



# Tax technology

## Transforming the Tax Function



Over the last few years, tax and technology have become inextricably linked, with technology continuing to rapidly influence how taxpayers and regulators alike carry out their tax responsibilities. Intelligent automation, data and analytics, cloud, data enablement, blockchain, and cross-functional business digitization are some of the global technology trends affecting the tax function. With technology solutions capable of managing entire processes - including data collection, analysis, compliance, and audit activities - technology may hold the key to the future of tax

According to the findings of KPMG East Africa's 2022 Tax Function Assessment survey, the vast majority of tax leaders do not use technology in their tax functions. However, survey respondents ranked tax technology as their top investment priority, followed by staff training and process optimization. Further, tax leaders noted that while technology adoption in the tax function is not on par with other areas of the business, it is expected to increase over the next three years.

Tax technology is a critical enabler of effective tax department design and delivery-technology, and innovation can mean the difference between a defensive tax department, one that is simply keeping up, and one that is actively building a strong narrative within the organization.

Tax leaders seeking to deliver on an ever-expanding set of compliance obligations faster and without sacrificing quality need to leverage technology to do so.

The convergence of tax and technology has the following advantages for tax executives and their departments:

1. Automation and streamlining of routine tax processes
2. Improved consistency, accuracy, and speed in tax reporting and compliance
3. Faster response to regulatory changes
4. Broader insights from data
5. Effective intra- and cross-departmental collaboration
6. Smarter tax planning and forecasting

To ensure rapid adoption of tax technology, senior leadership must maintain a technology-focused mindset, backed up by a solid tax technology strategy and roadmap. Most importantly, the tax technology strategy and those in charge of implementing it must be consistent with the overall business strategy.

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