

Streamlining the indirect tax process

KPMG and Vertex: Helping to reduce cost and risk of the indirect tax process

Managing indirect tax is increasingly complex. In the United States alone, thousands of sales tax rates change annually. And globally, VAT rules are applied differently in each country. As demands for transparency increase, efficiency and accuracy are vital to reporting.

Tax complexity touches multiple parts of the organization. The CIO must identify and protect tax data. The CFO must defend tax positions to the board, audit committee, and shareholders. And the leaders of tax departments must manage the costs and risks of compliance, advance tax expertise and capabilities to keep pace with the company's growth, and identify strategic tax savings to create business value. To compound these challenges, tax departments must often meet these requirements with fewer resources.

KPMG LLP (KPMG) and Vertex can help your corporate tax department lower the costs of managing indirect taxes and reduce audit risk. By streamlining and automating routine reporting and compliance, KPMG and Vertex enable you to elevate the business value of your tax department by focusing on activities that can result in meaningful, measurable financial benefits to the global organization.

To meet the challenges of managing indirect tax, your company must:

- Comply with global tax compliance requirements and applicable processes
- Effectively address overall tax risk governance
- Reduce tax risk and exposure to audit adjustments
- Avoid potential indirect tax fraud and revenue loss
- Improve the effectiveness and quality of processes behind taxable transactions.

Why KPMG

KPMG's Transaction Tax Systems (TTS) group can help your company respond to increasing demands from the transaction tax compliance procedure while increasing efficiency and effectiveness. Our experienced team of professionals can help you transition from reactive administrative support responses to a proactive strategic approach to meet compliance requirements and add value to your business.

Our straightforward approach begins with identifying your business's needs, goals, and objectives and understanding the flow of a business tax policy through the processing and reporting of transactions. Next, we methodically assess your current processes to determine how well they align with overall corporate objectives. As a result, you receive a carefully crafted business and functional requirements document that identifies future-state processes for bringing indirect tax objectives into alignment with the overall goals of your business.

Why Vertex

Combining industry-leading tax research with the most current technology, Vertex delivers end-to-end global tax technology solutions. The following capabilities streamline and automate indirect tax management and can deliver tangible benefits to your business:

- A database of tax rates (updated monthly) lets you focus on tax management, not tax research.
- Automated calculation of taxes brings accuracy and consistency to every tax transaction.
- Custom setup of your company's unique taxability rules and exemptions ensures the system adapts to your specific business requirements.
- Automatic determination of taxing jurisdictions involved in a transaction reduces risk of noncompliance.
- Integrations with major enterprise resource planning (ERP) and financial systems ensure the tax for each transaction is based on accurate transaction details.

Vertex solutions not only can reduce your audit risk but also give you greater visibility into your tax processes. The end result is a tax department that provides higher value to the organization.

Delivering value together: KPMG and Vertex

The combination of KPMG's global indirect tax experience with Vertex technology provides you with a tested solution for your indirect tax needs. For more than 15 years, KPMG's TTS team has delivered successful Vertex implementations when an indirect tax automation solution is required. Together, Vertex and KPMG provide a complete solution that reduces the risk of error and the costs associated with reporting and managing indirect taxes. When assessing your indirect tax needs, both companies bring decades of experience, specialization, and global knowledge to the table.

By taking advantage of KPMG's deep tax process acumen and Vertex's leading tax technology solutions, you can improve filing accuracy and free up your tax department to bring more value to your company.

Service delivery

Assessment and planning services

KPMG's TTS group works on-site with your tax team to fully assess your current indirect tax processes and understand the flow of your tax policy through transaction reporting. The team then develops a strategy and road map that meets the business's needs, goals, and objectives relative to indirect tax compliance. Tax planning services, technology evaluation, and diagnostic services are all part of these initial stages.

Design and implementation services

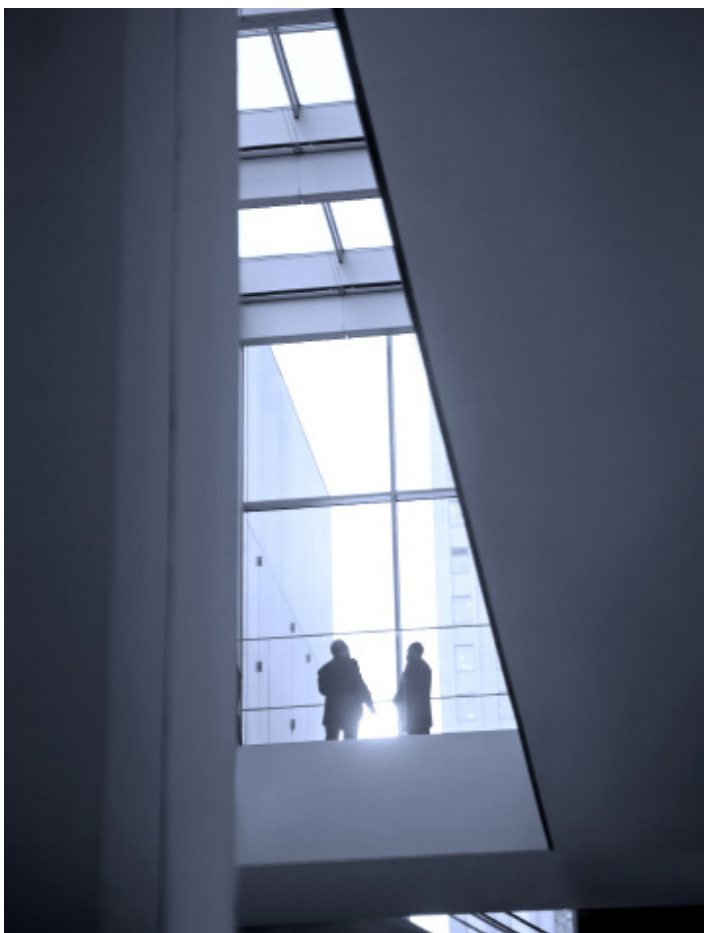
The next step is to confirm the requirements of your unique indirect tax solution. After designing, refining, and documenting the solution, KPMG builds an implementation schedule and articulates the installation and architecture strategy. System implementation, configuration, testing, and migration are then conducted on-site with your own tax team. As a result, your employees receive the necessary training and support to help ensure the solution's success.

Streamline your indirect tax processes

ERP systems alone cannot effectively equip you to address indirect tax management. KPMG’s TTS professionals can help you identify the right Vertex solution to automate tax processes and reduce costs and risk.

Your needs	KPMG and Vertex capabilities	Potential solution benefits
Automate the determination of tax	<ul style="list-style-type: none"> – Real-time determination of the transaction type, tax type, and jurisdiction. – Determinations based on current rules, rates, and policies. – Robust, repeatable, and scalable processes. 	<ul style="list-style-type: none"> – Capture and retain the data needed to support tax policies and decisions. – Manage significantly variable local pricing and currency requirements. – Support local invoicing requirements. – Recognize specific local tax issues and their wider impact on the global deployment.
Automate the calculation of tax	<ul style="list-style-type: none"> – Real-time determination of rates, rules, and tax basis. – Determinations based on current rules, rates, and policies and externally maintained content. – Statutory messaging. 	<ul style="list-style-type: none"> – Support complex local language and content requirements. – Understand the nontax data needed to support global indirect tax decisions.
Facilitate the reporting of tax	<ul style="list-style-type: none"> – Statutory returns, invoicing, supplementary returns. – Audit support and simplified compliance processes. – Ability to use a single audit database to drive compliance. 	<ul style="list-style-type: none"> – Increase controls to help minimize audit exposure. – Streamline tax processes. – Adapt and scale with business changes over time.





Is the KPMG-Vertex indirect tax offering right for you?

- Are you implementing or planning for an ERP transformation?
- Have you considered the tax component of an ERP transformation?
- Will you purchase a tax engine or are you evaluating tax engine alternatives?
- Has your organization failed tax assessments or audits recently?
- Are you outgrowing current tax process due to expansion, mergers, or acquisitions?
- Is your company planning to enter new geographies with unique tax laws?
- Does your organization struggle with tax compliance or tax management issues?
- Are you pressured to reduce costs by focusing on process efficiencies?

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