

Using technology to unlock value

KPMG's Global Indirect Tax Services

Businesses are generating increasing volumes of transactional and financial data, but is this data fit for the purposes of the modern tax department? Does it allow them to proactively manage tax risk and compliance? How do they unlock the value that may be hidden in the data?

In the drive for cost reduction and increased efficiency, the value needs to be delivered with less resource. To transform data into knowledge and insight, the tax department needs solutions that can deliver informed decision making for their global operations.

How does indirect tax impact the P&L and balance sheet?

For many multinational corporations, indirect tax is likely to be the third largest cash flow after sales and cost of sales. Our experience is that limited resources are allocated to the effective management of this cash, and that limited technology is available to actively manage the risks as well as the opportunities that arise.

In reality, while many companies believe their indirect tax processes work effectively, the complexity of global operations means they may actually miss risks and value in many areas of their business.

This can lead to an absolute P&L cost or timing issues which can have a significant working capital impact upon the balance sheet, and values can be difficult to identify and quantify. The challenge is how to unlock this value hidden in the transactional data of your ERP systems.

While these systems are not necessarily designed for tax purposes, they remain the primary source of all information. Being aware of system capabilities and limitations enables the tax executive to play an active role in enhancing indirect tax controls, ensuring accuracy of tax determination and identifying challenges at the root cause.

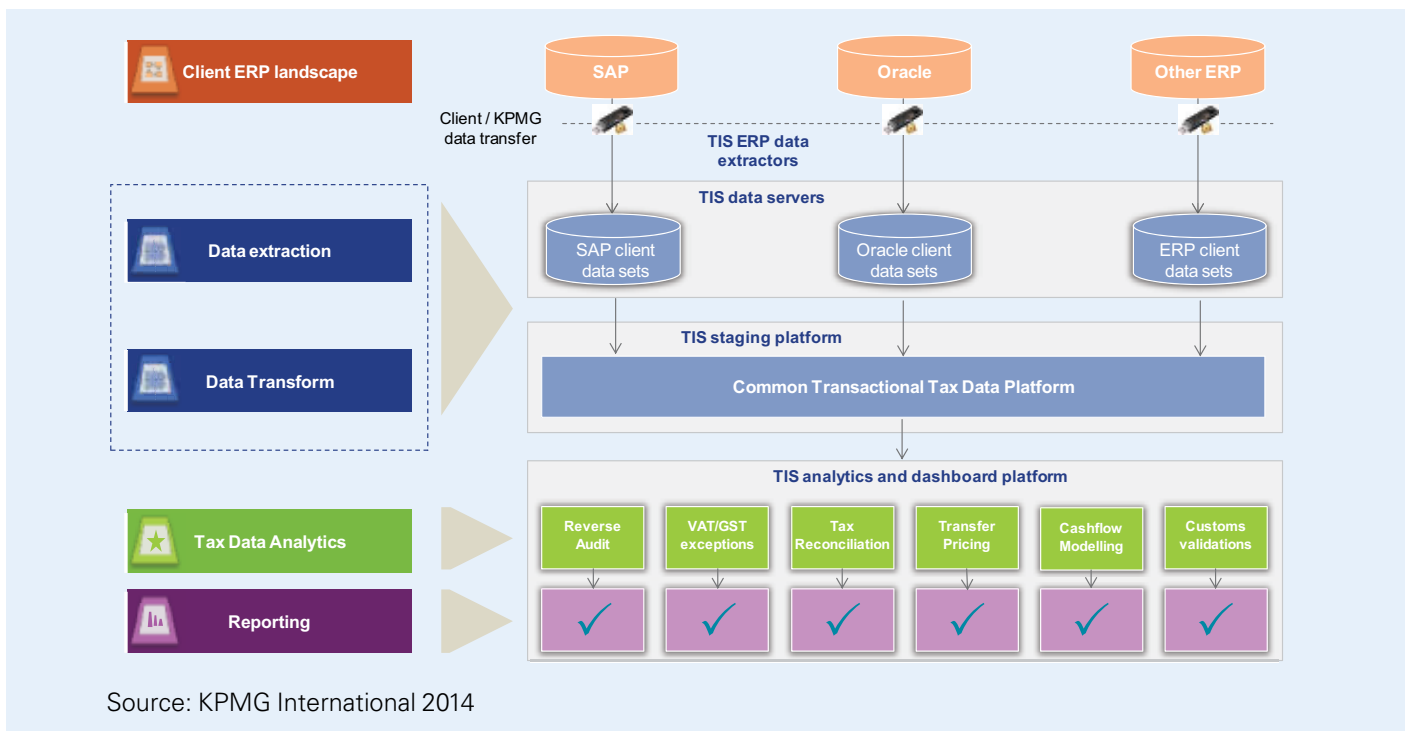


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KPMG has developed an integrated suite of indirect tax technology analytical tools, methodologies and insights which can help add value to companies' tax and finance departments. They allow businesses to gain quantitative insights and visibility on the status of compliance, process efficiencies and opportunities which can drive real financial value for the tax department and the wider business.

KPMG's Tax Intelligence Solution (TIS), can provide you with the insight and visibility to:

- help reduce human error through automated processes
- identify tax which has been incorrectly expensed
- enhance working capital
- detect tax determination errors earlier and reduce the risk of penalties
- help reduce time to settle tax audits and queries
- increase tax process efficiencies
- avoid financial, reputational, strategic and operational risks.



Key features of our approach include:

- standardized tools to extract all tax relevant data from all major ERP systems
- sophisticated data cubing technology, hosted in the TIS platform to analyze transactional data and identify risks, opportunities and areas for process improvement
- the ability to 'enrich' finance and tax data with other key information, including authorization data, customs and logistics data, corporate credit card expense data and ERP master data
- over 100 standardized indirect tax analytical routines to interrogate the information gathered
- data visualization and reporting tools to allow easy manipulation and refinement of outputs
- access to the collective insight of KPMG's Global Indirect Tax Services practice in driving both P&L and working capital savings for global companies.

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