

## Guiding Principles

An important first step in the development of a new operating model is the establishment of guiding principles which may include, but are not limited to:



Manage and mitigate overall risk



Enhance external and internal "customer experience"



Empower the governance structure



Integrate technology



Agile design



Engage & empower employees



Continuous improvement/measurement

## Mobilization Activities

Obtaining executive buy-in is key to moving forward.

- Begin building the business case to support a new operating model by gathering key metrics including: payment volumes, customer volumes, historical penalties and corrections
- Develop the recognition for the need for change by socializing the business case with stakeholders and obtaining C-suite executive buy-in
- Include existing tax operations personnel early in the initiative as this may provide buy-in and support
- Formulate and define required change initiatives, including overall vision, goals and desired results
- Demonstrate potential benefits of multi-year change strategy across the functional rollout of reporting, onboarding and withholding
- Establish appropriate top-down performance measures to serve as the key performance indicators (e.g., improve number of valid forms, less repeated forms requested, reduced exposure, enhanced reporting accuracy)

## How Deloitte Can Help

Assist with developing and implementing a new tax operating model, which is a challenging but rewarding activity for financial institutions. FIs undertaking this initiative need an advisor who knows this space and is able to provide tax technical, systems and project management assistance.

### Global Information Reporting Transformation Lab



- Bring key stakeholders together with a cross functional Deloitte team to discuss challenges with the existing tax operating model and assist with identifying and prioritizing areas for improvement
- Provides an opportunity to assist stakeholders in developing guiding principles for the new GTIR Target Operating Model

### Planning/Strategy Design



- Conduct planning sessions to assist with developing a project plan that works for your organization
- Assist with performing current state, future state and gap analysis
- Work with business units to assist with developing roadmaps and budget templates

### Develop



- Advisory for the development of a governance charter
- Functional and technical design assistance and requirements tracking
- Training program development for CoE
- Tax standards manual development

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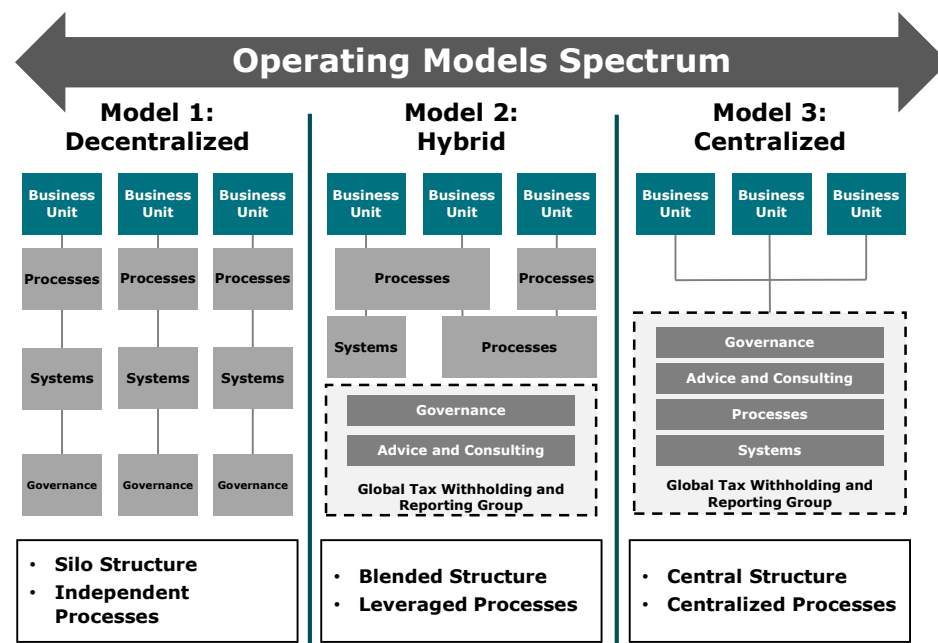


**Global Tax Information Reporting (GTIR) Transformation**  
Introducing GTIR Target Operating Model  
Global Financial Services

## Industry Changes Driven From Necessity

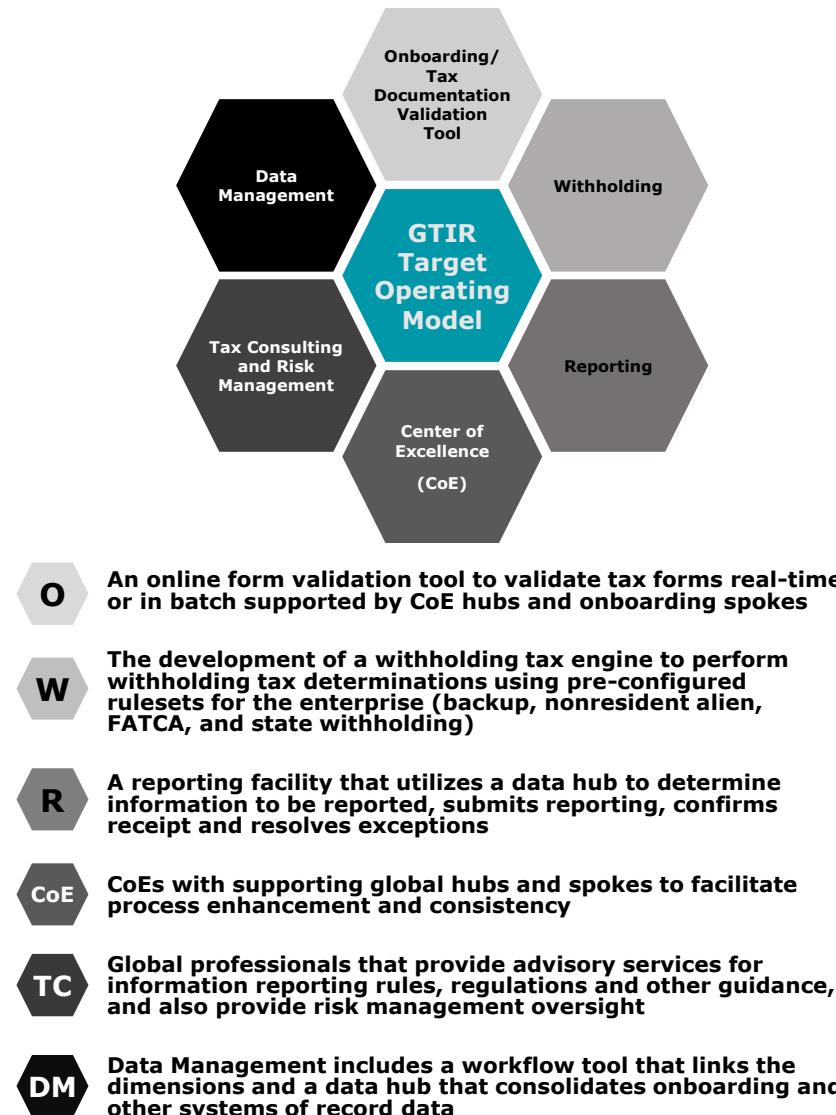
Financial Institutions are recognizing the need to end the tactical patchwork of tax information reporting services and are taking a strategic view of their current operating models.

- The Foreign Account Tax Compliance Act (FATCA) and Common Reporting Standard (CRS) exposed the complexity and risk financial institutions (FIs) have in their existing tax information reporting processes
- FIs discovered that their models were characterized by disparate processes and inconsistent use of vendor technologies across business units
- Financial Institutions are recognizing that building and governing new regulatory requirements on existing processes is unsustainable
- Internal/external auditors and regulators are now reviewing and testing FATCA processes and are identifying gaps with "real" financial statement impacts (FAS 5)
- FIs are recognizing that there are higher quality operating models for managing operational, financial and reputational risk and are implementing these models



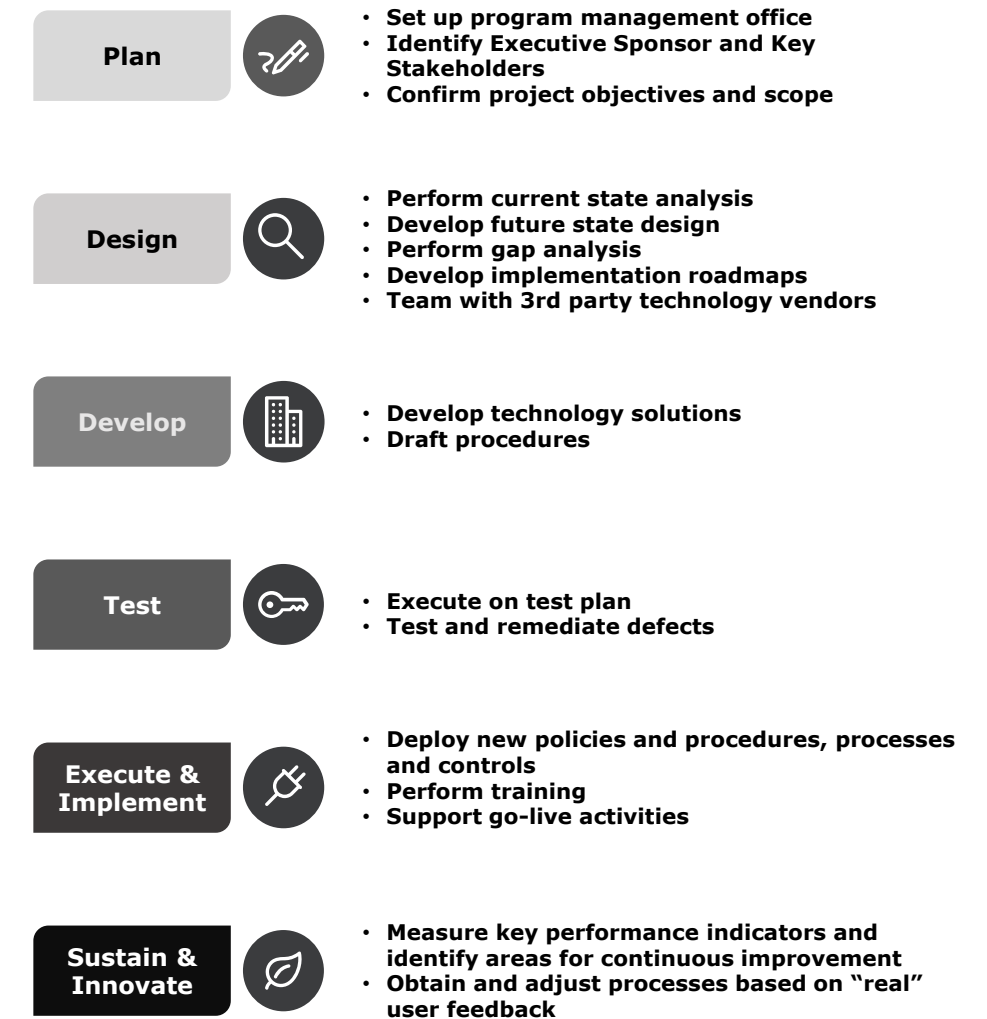
## Target Operating Model

Identification and development of the key dimensions of the tax operating model target state.



## Project Approach

When developing a project approach it is important to consider budget cycles, and coordinating the implementation of the CoE with Business Unit pilot and parallel phases.



## End-to-End Technology Framework

Below is a conceptual model for consideration.

