



Indirect Tax Compliance in a Tax Reimagined world

21 May 2020

Today's presenters



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Topics for discussion

Agenda



1 **Indirect Tax Compliance in a Tax Reimagined World**

2 **In which direction is the world going?**

3 **What do the Tax Authorities want?**

4 **The voice of the business**

5 **How do we address the challenges?**

6 **Q&A**

Administration

Polling questions

- Polling questions will appear as we proceed through the presentation.
- As mentioned, in order to receive the certificate of attendance, we require participants to take part in at least four of the five polling questions.
- If you qualify for the certificate of attendance, it will be sent to you following the webcast.



Attendee questions

- You may submit questions in the *Ask a question* button on the left. We will answer as many questions as we can during Q&A. If we are unable to answer your question during the webcast, someone from KPMG may reply via phone or email following the webcast.
- For technical issues, please use the *Question Mark* button in the upper-right hand corner of the media player.



Your feedback

- When the webcast is over, the webcast player will automatically refresh to display an exit survey. Feel free to complete the survey, as your comments are very valuable to us.





Indirect Tax Compliance in a Tax Reimagined World

Which direction is
the world going?

What do the Tax
Authorities want?

The voice of
the business

What is our
response?





In which direction is the world going?

- Global Tax reform
- Tax transparency
- Enterprise Governance and control requirements
- Shared service center migration/demand for centralized efficient delivery
- Growth in digital reporting requirements
- Visibility and control on global basis
- Importance of Indirect Taxes (consumption based)
- Emerging markets and e-commerce





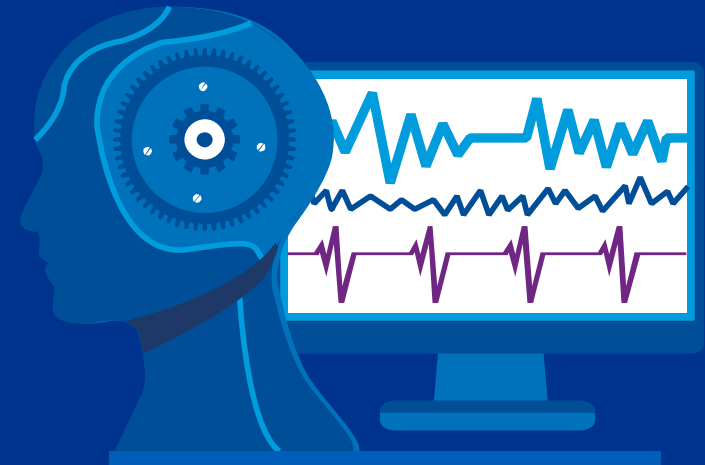
What do the Tax Authorities want?

...How do they do this?

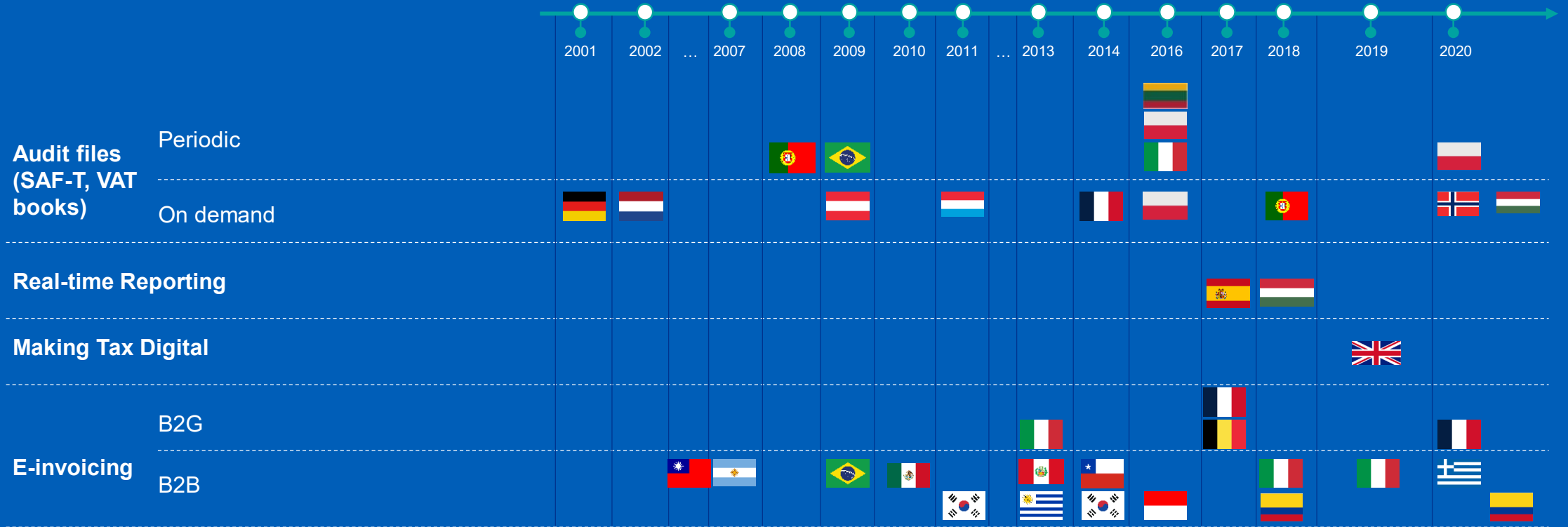


Brazil has seen \$58 B. increase in tax revenue as a result of plugging gaps in invoicing and reporting

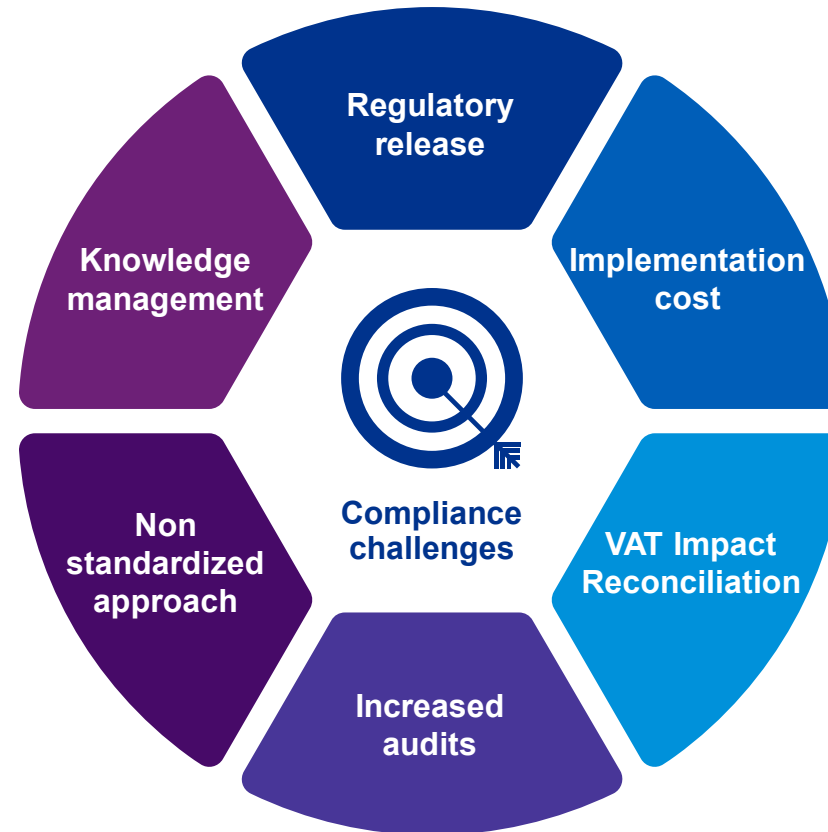
Mexico increased VAT collection by 34% through E-invoicing



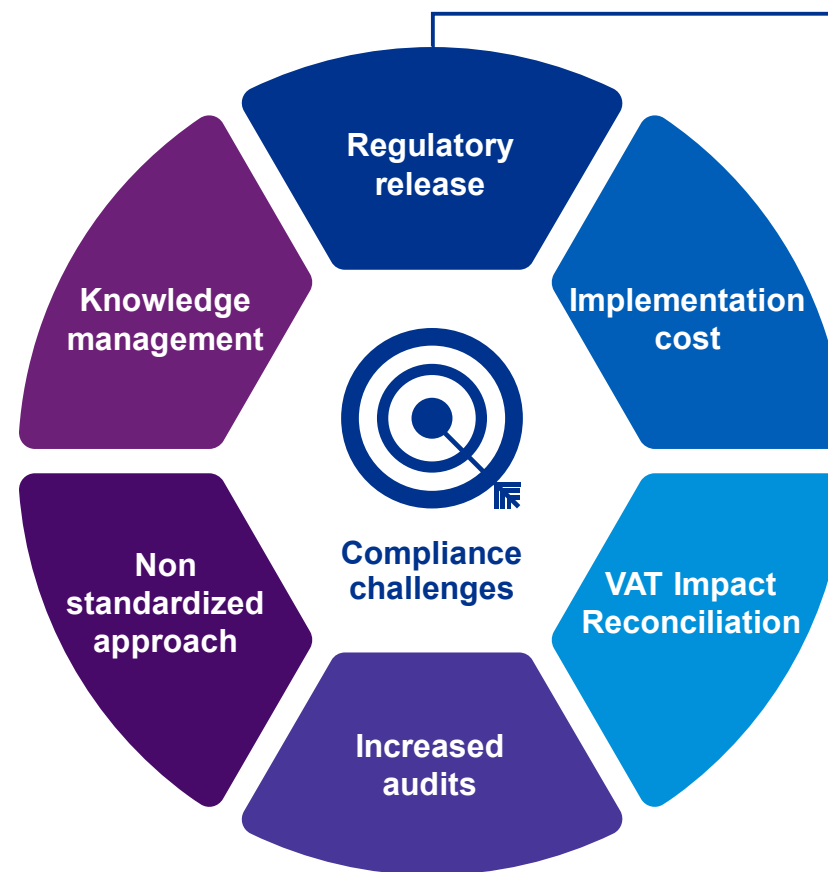
(I) . Digital Reporting trends



Challenges on complying with digital reporting



Challenges on complying with digital reporting



Challenge

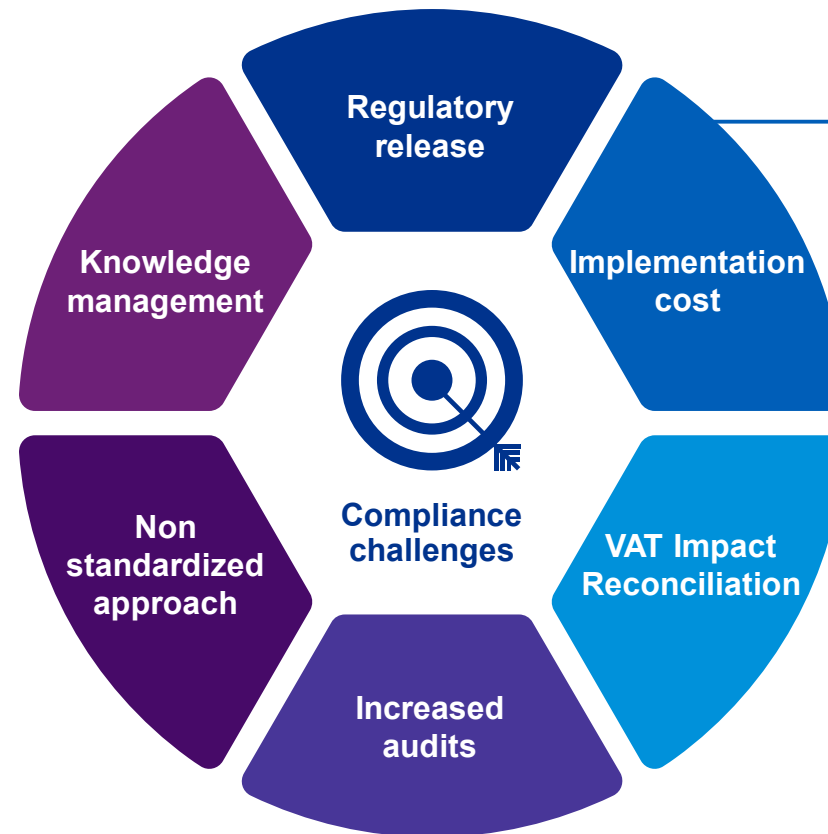
— Practicalities around implementation delayed or with very short timeframe between the announcement and the go-live.

Example:

— Spanish Immediate Supply of Information system



Challenges on complying with digital reporting



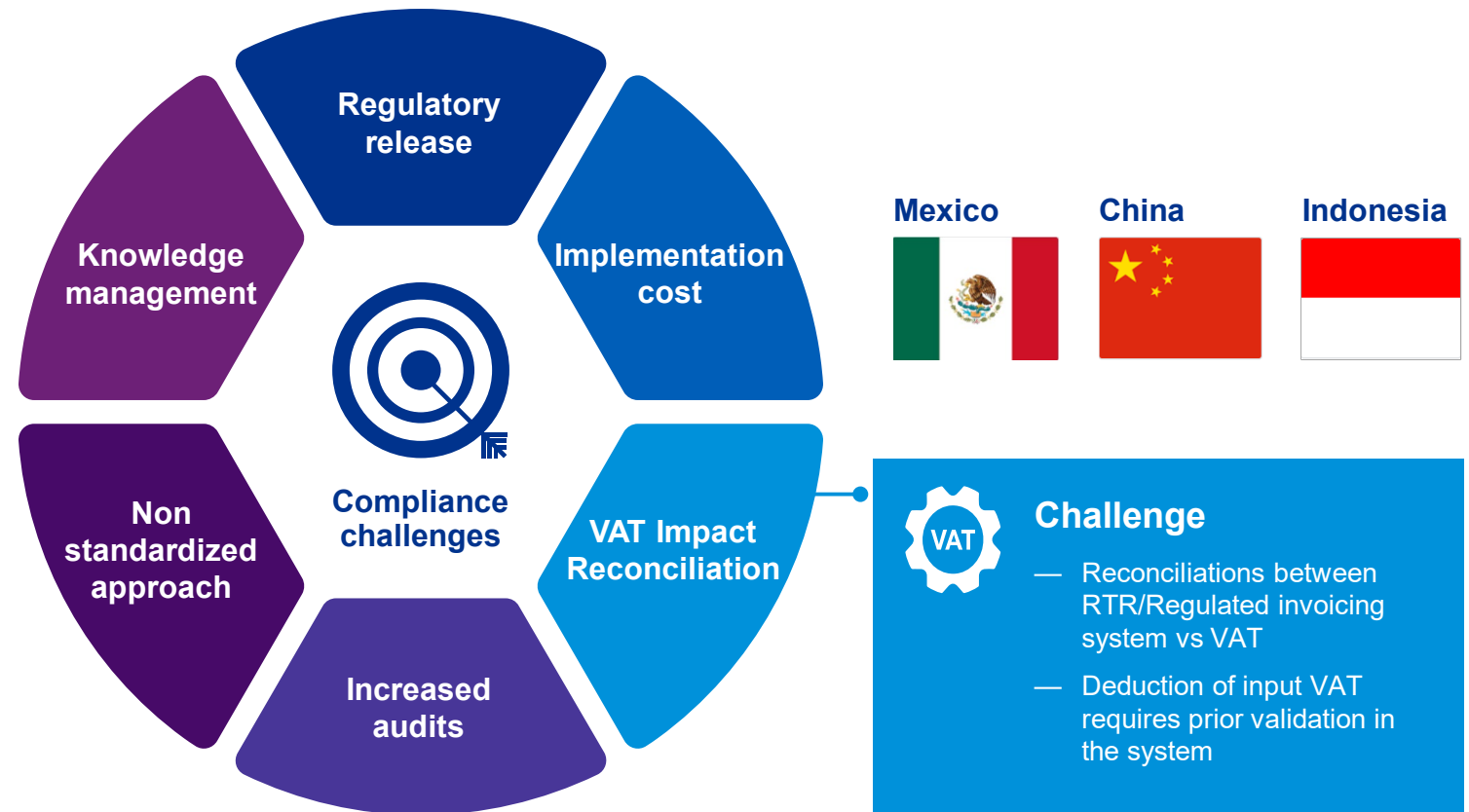
Challenge

Significant investment cost if built by the organization. Gap analysis to be performed.

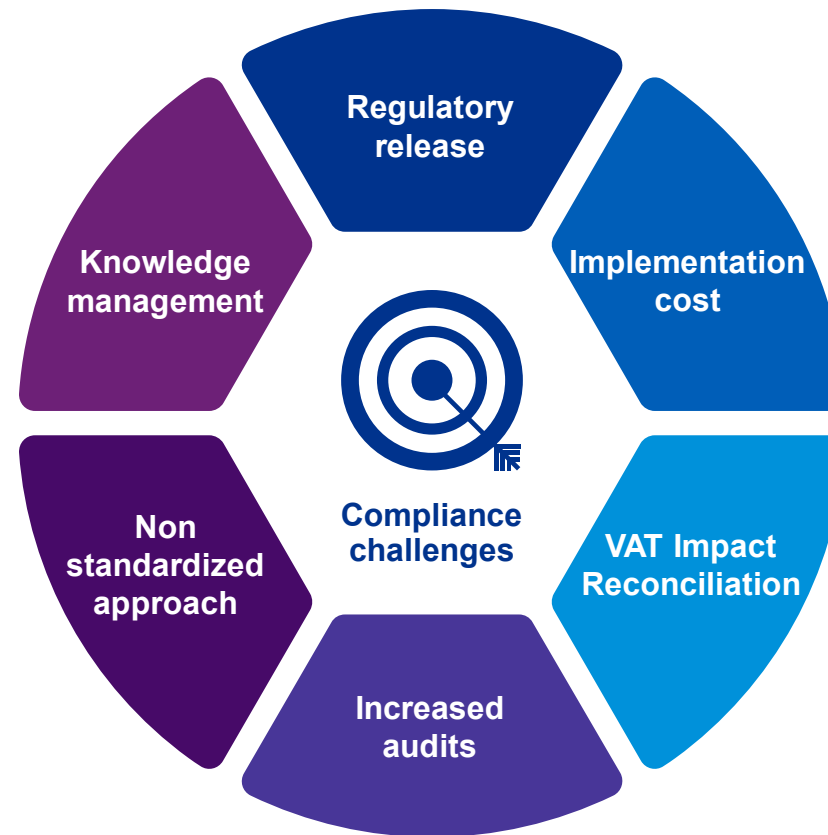
Example:

- 1M EUR invested in performing a gap analysis, ERP set up to handle E-invoicing

Challenges on complying with digital reporting



Challenges on complying with digital reporting

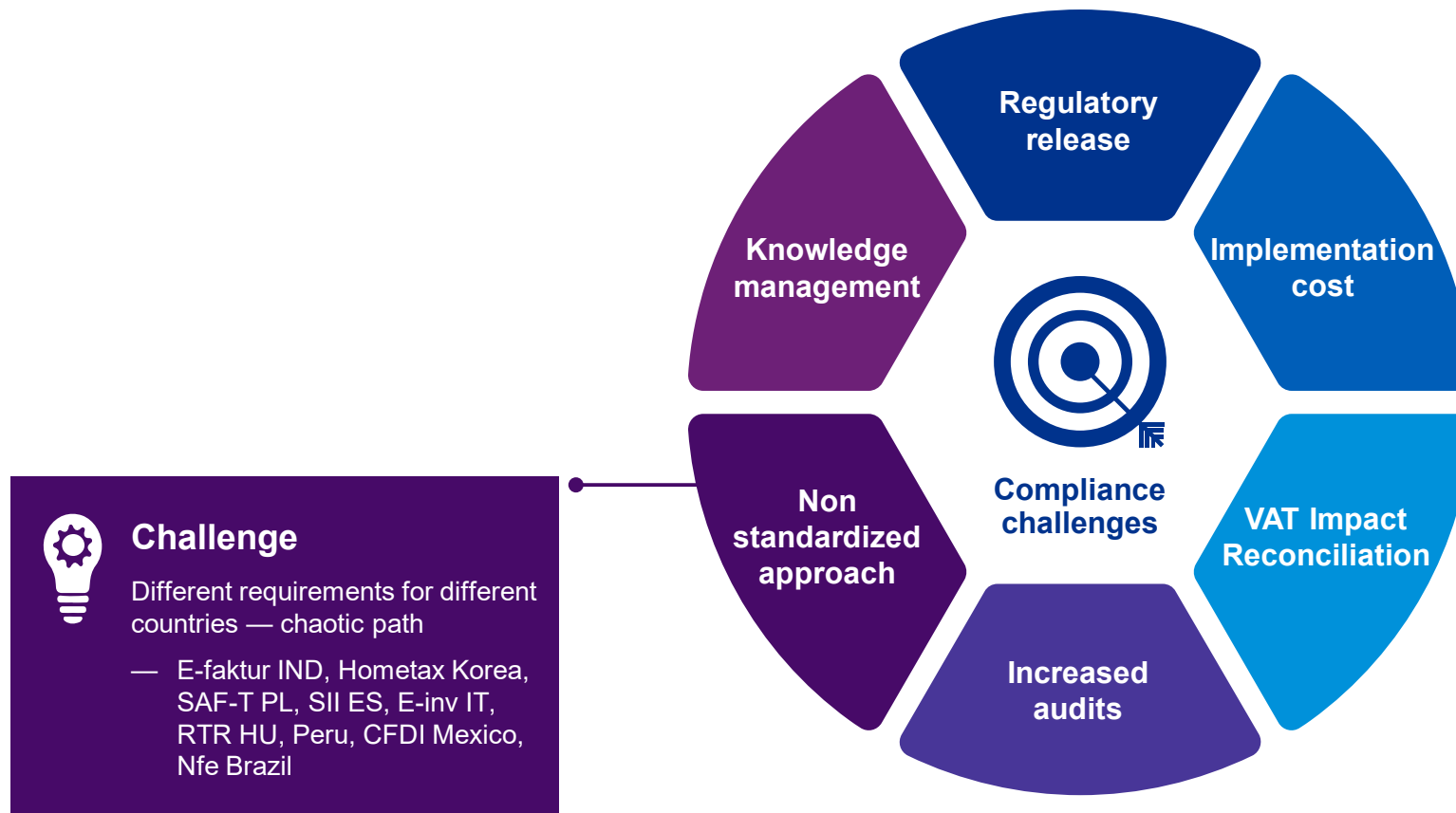


Challenge

Notifications from the TA where RTR vs. VAT/GST data is not in line

Cross check performed between taxpayers

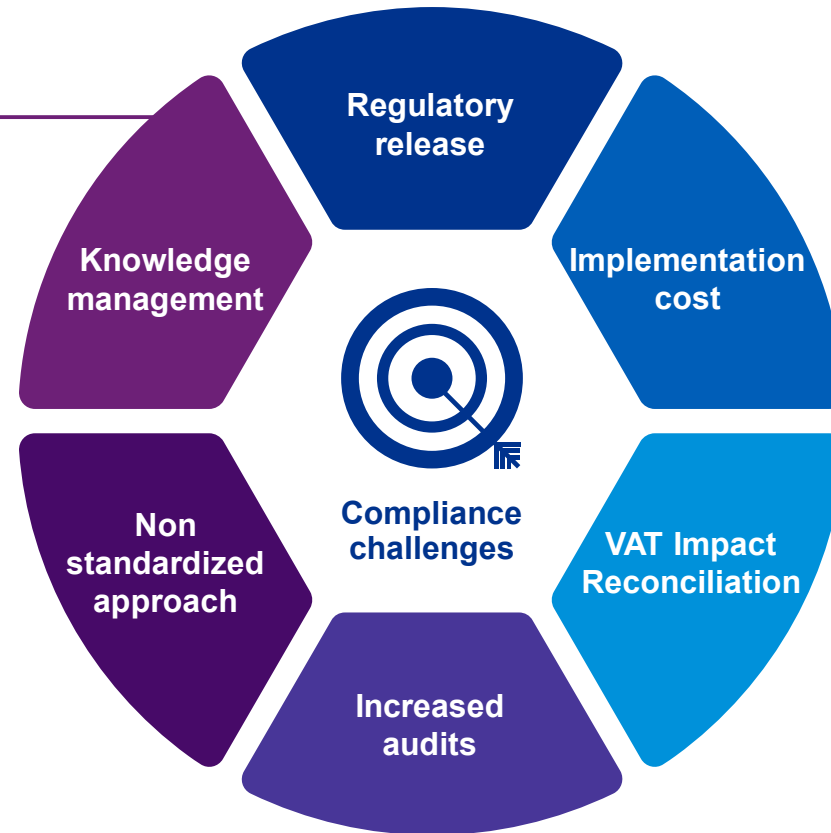
Challenges on complying with digital reporting



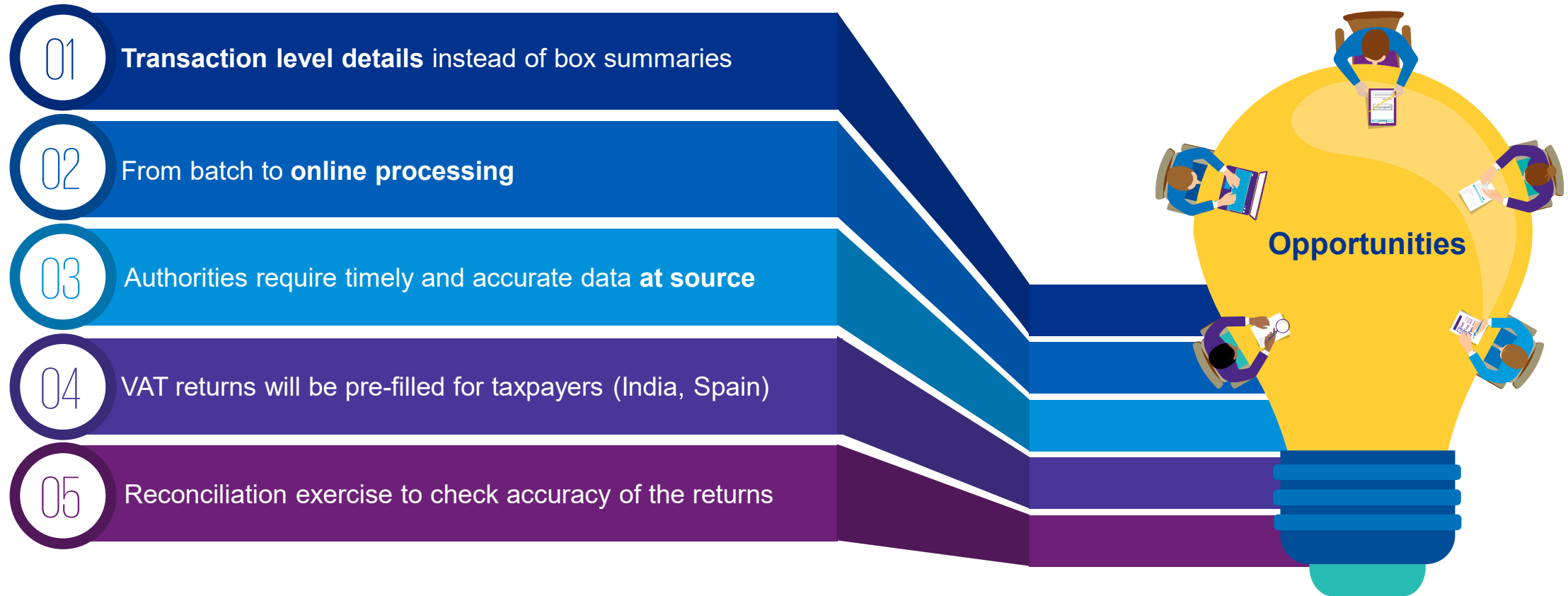
Challenges on complying with digital reporting

 **Challenge**

- Do we understand the requirements in each country?
- Constantly up-to-date to meet the new version of the requirements in the different countries



The death of VAT returns or co-existing systems?



What will happen to VAT/GST return processing?

Please approve:

VS

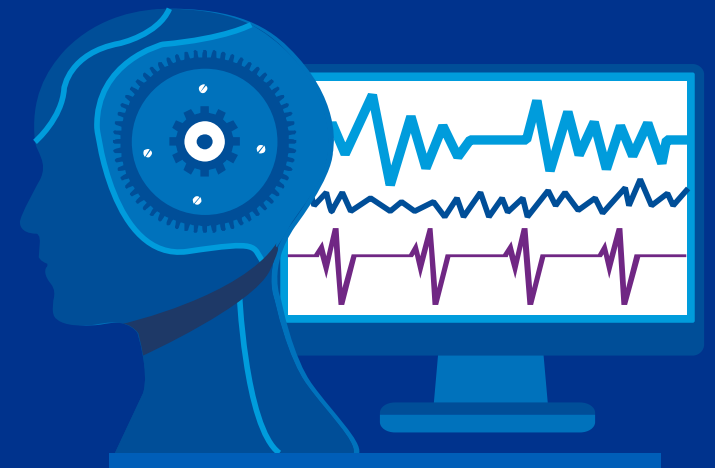
Does it feel better?

Please approve:

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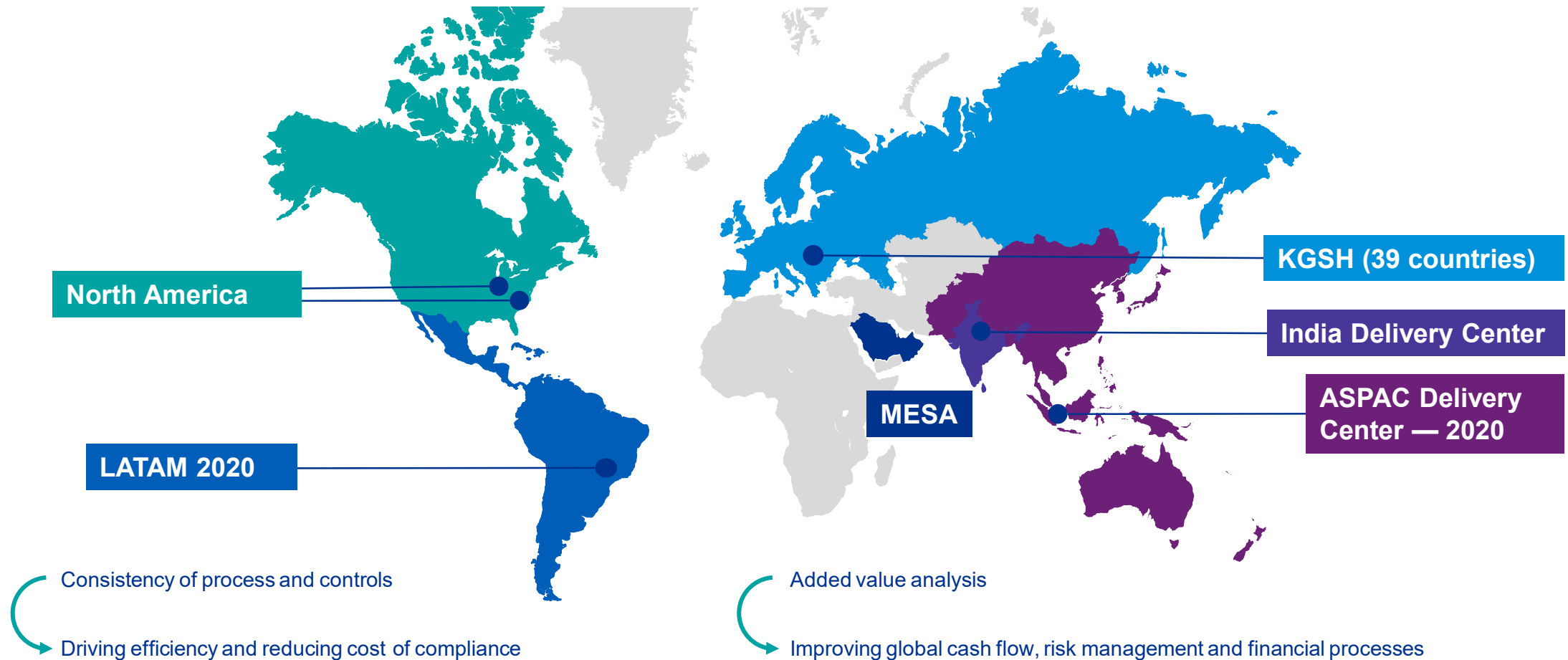
The voice of the business



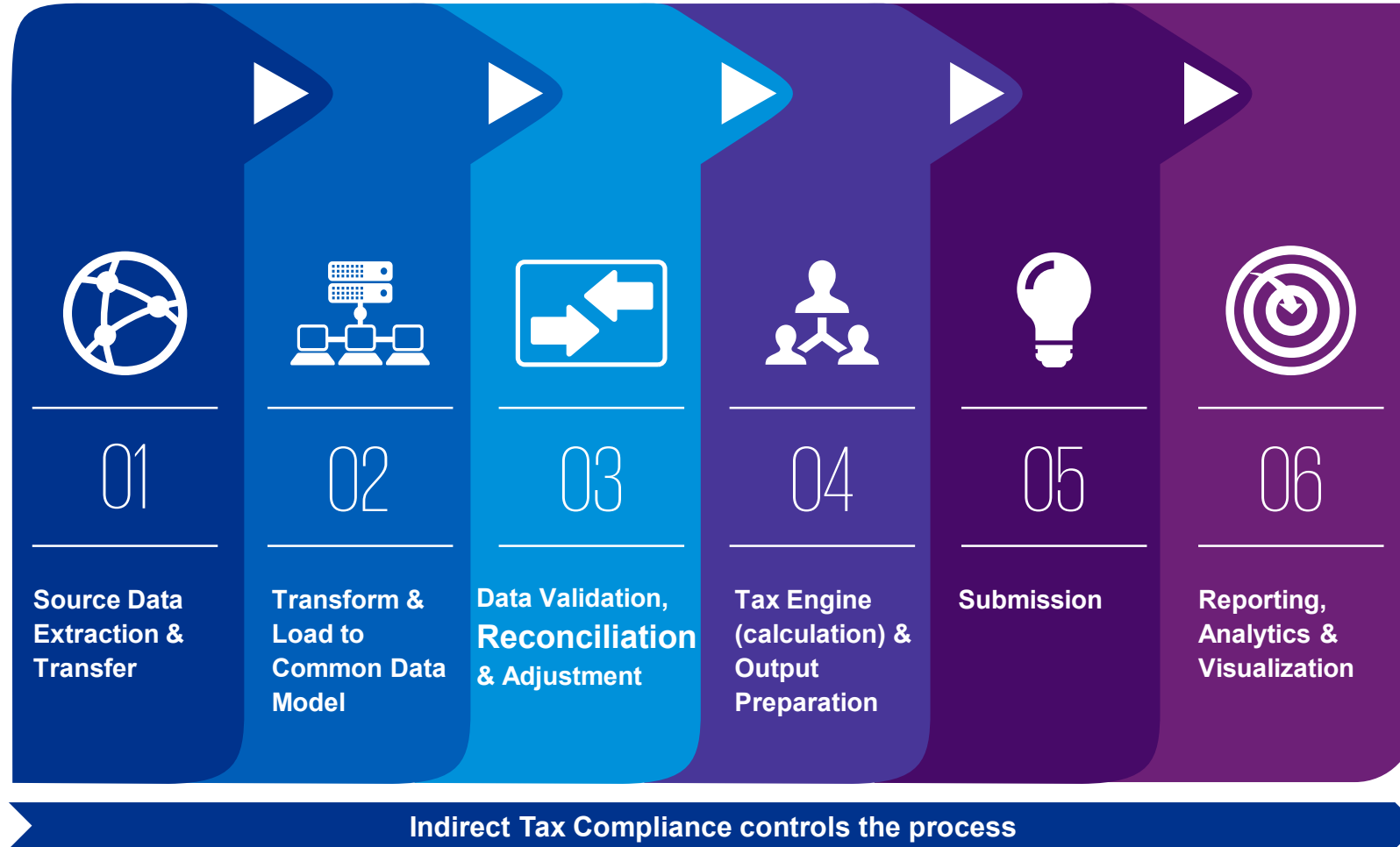
What does the business need...and how KPMG member firms can help?



1 Global coverage: Indirect tax delivery centre network

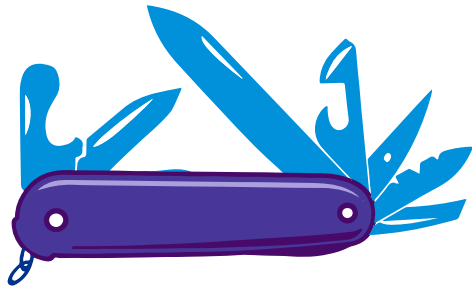


2 Consistency in KPMG's indirect tax compliance process



3 Leading technology

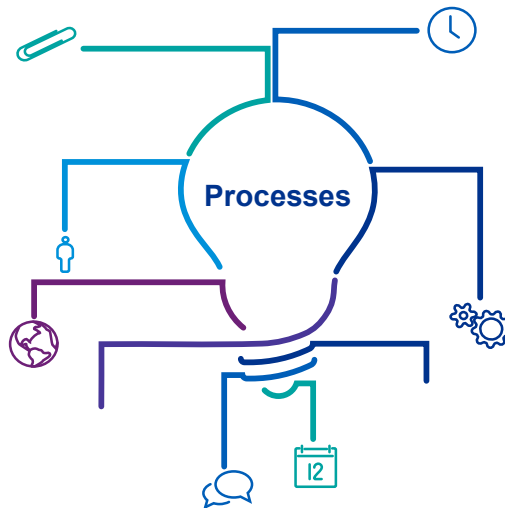
People following **Processes** supported by **Technology** is evolving into:



Technology

- Part of the global tech strategy
- Automated data processing (no files and spreadsheets)
- Complex workflow management
- Cognitive AI solutions
- Cloud services

following



- Provide framework
- Control
- Measure
- Drive efficiency

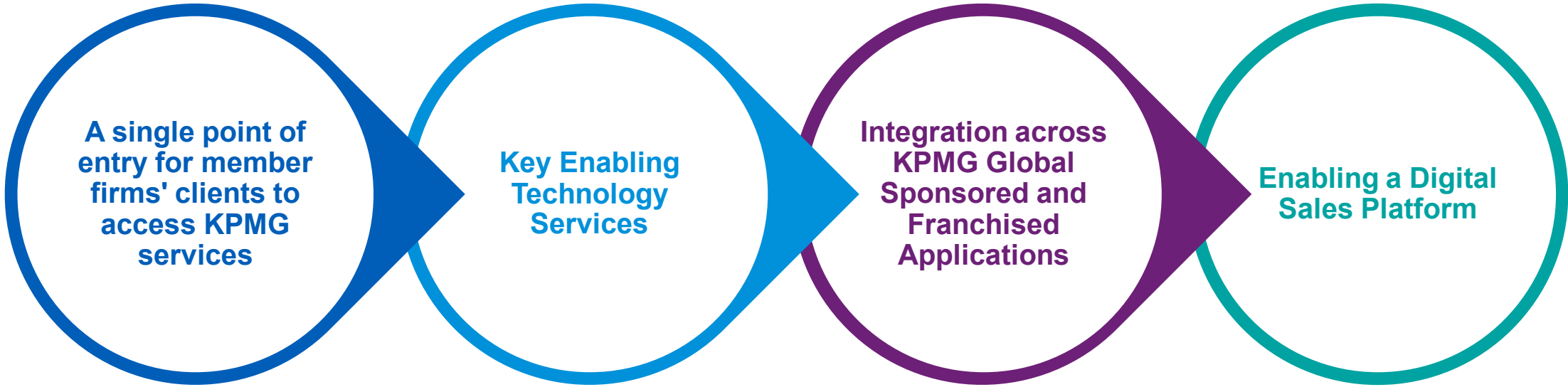
supported by



- Exception management
- Client relationship
- Active relationship with the tax authorities (including on prem, need MF support for relationship built)

4 Objective of Global KPMG Tax Platform

Create a Global KPMG Digital Tax Experience



A landing page features key analytics meaningful to the C-Suite, providing a common user interface and client experience

Common elements are built in a way in which client data is provided once and leveraged across our applications

New applications will be built on the global platform and existing applications will be phased in

Going to market with a strong, common message

KPMG Digital Gateway



Objective: Create a harmonized, global digital platform that puts tax technology solutions at client's fingertips.

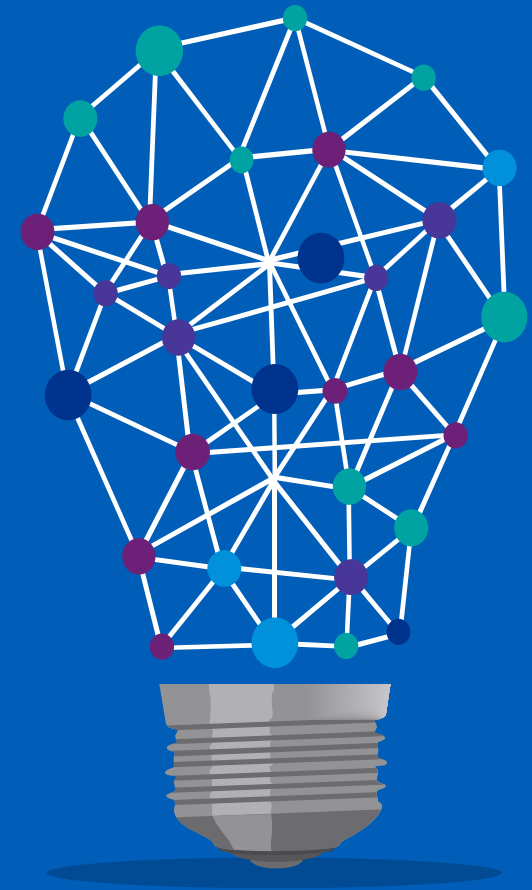
A single point of entry for member firm clients

- A central landing page provides access to the technology services relevant to your business
- Features key analytics that help you engage in tax discussion with leadership
- Provides a common user interface and single sign-on, built on the Microsoft Azure Cloud.

...with key enabling technology and integration across KPMG applications

- Common elements are built in a way in which data is provided once and leveraged across applications
- Both local member firm and global network applications may be accessed
- Data visualizations and reports are delivered in a consistent, compelling way.

Stay tuned for more....



Summary

- Our world is changing at a faster pace than ever before
- Digital/Real time Data is/will become the 'new normal'
- Indirect Taxes are the most important for revenue generation for Governments
- Our future will be dominated by country Tax income requirements as we recover from current health and Economic crisis
- Global visibility, control and management of global tax obligations is now a necessity
- Our strategy is designed to deliver across taxes, across geographies
- Our consistent global approach underpinned by our global technology and processes is operated by our virtual global team.





Questions?

Connect with us



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Thank you



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