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Indirect tax technology
and data analytics

The latest trends in VAT
compliance and reporting

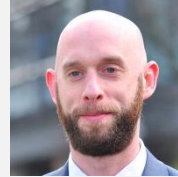
James Whyman – Deloitte
Adam Gray - Deloitte
Demian de Souza – Deloitte



Today's presenters



James Whyman
Deloitte



Adam Gray
Deloitte

Tax Management Consulting Director specialising in the tax aspects of finance transformations, ERP implementations and process optimisation.



Demian de Souza
Deloitte

Tax Management Consulting Director focused on global tax and finance technology implementations and tax process improvement.

“We going through a finance transformation in which our local finance departments will close and move to a small number of finance shared service centres. I need to design the new process for the preparation of VAT and other indirect tax returns”

“It currently takes us about 3 weeks to prepare and submit our VAT return – I need a way to speed things up”

“At present we prepare our VAT returns by collecting data and inputting this in a spreadsheet – I know this isn’t the best process but I’m not sure what the alternatives are.”

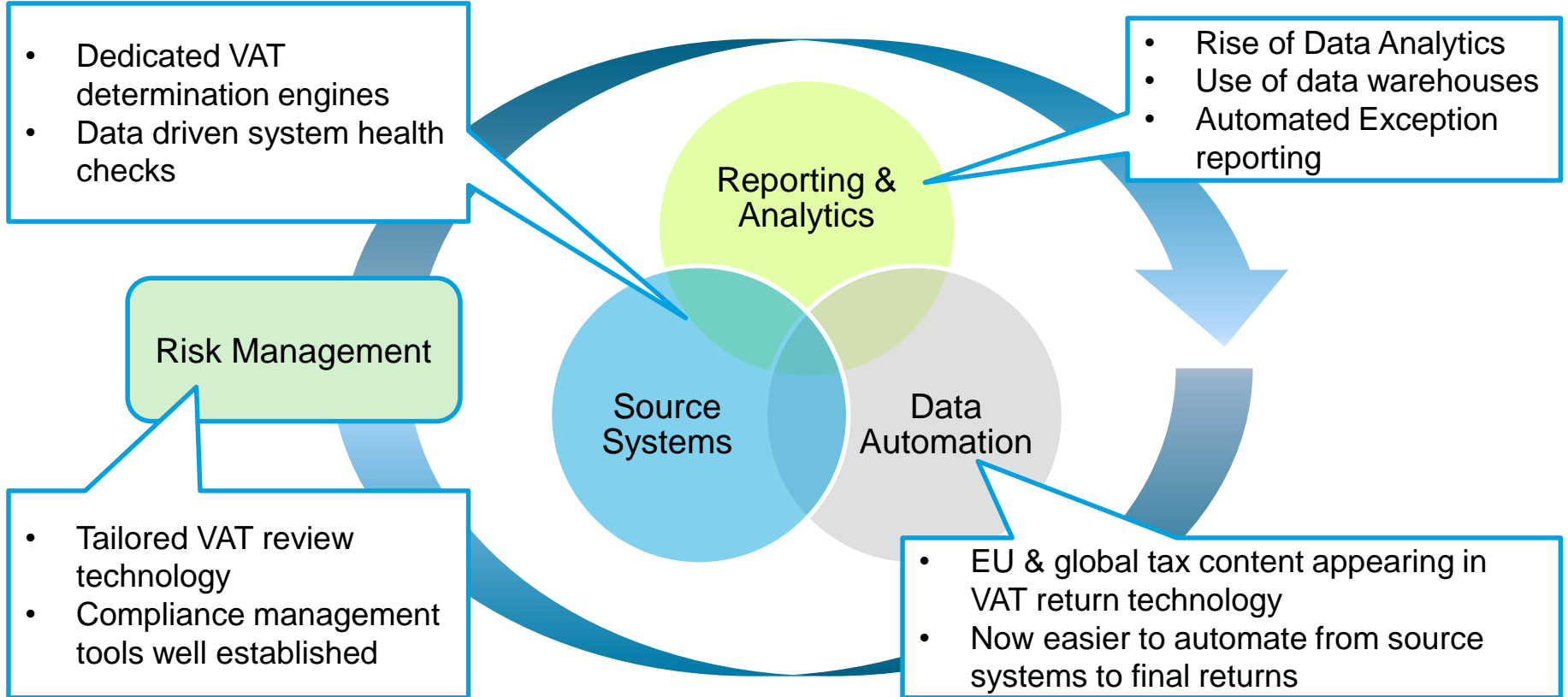
Making the most of VAT technology

The VAT challenges

- Increasingly sophisticated conversation around the effective use of VAT technology
- Now seen as a critical component for supporting:
 - Operational model change e.g. centralising VAT processes
 - Improved VAT compliance and process control
- Growing acceptance that VAT teams should:
 - Spend less time consolidating and manipulating data
 - Be more focused on exception reporting and extracting value
- Understanding the relevant tools for your business depends on where issues lie within your processes

Making the most of VAT technology

Understanding what's out there



A case study in compliance automation

Airport Operator and Service Provider

Their VAT challenges

- The UK compliance process was taking too long
- Too much effort every month was going into sorting out and consolidating the various sources of VAT data
- Over reliant on Excel in business critical parts of the compliance process
- A struggle to manage the teams located in different offices
- Unsure of how technology could help improve things
- Keen to retain control and keep the compliance 'in house'

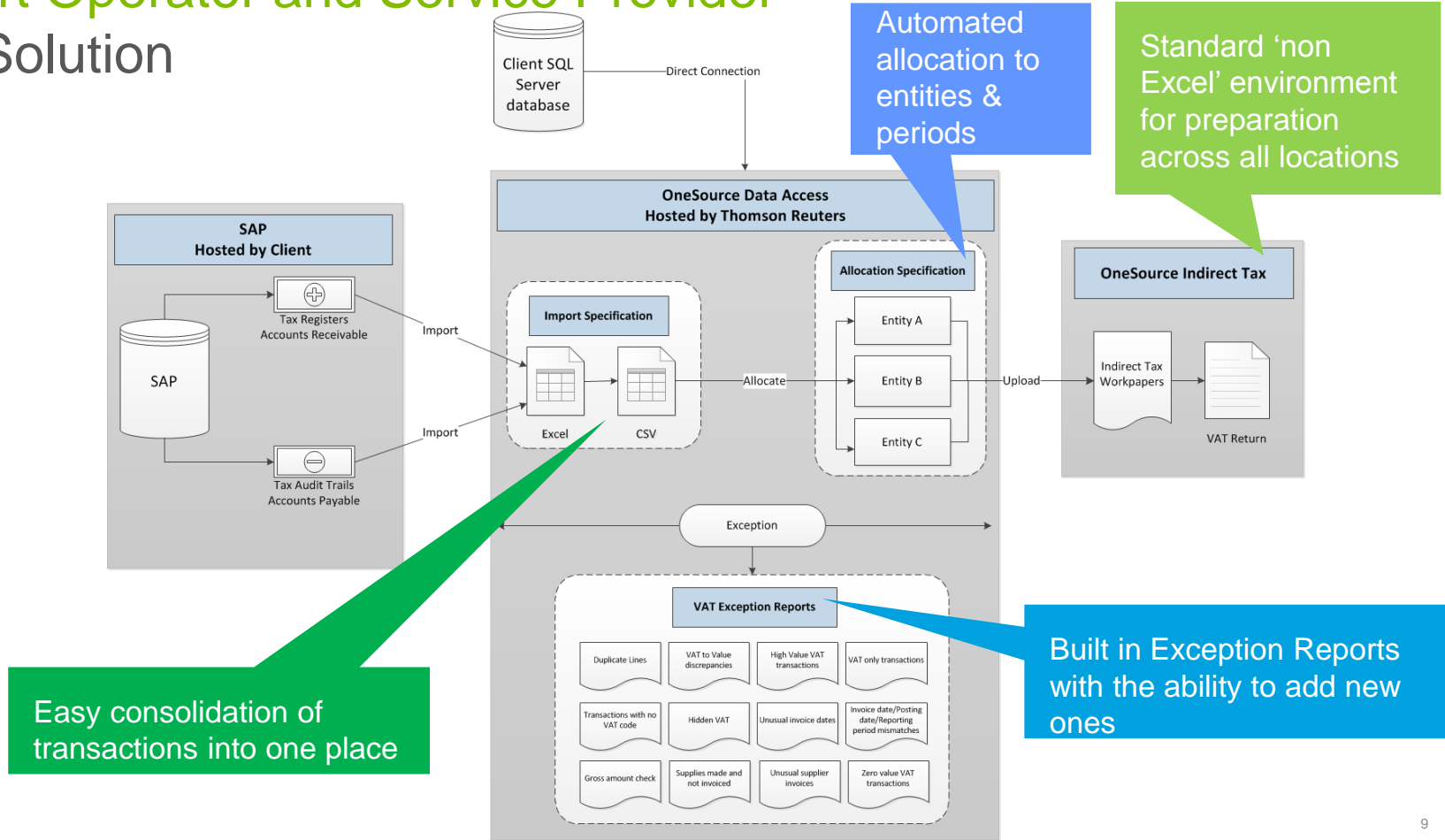
Airport Operator and Service Provider

Approaching the project

- Gain insight into the 'art of the possible'
- Understand what others have done across a range of business profiles:
 - UK only businesses
 - European and global VAT operations
 - Decentralised compliance spread around the business
 - Shared Service Centres delivering compliance from a single team
- Consider how to simplify the challenge of consolidating & standardising VAT data
- Be prepared to adapt the standard technologies to reflect the business' needs
- Put the processes and technologies in place in a way that will support the business as it both grows and evolves

Airport Operator and Service Provider

The Solution



Data Analytics

Data Analytics on the executive agenda

Late 2014: the trend for adoption of analytics gathers pace



Data Volumes & Technology Capacity



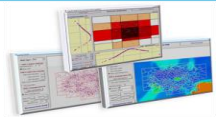
Regulations



Technology accessibility



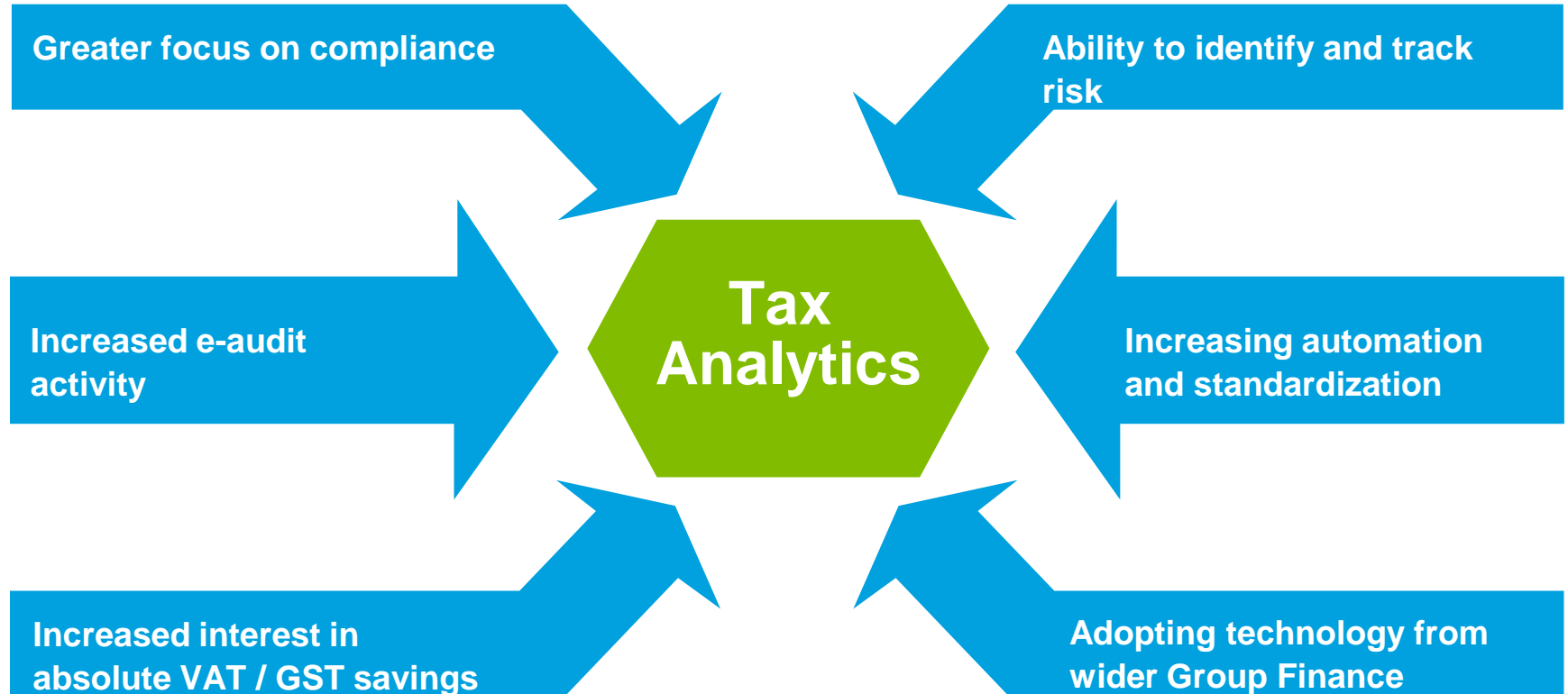
New Data Signals



Clearer Insight

Data Analytics for management of indirect tax

Drivers for taxpayers



VAT Analytics

The influence of analytics continues to evolve

Proven

Dashboard Monitoring

Unstructured Data

Fraud Detection

Breaking New Ground

Industry-specific
Insights

Big Data and
Enrichment

Expert Systems

Tax Data Analytics

Developing a data analytics strategy



The current market trends

VAT process change and technology

The current trends

- More businesses say “enough is enough” and putting concerted effort into change
- Pressure to do more in a tighter time frame and to a higher quality
- The decentralised approach to compliance and reporting is being challenged more:
 - Inefficiencies being called out
 - Collective responsibility being taken more
 - Now increasingly seen as a weakness
- Barriers to the centralised approach (both domestically and internationally) are reducing

VAT process change and technology

The current trends

- Economic uncertainty highlighted the impact of VAT reporting on cash flow
- Tax authorities keener to understand how businesses are using VAT technology
- Appetite for sympathetic solutions that don't rely on major finance system changes

- VAT Technology market still evolving:
 - A few more 'international players', although plenty of room for more!
 - Differing views on how much integration with the source financial systems is needed
 - Still quite a lot of excel automation being offered in the market
 - No solution does it all... yet



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