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Brian created and is a leader of the Tax Management Consulting (TMC) service offering and subject matter expert in our global compliance and reporting (CRS) practice for Deloitte Tax LLP (Deloitte Tax). He has assisted global tax organizations in assessing and transforming their global accounting and tax processes, including supporting technologies and information management systems and co-sourcing. He has over twenty five years of tax and technology experience serving global clients across all industries.



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How GBS can be used for accounting and tax compliance

Some accounting and tax activities fit in a global business services model better than others. Key considerations before making the move include people, data, processes and technology.

What types of accounting and tax activities would you consider putting into Global Business Services? And conversely, which activities are harder to centralize?

As enterprise systems and data availability have improved, companies are now looking to move more sophisticated knowledge-based activities into a centralized, GBS environment. Many accounting and tax compliance activities meet that description, but some are easier to deliver via a global model than others. Indirect taxes and statutory accounting and reporting, for instance require some local knowledge, however are more suited to a cross-enterprise approach. In contrast, direct taxes and provision work require more local knowledge to complete, and it is typically more difficult to aggregate sufficient specialized knowledge into a central location to handle these matters. This doesn't necessarily mean these activities are off the table. They can be moved into GBS; it's just a little harder to do. All four areas do require a balance to be struck between centralized processing and local experience to achieve the right mix on cost effectiveness and quality.

What are some of the first steps for moving accounting and tax activities into GBS?

To begin, you'll need to consider four things: people, data, processes and technology. Concerning people, you'll need to define the resource model. This involves determining who's going to do what and where, and if those talent resources presently exist in-house or not. Similarly, you'll need to identify the data required

to do the work, answering questions such as: Where is it located? How do we get it? Is it high quality? And, how do we validate it? Processes will also need to be identified, with an eye toward assessing their suitability for centralization. For example, what do your end-to-end accounting and tax compliance processes look like; which activities draw upon general principles and which require specialized, local knowledge; and where do these activities fall on the risk spectrum? Finally, you'll need to look at supporting technologies, delving into what it will take to assess, customize, deploy, and periodically update these systems.

How do you measure success?

In our view, success has to do with being compliant across jurisdictions at an effective cost point in a quality manner. Or put another way, it's about preserving—or specifically enhancing—quality, while saving money. Successful organizations don't just move an activity into GBS because they want to participate. They put it there because it makes sense both from a risk and a cost perspective. The risk of non-compliance should be weighed against the cost savings of centralization. A GBS model may mitigate the risk of some types of accounting and tax activities by improving their quality. However, activities that don't naturally lend themselves to being centralized may take on more risk within a GBS construct as they are moved farther away from the necessary technical knowledge and experience, which is often locally based.

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