

# Lego for Tax – The Next Digital Transformation

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# The entire Lego for Tax series

## Webinar Schema Lego for Tax Series



2020	
25 Nov 2020	Compliance Tracker + R7VAT
2021	
Jan 2021	Compliance Tracker + OneraX
Jan 2021	SasViya / Connector / Source Tier
Feb 2021	Four-Q + 3x3x3
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Apr 2021	Compliance in control, a traffic light configuration

People, Process, Technology

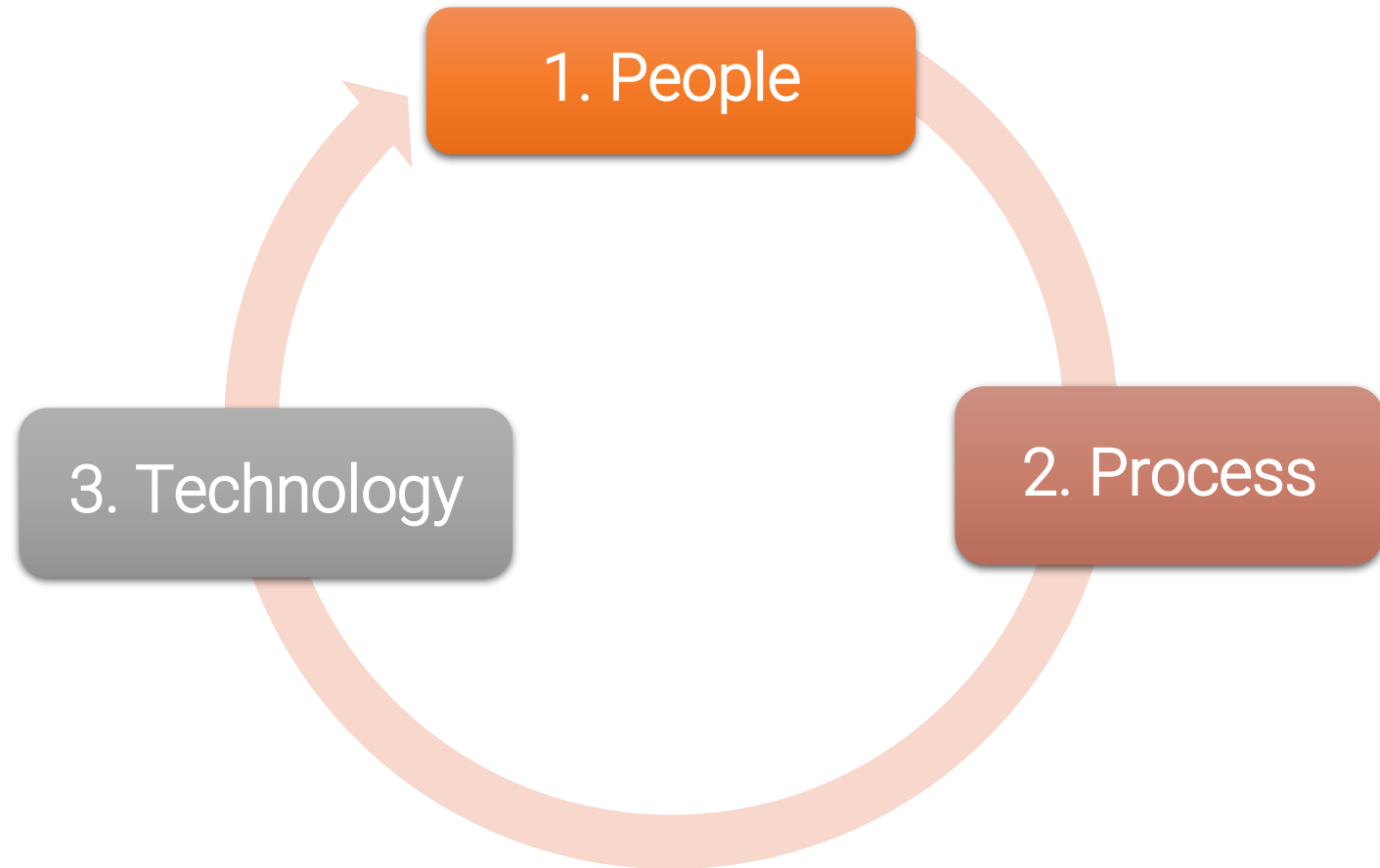
Lego for Tax

Your tax technology Roadmap

**People, Process, Technology**

# The cycle for change, digital transformation

1. Mobilize your professionals and assess who is ready for a changing role and who is not.
2. Process is the enabler of people to use any technology.
3. Selecting the right technology (or Lego blocks) that fit with your Roadmap and existing systems.



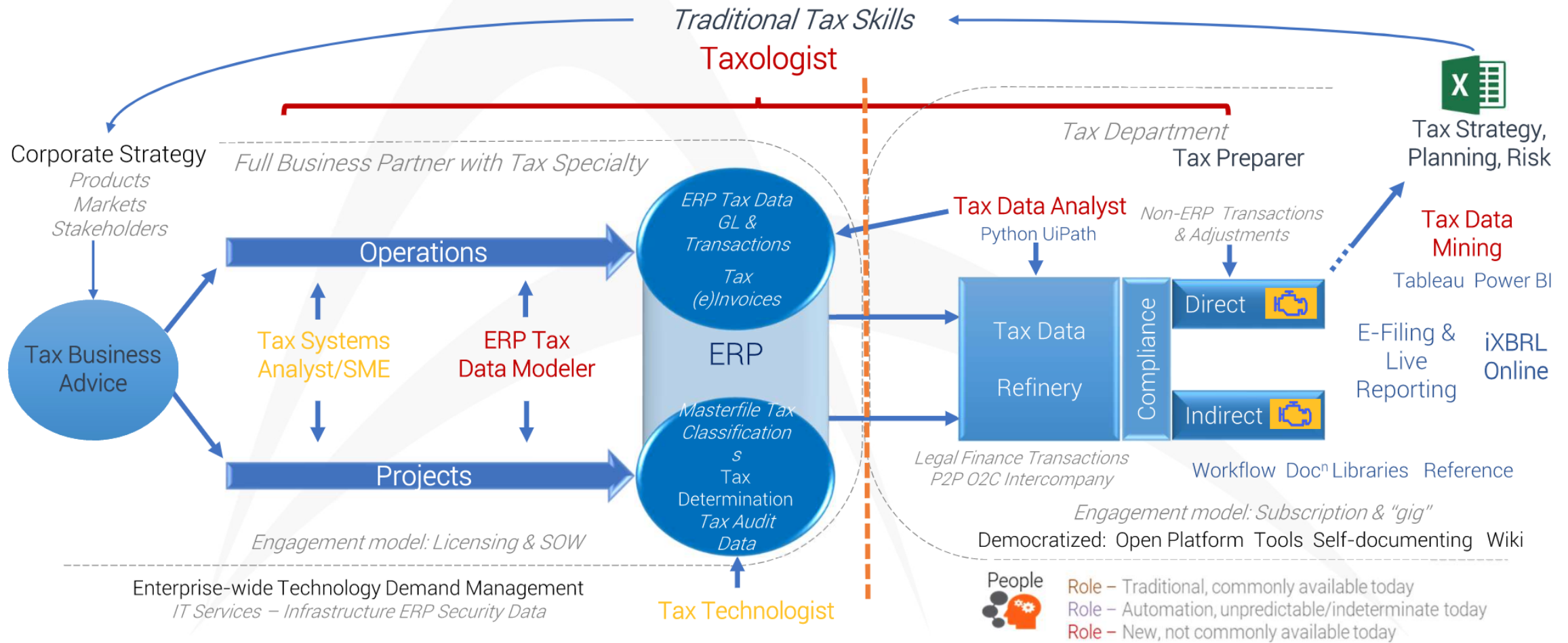
# People + Process

	Head of Tax	Lead TP	Deputy TP	TP Operational	Central finance team	Local tax team	Treasury team	Legal team	Business team
1. Development / maintenance of TP documentation	I	A	R	R	C	C	-	I	-
2. Consultancy – advisory and implementation	A	R	R	R	C	C	C	I	I
3. Audit support	I	A/R	R	R	R/C	R/C	C	-	-
4. Risk Management	A	R/C	R/C	R/C	R/C	R/C	C	-	-
5. Systems (central data management & retrieval)	I	A	R	R	R/C	C	C	-	-
6. Capacity planning – insource/ outsource	I	A	R	R	R/C	C	-	-	-
7. Global benchmarking platform (outsourced to third parties)	I	A	-	R	R/C	-	-	-	-
8. Sign-off TP documents	I	A	R	R	-	-	-	-	-
9. Legal agreements – set up and implementation	-	C	R	R	I	I	I	A	I

Purpose of RACI: connect people to a process

Challenge: what are the new roles of the in-house tax team?

# People + Process



Tax technologist

Digital business models and processes, and use of automated systems by governments, will fundamentally change the work and the skills required of tax professionals to include more than business, accounting and legal expertise. The new generation of business needs tax technologists.

Taxologist

A tax professional that excels in the overall use of technology to maximize tax function effectiveness, including project management.

Tax data analyst

The Tax Data Analyst creates, enhances and maintains demos for federal and state income tax. The analyst will primarily be responsible for creating new and enhancing existing foundational data and managing that data to prepare the documents for income tax purpose.

ERP tax data modeler

The person that looks at the ERP from a tax perspective. This person has more of an IT background than a tax background, because data is data. The main activity of a ERP tax data modeler is modelling the system that converts data coming from an ERP into useful tax data.

Tax data miner

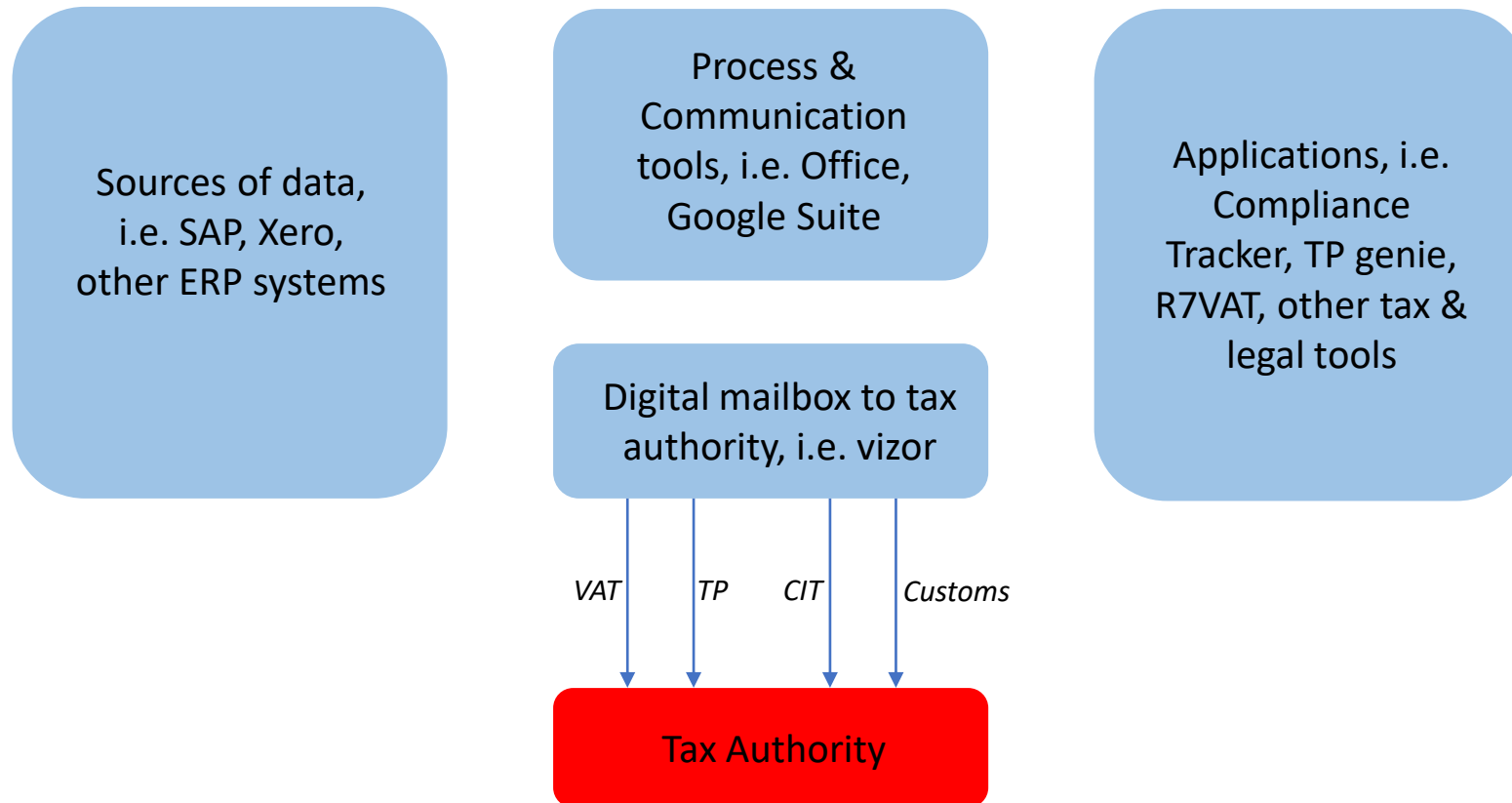
The person that picks up the data from the different source systems, primarily ERP systems.

Tax systems analyst

The tax systems analyst is the person that analyses the corporates setup and creates a working customized system designs the system, meaning the way that the

# Data Process

*Data is the fuel of the digital transformation, but it is meaningless without an organisation around it. What does that organization around data look like?*

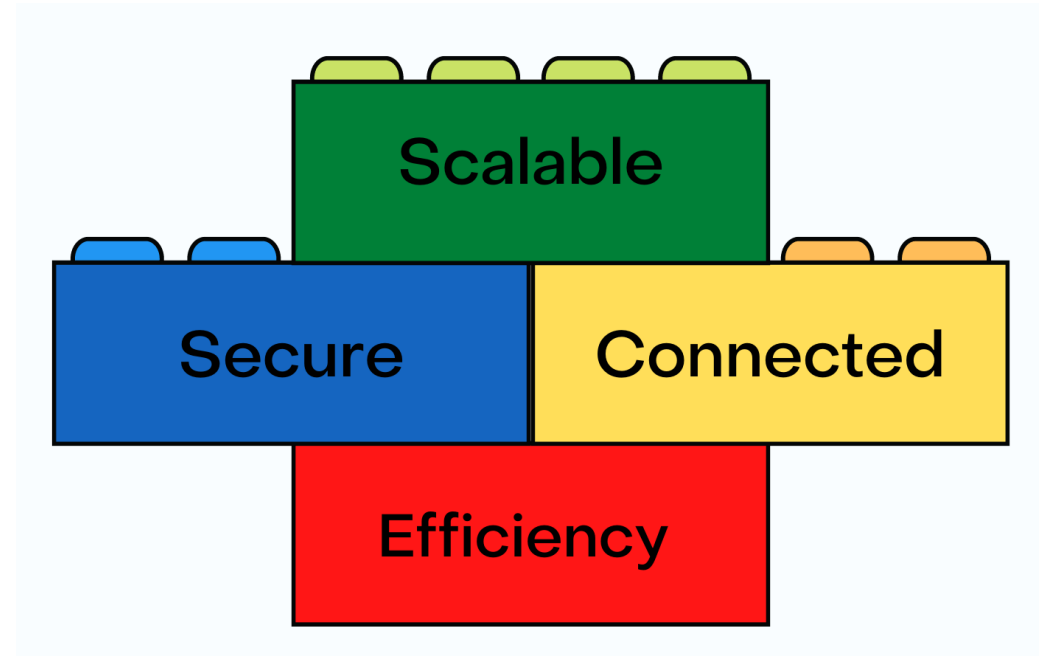




# Technology – a Lego for Tax approach

## 4 selection criteria:

1. Connect to each other seamlessly.
2. Increase efficiency of data and people's workflows.
3. Is easily scalable, both bigger and smaller.
4. Secured so nobody can enter unwanted.



# Three Sides of Tax



People, Process, Technology

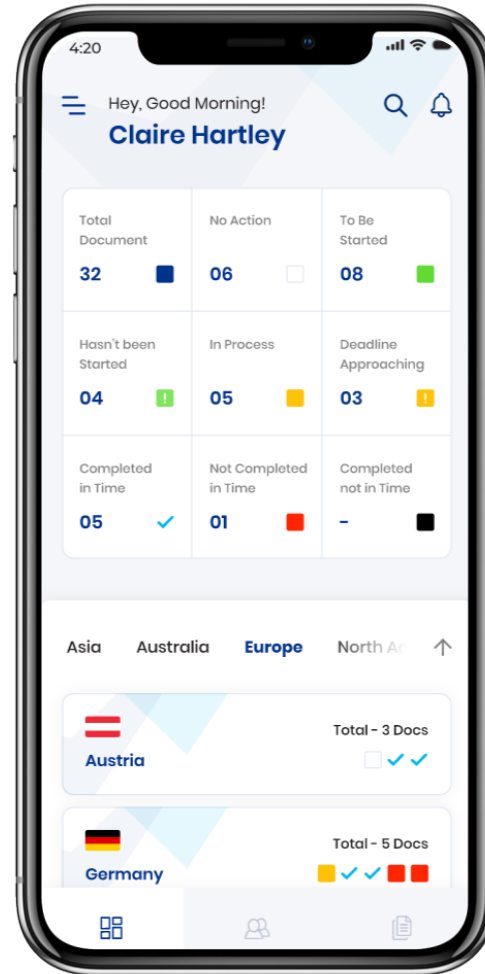
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Your tax technology Roadmap

Lego for Tax

# Compliance Tracker App, an example of a Lego block

<https://xd.adobe.com/view/53388722-d676-4411-7468-79b3d3d04d4f-2509/>

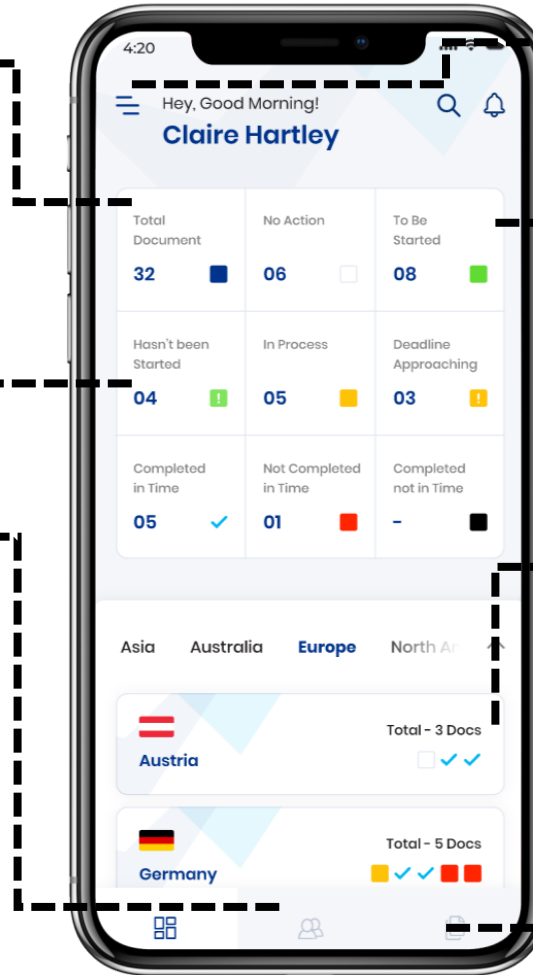


# Various ways to connect with the Compliance Tracker

- **Status Update of Document (trigger: update status of the documents/deadlines)**

- **Deadline / Document Creation (trigger: creation of deadlines/documents)**

- **Employee Allocation (trigger: assign documents to specific employees)**



**Support / Help API (trigger: create support / help tickets)**

**Calendar Integration (trigger: integrate with other calendars)**

**Document Attachment (trigger: office 365 documents can be attached to a specific Document/Deadline)**

**Document / Deadline History & Details (trigger: provide due date, assigned users as well as status history to external tools for reporting)**

# Example of 2 applications (Lego blocks) working together

What is the challenge we are facing

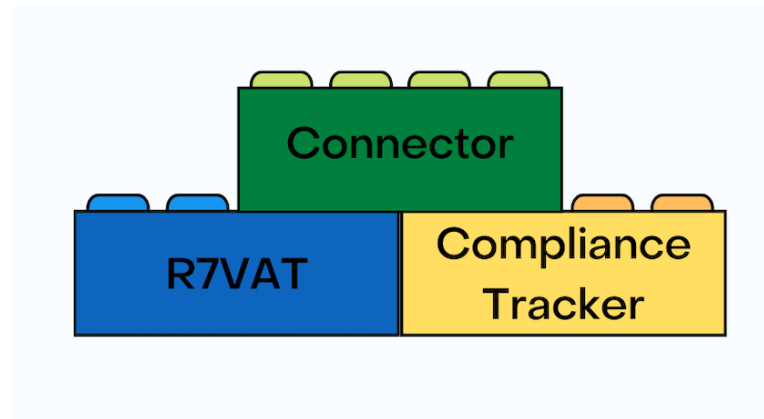
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VAT in UK

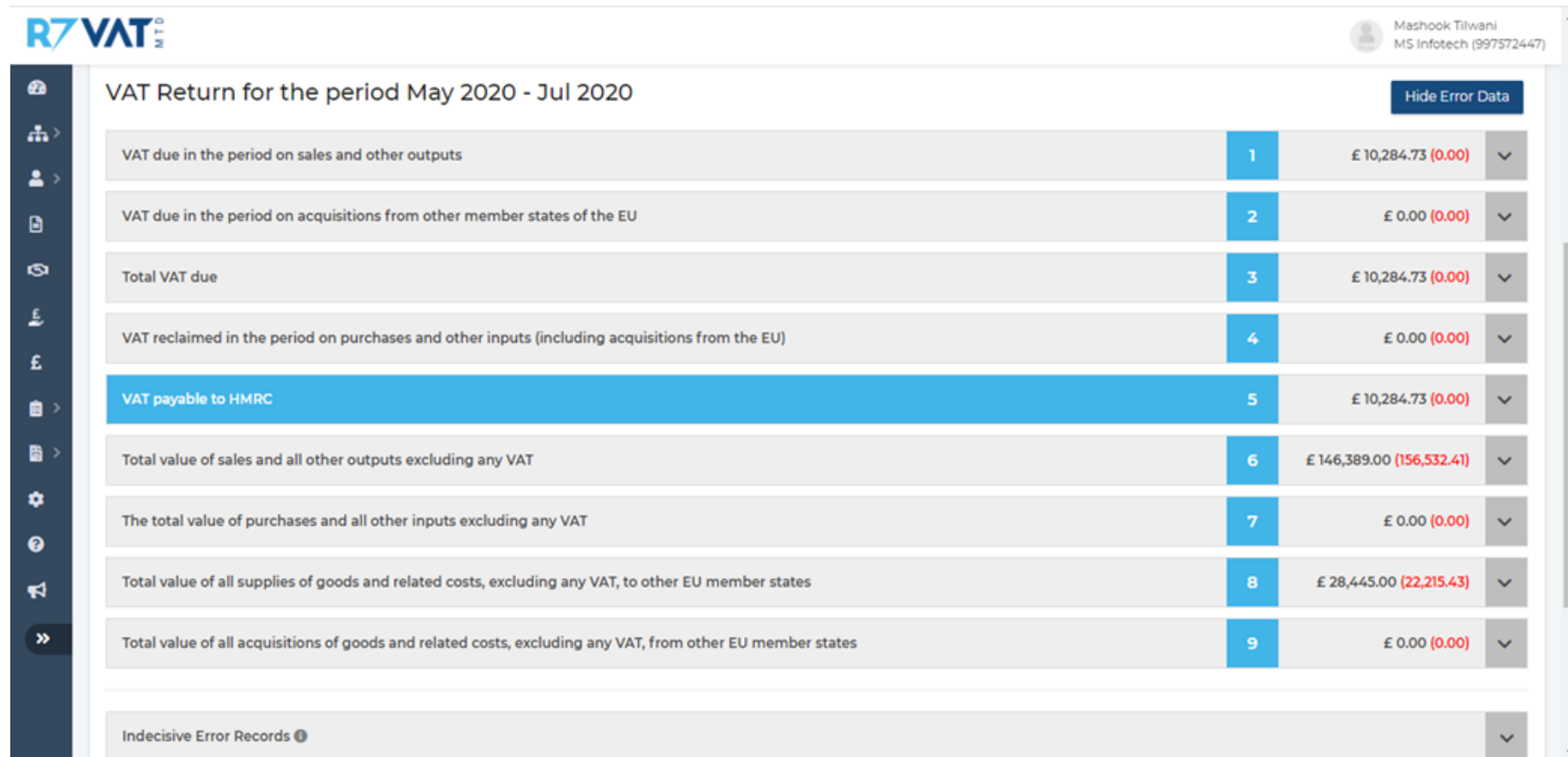
How to deal with the technology

>

Lego for Tax approach



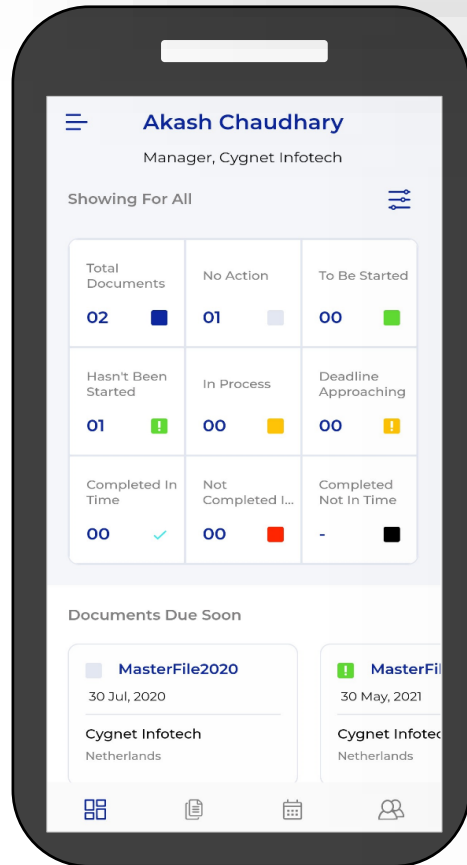
# R7VAT, an example of a Lego block



VAT Return for the period May 2020 - Jul 2020			Hide Error Data
VAT due in the period on sales and other outputs	1	£ 10,284.73 (0.00)	▼
VAT due in the period on acquisitions from other member states of the EU	2	£ 0.00 (0.00)	▼
Total VAT due	3	£ 10,284.73 (0.00)	▼
VAT reclaimed in the period on purchases and other inputs (including acquisitions from the EU)	4	£ 0.00 (0.00)	▼
VAT payable to HMRC	5	£ 10,284.73 (0.00)	▼
Total value of sales and all other outputs excluding any VAT	6	£ 146,389.00 (156,532.41)	▼
The total value of purchases and all other inputs excluding any VAT	7	£ 0.00 (0.00)	▼
Total value of all supplies of goods and related costs, excluding any VAT, to other EU member states	8	£ 28,445.00 (22,215.43)	▼
Total value of all acquisitions of goods and related costs, excluding any VAT, from other EU member states	9	£ 0.00 (0.00)	▼
Indecisive Error Records ⓘ			▼

# Compliance Tracker and R7VAT Tool

## Aeolus Application



Creates documents automatically

Automatic allocation of C & I users based on hierarchy

Automatic status update

Final return summary in attachments

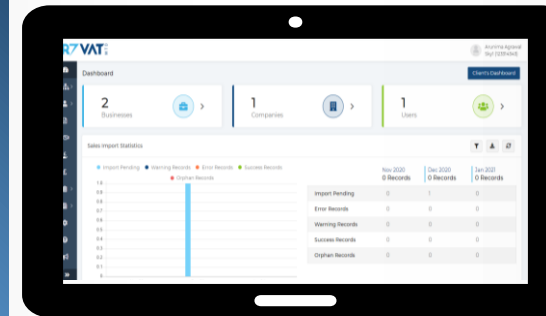
Seek manager approval for filing returns

Native Calendar synchronization

Agent's return filing tracking

Approval of manager(s) for return filing

## R7VAT Portal



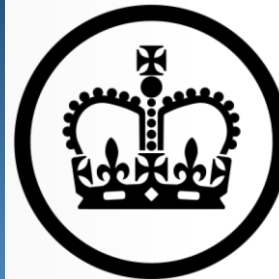
Status of return

Submit Return

Display Liabilities

Display required payments

Make payments



## HMRC Portal



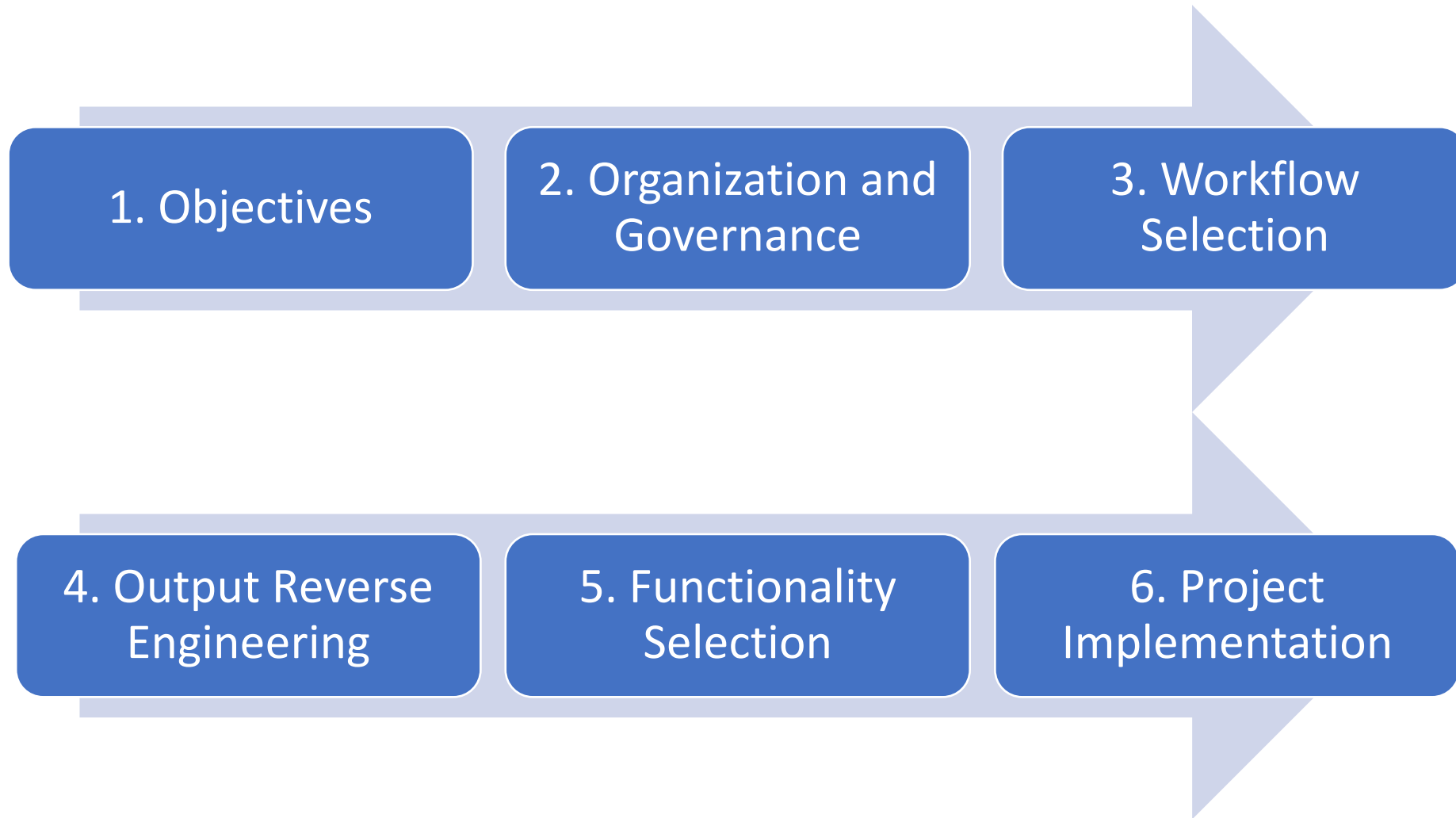
People, Process, Technology

Lego for Tax

Your Tax technology roadmap

# Your tax technology roadmap

# Tax Technology Roadmap



# Where are you now? – homework for next episode

Answer the questions for yourself:

1. Do you have a clearly defined RACI that is clearly communicated with the in-house tax professionals involved?
2. Which of the following roles are in your in-house tax team already:
  - ☐ Taxologist
  - ☐ Tax data analyst
  - ☐ ERP tax data modeler
  - ☐ None
  - ☐ Tax data miner
  - ☐ Tax systems analyst
  - ☐ Tax technologist
3. Our priority concerning digitalization/standardization/automation is: (e.g. VAT, CIT, Customs, other indirect tax etc.)
  - a.
  - b.
  - c.

# The other 9 episodes

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***Thank you! Please contact Emily Dobbie, head of Tax Technology at TPA Global, if you want to have a personal discussion about your digital transformation Roadmap or anything else related!***  
***e.dobbie@tpa-global.com***

Our global network covers over 5,000 professionals who enable us to deliver scalable solutions in the area of tax & legal, digital transformation, running a compliance factory and effectively dealing with dispute resolution.

To ensure the highest quality and seamless service provision, thereby meeting international standards and regulations, a global team of dedicated professionals and specialists is a key and determining factor.

Through linking three ecosystems: Tax, Transfer Pricing and Valuation, Tax + Technology and Tax Litigation and Mediation – we deliver a world of tax in control.

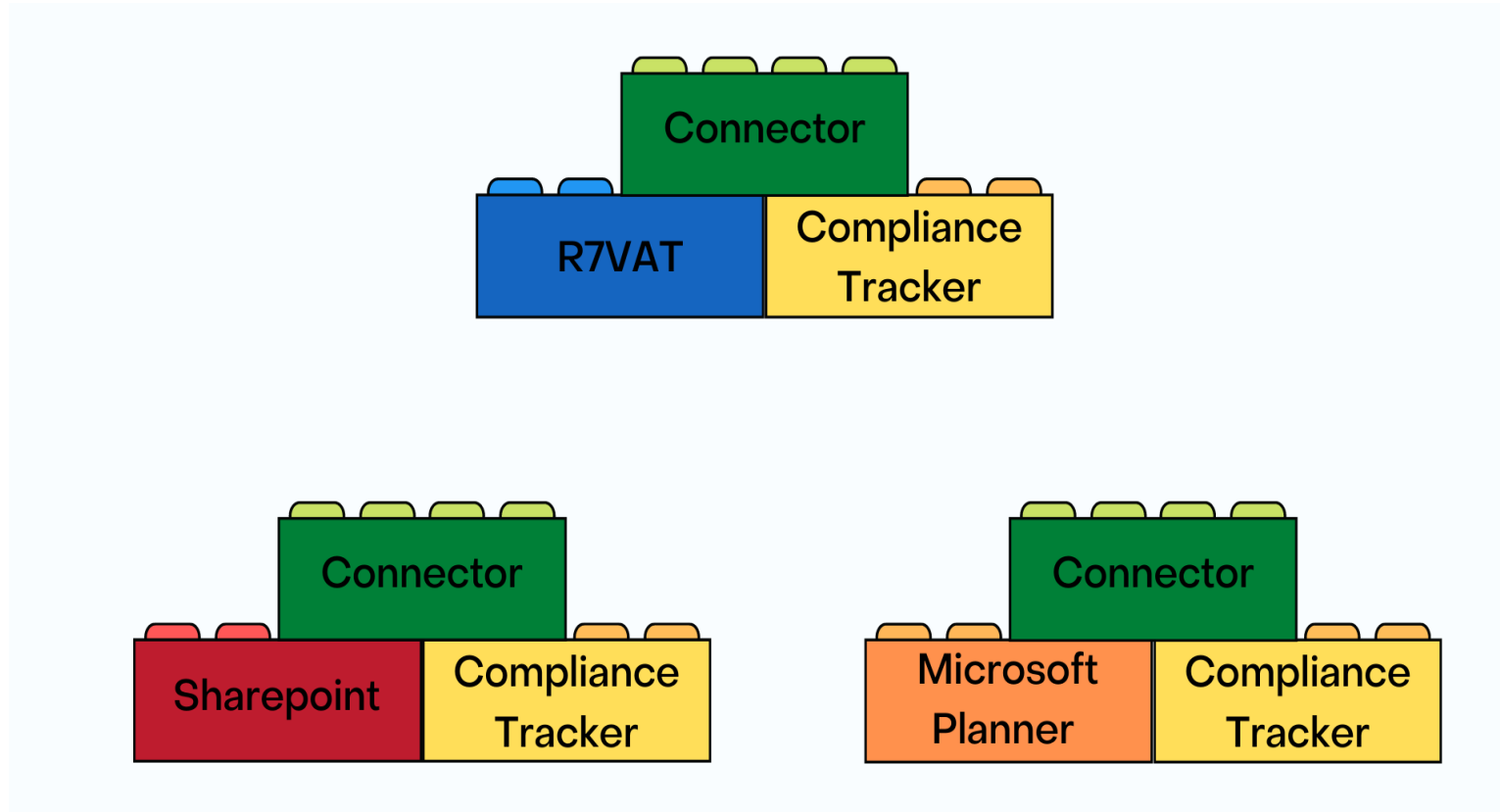
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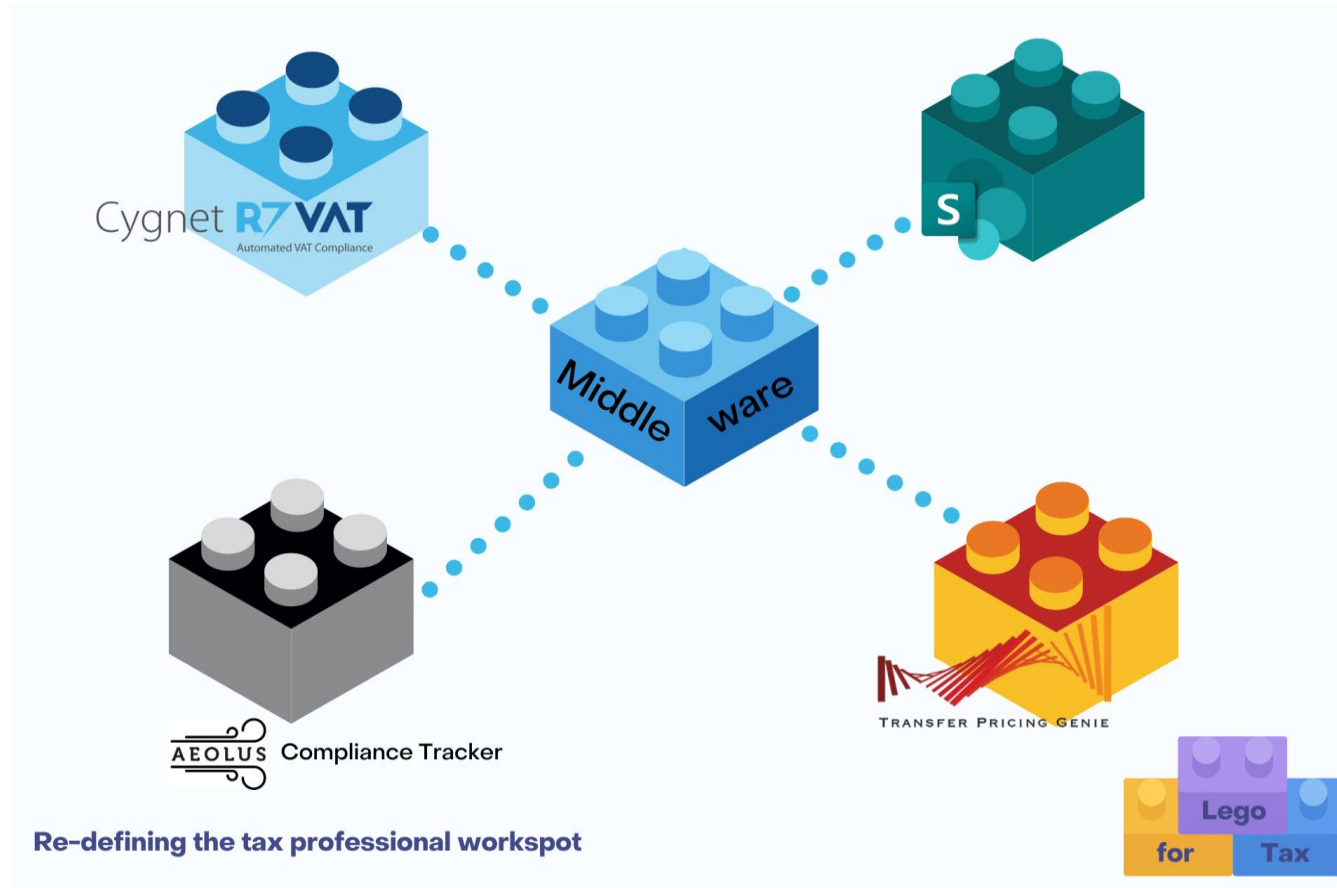
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# Appendixes

# Lego for Tax - Connectivity

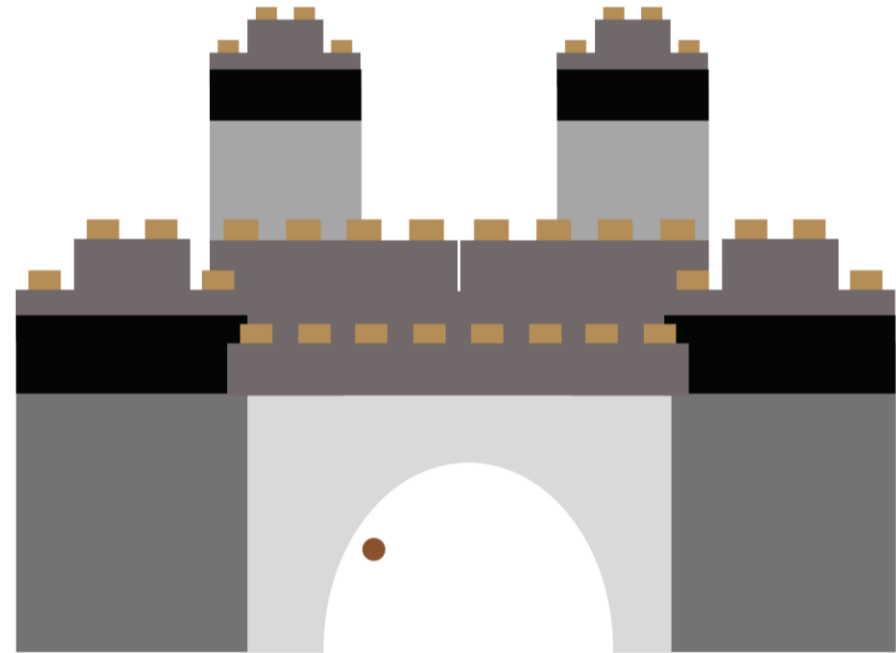
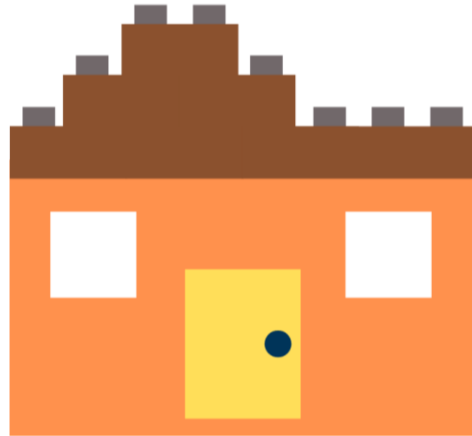
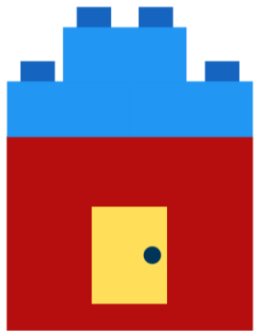


# Lego for Tax - Efficiency





# Lego for Tax – Scalable & secure



# Why the CT is Secure ?

