



How can you be more efficient at managing indirect tax?

**Indirect Tax Process
and Technology**

KPMG International

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How do you manage indirect tax in today's challenging environment?

The environment in which indirect tax directors operate has changed dramatically.

Tax functions need to adapt to a changing world with mounting regulatory and cost pressures, while leveraging best practices in industry and developments in technology.

Knowing how to address these challenges can be a daunting task. KPMG Indirect Tax Process and Technology professionals can help you assess the specific challenges you are facing and draw on our experience to develop and implement a tailored approach that works for your business.



Businesses continue to expand into new markets with increasingly complex tax systems.



Globalization of business processes is continuing to drive centralization of finance, tax and other functions.



Regulatory complexity and the need for greater tax revenues from indirect taxes is on the rise.



Companies are expected to improve their governance, accountability and transparency in all areas, including tax.



Tax authorities require greater disclosure of transaction tax data as part of the indirect tax compliance process on eAudit techniques, and how indirect tax is managed within the organization.



Enterprise IT initiatives such as ERP, ecommerce and procurement projects can drive efficiencies around how indirect taxes are managed.

In our experience the challenges and the solutions can be grouped into the key elements of governance, compliance and technology.



Governance

What is your strategy and how do you make it happen?

The attitudes of many governments, shareholders and boards of directors to the management of tax are changing. Managing tax risk and reputational issues are high on the agenda. The question of companies paying their 'fair share', for example, is now one of the most prominent areas being scrutinized by governments, the general public, investors and media.

Meeting compliance obligations, being efficient and cost effective, working with the business, and communicating internally and externally on the group's tax position, are essential requirements for today's indirect tax directors.

In our experience, setting a strategy, putting in place a governance framework and taking steps to bring this to life are the building blocks to success.

We can help

- 1 Establish a clear indirect tax vision and strategy, aligned to the business objectives of the wider organization, which articulates how the indirect tax function will deliver value.
- 2 Align indirect tax with corporate initiatives such as ERP roll outs/upgrades, finance transformation or other corporate initiatives.
- 3 Implement processes and controls to manage your tax risks.
- 4 Get visibility over your global indirect tax data and develop a strategy to oversee your tax position.
- 5 Create the right operating model for your tax function, mapping out the people, processes and technology you need to efficiently deliver the agreed tax strategy.
- 6 Implement a governance and control framework that defines which taxes the tax team are responsible for, and how to best partner with key stakeholders in the business.
- 7 Benchmark your tax function and put in place relevant KPIs to drive the right behavior and demonstrate success.



Compliance

What is the most effective and efficient way of managing your compliance obligations?

In a drive for efficiency and cost saving, companies are continuing to review and transform their finance functions. Indirect tax functions need to keep pace with these changes. We are continuing to see a trend among global business towards centralization, centers of excellence and shared service centers.

It is important not to overlook indirect tax and statutory responsibilities. Increasing compliance requirements, aggressive tax audits and reputational and financial risk are just some of the potential pitfalls faced as a new sourcing-led finance strategy is implemented. How groups want to manage their global indirect tax obligations is central to their thinking and will help them transform the way they manage their compliance obligations.

We can help

- 1 Actively contribute to **finance transformation projects** to help ensure that tax requirements are built into the design and indirect tax is seen as an enabler.
- 2 **Assess your sourcing options** to determine how you can manage your indirect tax compliance obligations in ways designed to be efficient and effective.
- 3 **Streamline, standardize and automate processes** applying Lean Six Sigma methodology designed to deliver increased efficiency, better management of risks and potentially cost savings.
- 4 Understand and benchmark your real cost of indirect tax compliance and build a **business case for change** to help ensure you are getting an appropriate return on your investment.
- 5 Provide alternate delivery models for **country compliance obligations** through KPMG's dedicated Indirect Tax Compliance Center.
- 6 Gain **visibility and control** of your local requirements, enabled by workflow tools and indirect tax process specialists, to aid risk management.
- 7 Proactively manage your **relationships with tax authorities** and support you in resolving tax disputes to give you greater certainty over your tax position.



Technology

How can technology improve your efficiency and control?

Technology can be essential to the effective management of indirect tax. It can be the key to releasing resources from compliance and validation activity, and to the more effective management of risk. But all too often, businesses will fail to maximize the tax functionality of existing finance platforms, or will invest in additional tools without a clear strategy over what they need to achieve.

We can help

- 1 Develop an end to end technology roadmap for the management of indirect taxes, providing greater efficiency, assurance and control in a cost effective manner.
- 2 Identify and evaluate the right technology solutions to help enable you to meet your indirect tax compliance obligations.
- 3 Ensure your existing finance and/or ERP systems are properly configured for indirect tax determination and reporting functionality across your business.
- 4 Deliver potential cost and resource savings by reducing the time spent on consolidating, analyzing and reporting data through greater automation.
- 5 Access faster, more accurate reporting and analysis, leveraging the vast amounts of indirect tax data available in your business enabling you to make informed strategic decisions and improve performance.
- 6 Use technology to allow you to gain visibility of your global tax processes.

KPMG's Global Indirect Tax Process and Technology team has the skills and experience to help you manage your indirect tax risk efficiently.

Americas

Sam Guevara

T: +1 312 665 2439
E: sguevara@kpmg.com

Europe, Middle East & Africa

Chris Downing

T: +44 20 7311 2684
E: chris.downing@kpmg.co.uk

Asia Pacific

Adrienne McStocker

T: +65 6597 5810
E: amcstocker1@kpmg.com.sg

kpmg.com/socialmedia



kpmg.com/app



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