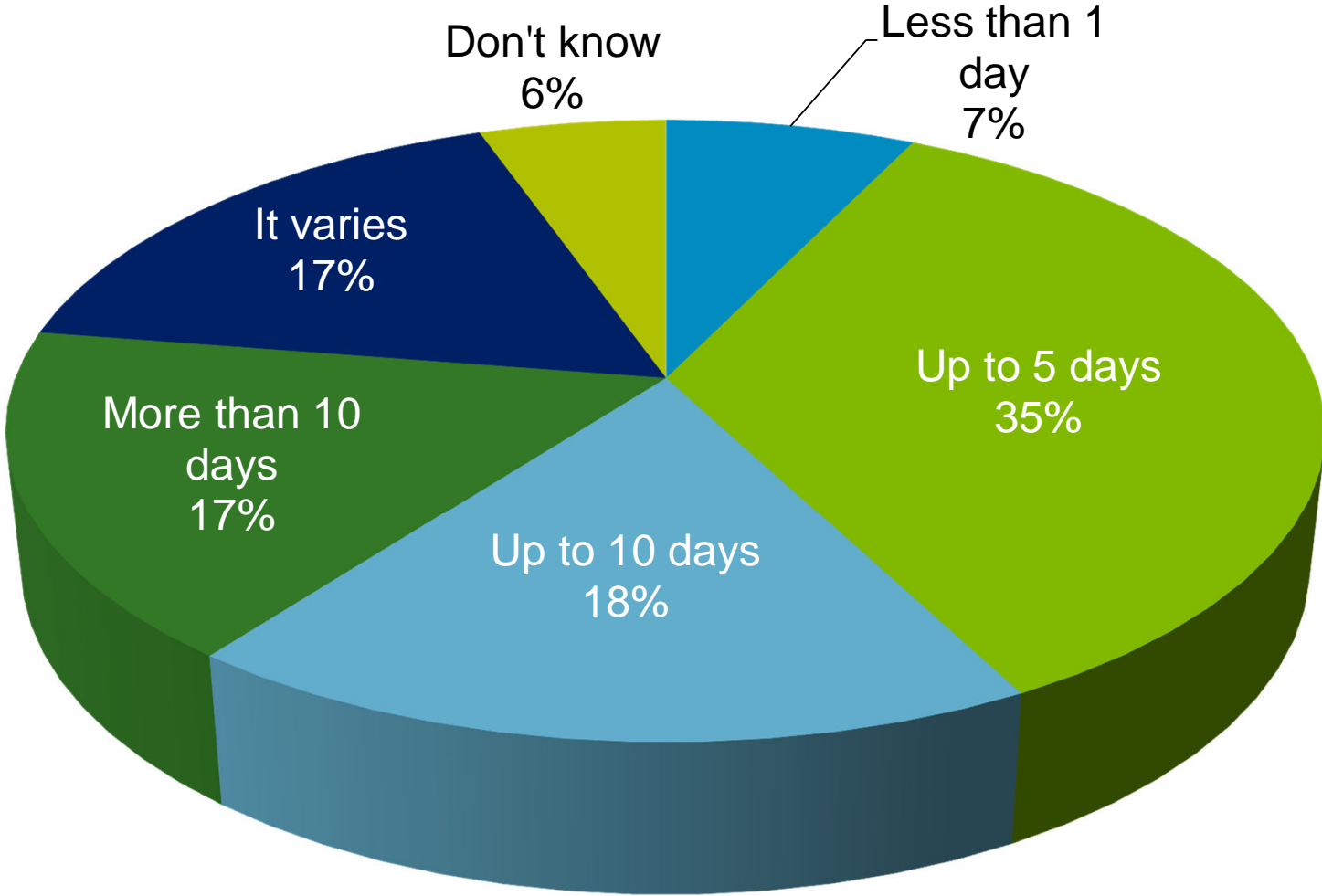
Which reporting tools are used to prepare your VAT returns?



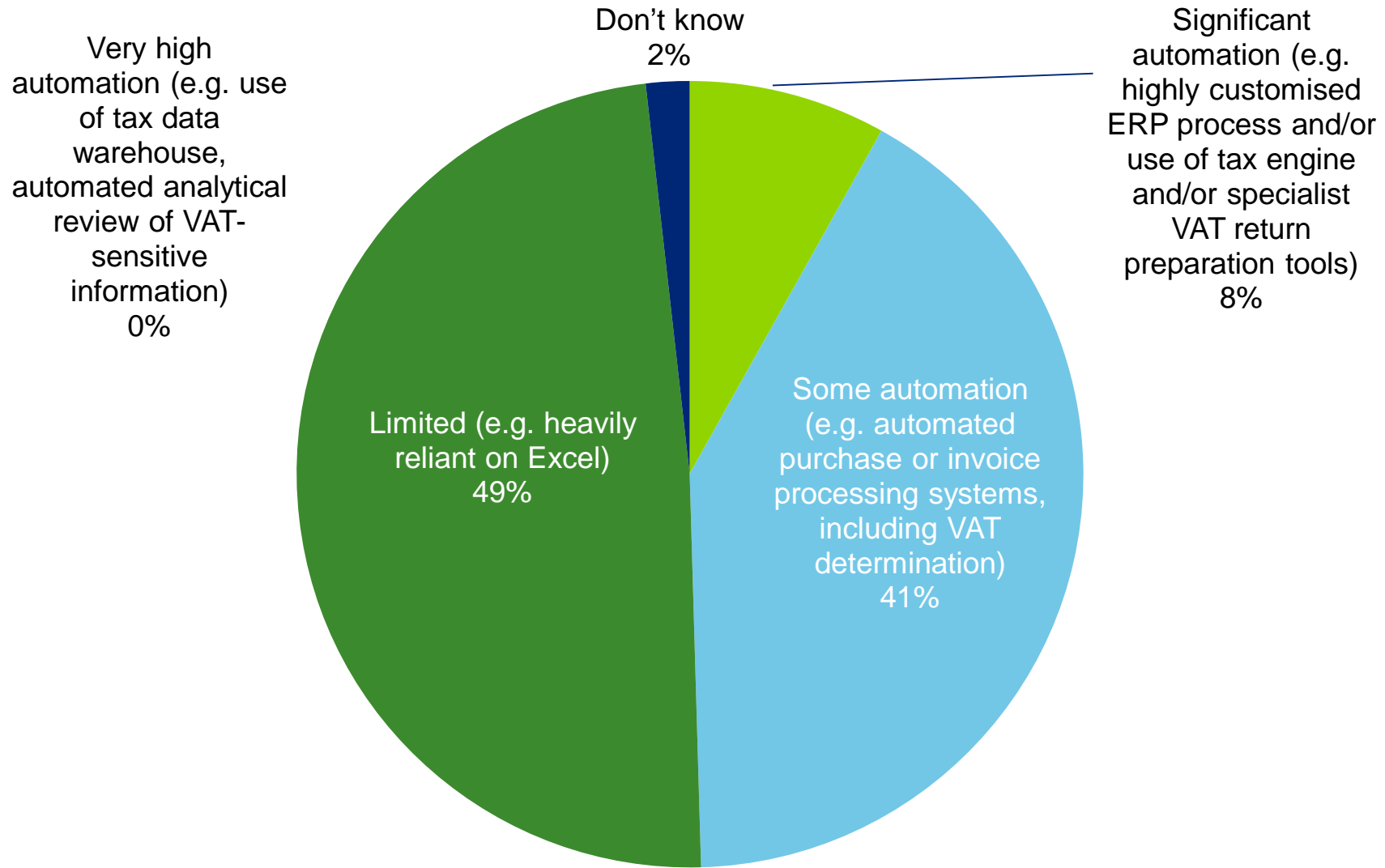
How many IT systems are used to gather data for VAT accounting & reporting



How many FTE days does it take to prepare your VAT return?



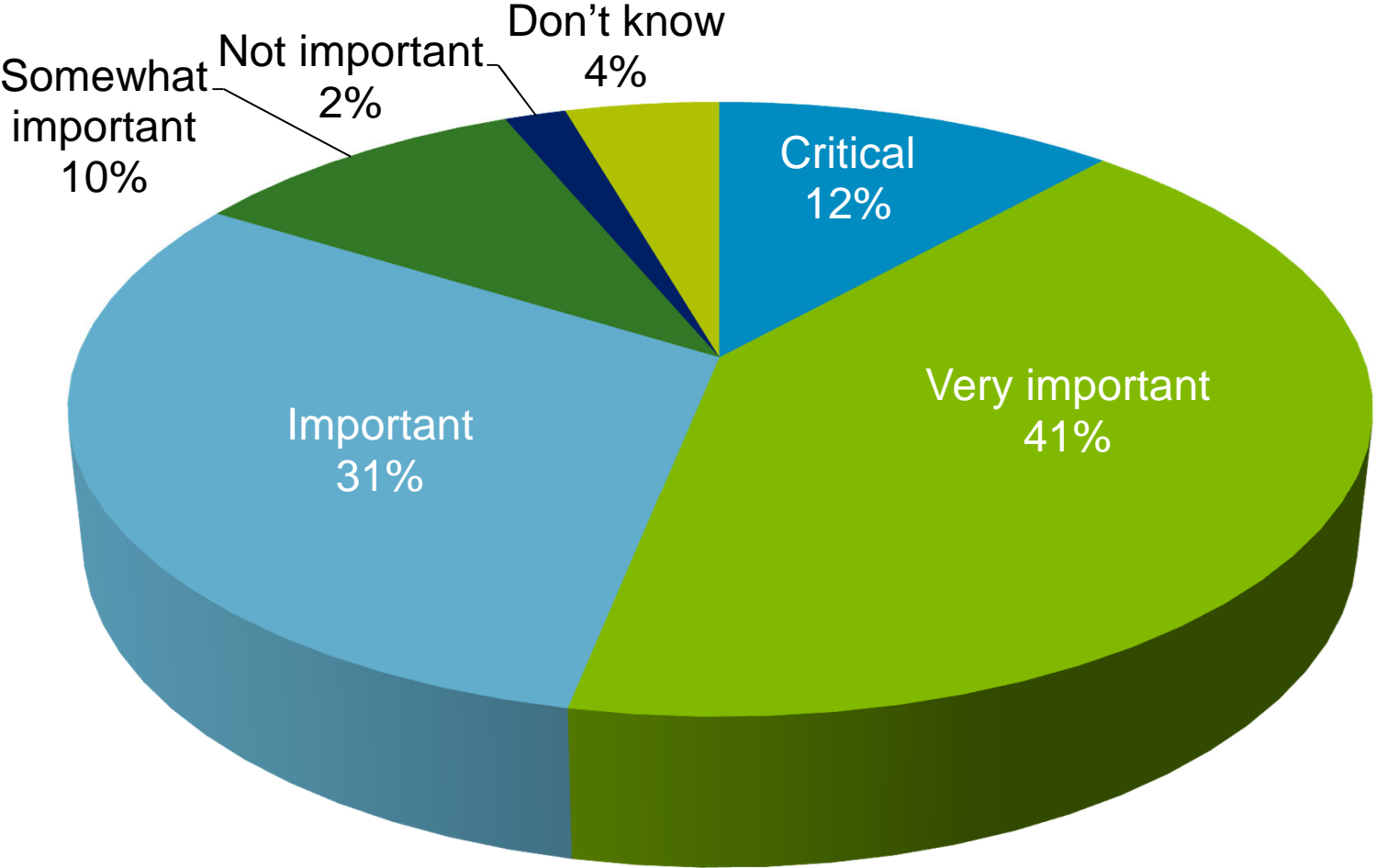
To what extent is your organisation's VAT compliance automated?



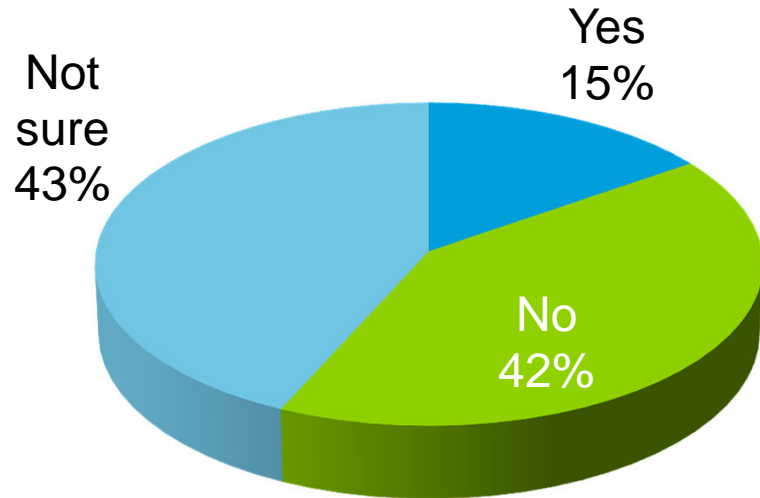
How many VAT assessments have you received in the last 12 months?

	Total		Automation: very high/significant/some	Limited Automation (e.g. heavily reliant on Excel)
			A	B
None	32	29 %	15	17
1 to 5	50	45 %	27	23
6 to 10	10	9 %	3	7
More than 10	4	4 %	2	2
Don't know	15	14 %	8	5
Total	111	100 %	55	54

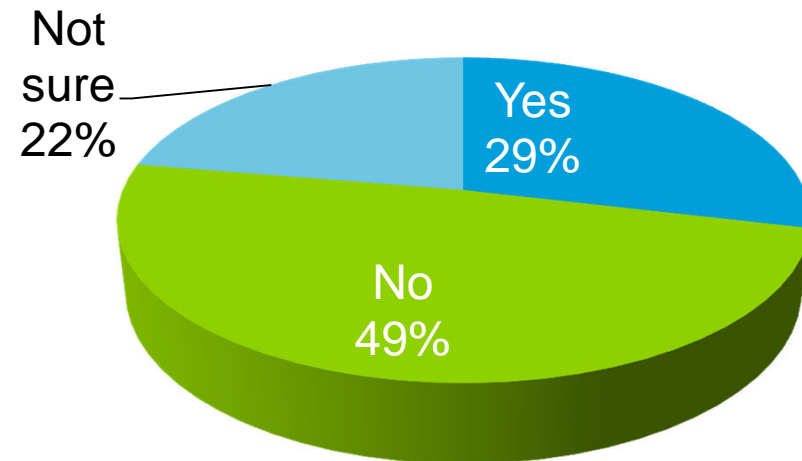
How important to you is the automation of VAT compliance in your organisation?



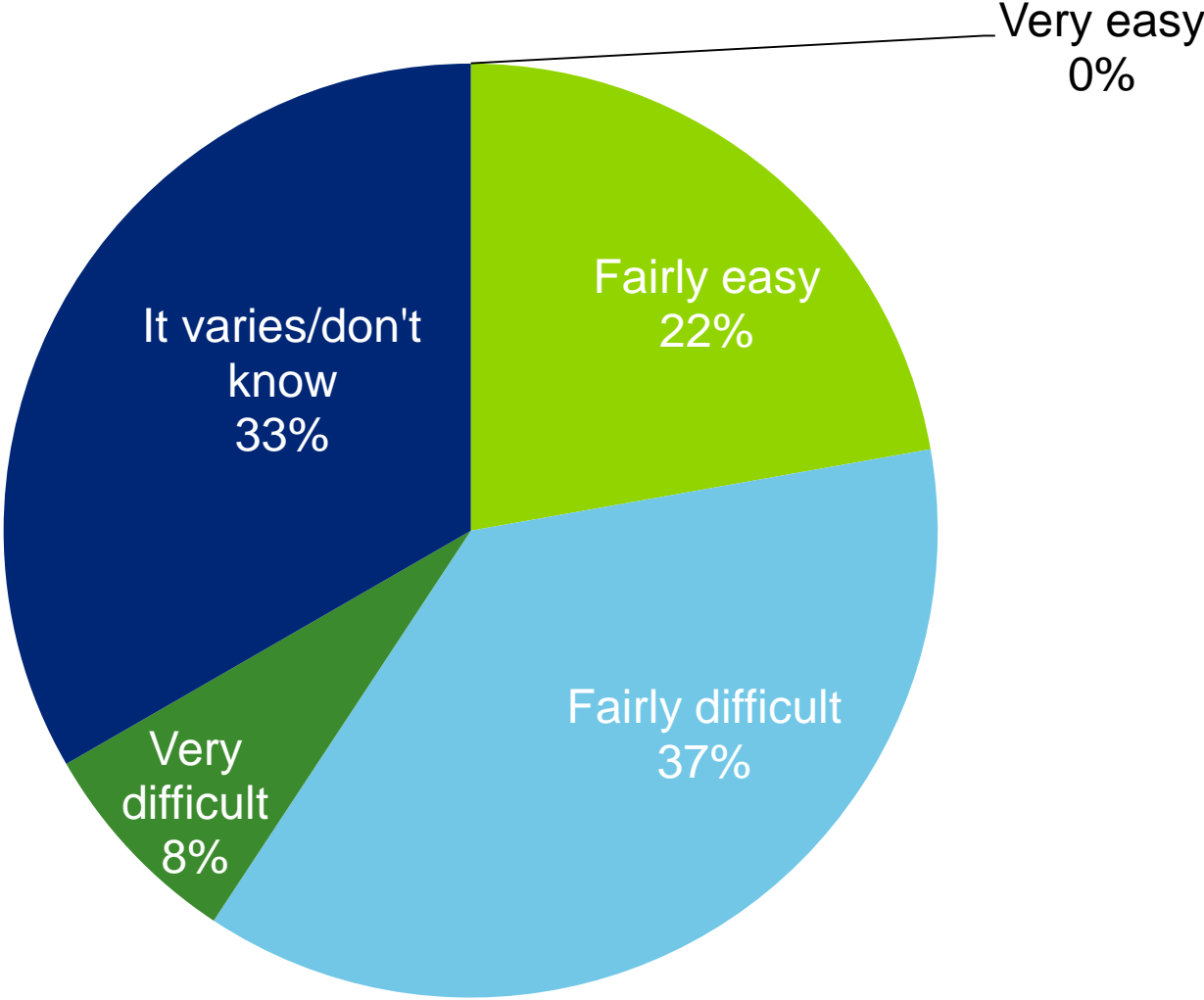
Is the budget for VAT automation part of an existing tax technology budget?



Has the case for increased VAT automation been made in your organisation?



How easy is it in your organisation to get budget for increased automation?



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Breakouts!



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Welcome Back!



Three Closing Points

1. What was the key point that emerged from your breakout session?

2. Is automation the key to best in class indirect tax compliance?

3. Can automation & technology reduce tax authority risk ratings and improve relationships with tax authorities?

Can automation & technology reduce risk ratings and improve tax authority relationships?

- In order to be classified as Low Risk a large business customer will:
- Governance**
 - Be open with HMRC in real time about how it manages tax compliance risk across all relevant taxes and duties;
 - Raise significant compliance issues, uncertainties and/or irregularities with HMRC in real time;
 - Promptly provide full, accurate and helpful answers to HMRC queries;
 - Be aware of its obligations across all taxes and duties, seek assistance as necessary and provide appropriate resources to deal with those obligations;
 - Have clear accountabilities up to and including the Board for the management of tax compliance risk and tax planning.

Delivery

- Have a history of accurate and timely returns, declarations, claims and payments across all relevant taxes and duties;
- Have appropriate tax accounting arrangements in place.

Tax Strategy

- Not be involved in tax planning other than that which arises from genuine commercial activity;
- Not structure transactions in a way which gives a tax result contrary to the intentions of Parliament;
- Tell us about significant transactions involving innovative interpretation of tax law and fully disclose any legal uncertainty;
- Ensure that the business is not involved with illicit trades.

TCRM3343 - The Business Risk Review (BRR): Business Risk Review Assessment indicators: Delivery: assessing tax accounting arrangements: Stage 2: Evaluating tax delivery

Having understood the customer's approach to governance, the next stage involves assessing the customer's ability to deliver the right tax through processes and systems. For any process to work in practice the appropriate skills need to be in place so a review of that process should also include a review of skills. Therefore, in the comments below, any reference to 'process' should be taken to include 'skills'.

We want to encourage good processes and systems to support tax compliance but we recognise it is not feasible or time/cost-effective to review processes and systems for all risk areas. The aim is therefore to focus on identifying significant risk areas or key events.

At the conclusion of the evaluation of the customer's processes and systems, we will decide if they are sufficiently robust to produce accurate and complete numbers for the tax return. Where this is the case, we will not undertake any further work. If we are applying this approach as part of the BRR and we perceive possible weaknesses it is likely that we will conclude that a customer is not Low Risk and will agree with the customer the further work that is needed to address these perceived weaknesses. If we are applying this approach as part of more specific Risk Assessment or Risk Working activity it is likely that we will want to move onto Stage 3 of the approach - Audit Testing.

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Drinks and Canapes!