

How Do The Tax Authorities Deal With Tax Data Management - Digital Mailbox

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Agenda

People, Process and
Technology

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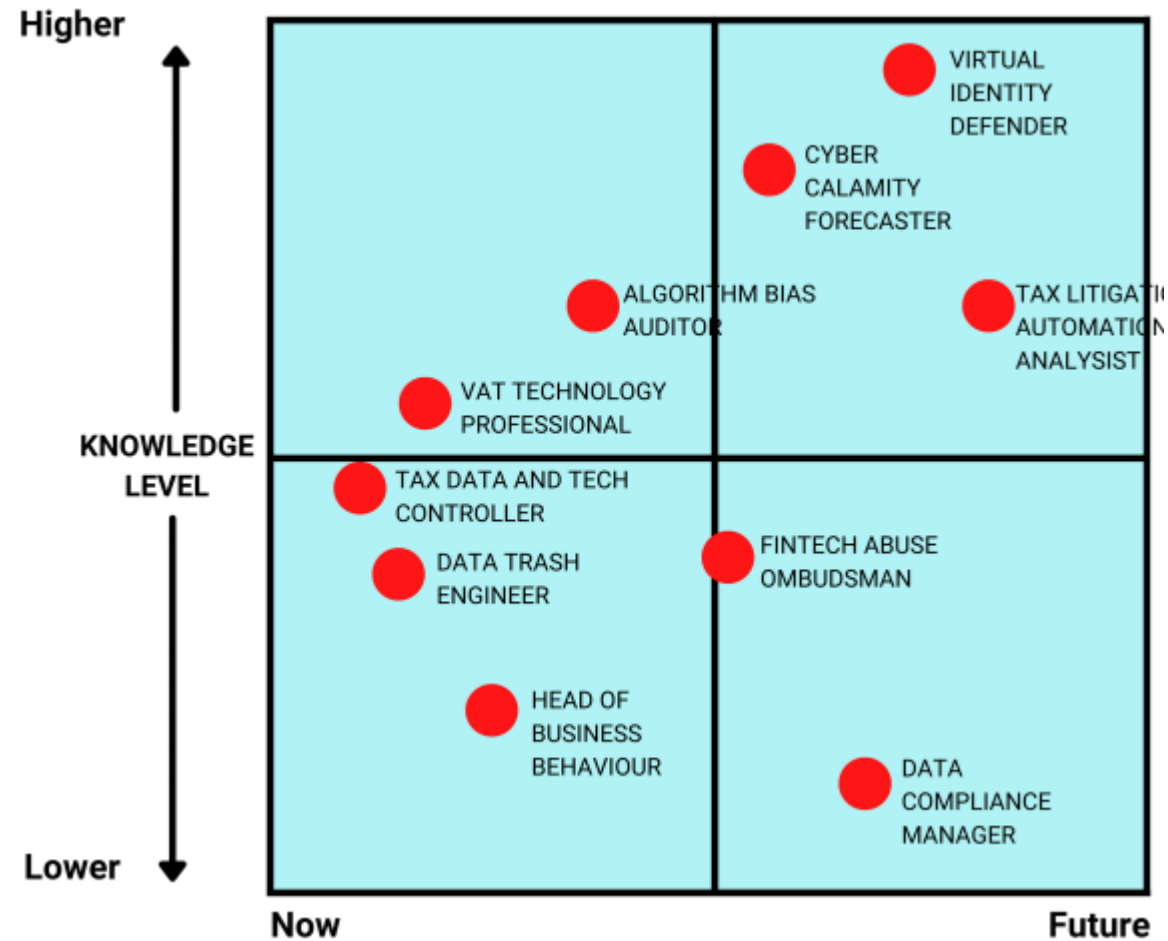
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People, Process and Technology

Level of Tax jobs



Poll:

Does your company have a Data Specialist in place?

- a) Yes, we have one or more Data Specialists in place
- b) Not yet, but we are planning to do so
- c) No, nor do we have plans at this moment
- d) This activity is included in the role of general Tax Data Analysts

The Four Generations of Tax Technology

Generation 1

- Stand-alone tool
- Coverage of 1 or more tax workflow in isolation
- Uploads through Excel, if possible
- Requires extensive manual work

Generation 2

- Integrated in the ERP-system
- Dealing with Tax Compliance and Tax Risk Management
- Possibility to perform analytics

Generation 3

- Extension of generation 2
- Each application accessible through the cloud

Generation 4

- Full fledged application
- Data configuration for all major tax filings
- End-to-end solutions – From data to filing
- Allows for XML-conversions
- Digital Mailbox
- Uses Connectors and APIs to connect applications

Examples of Fully Tax Compliant Organisational Models

1. A traditional in-house tax organization has a compliance and planning group involved, where the connect with finance and IT departments are essential channels of delivery of the tax relevant data used by the in-house tax professionals
2. In today's in-house tax organization – beyond the compliance and planning group – a group of finance/IT/data trained professionals have entered the room. Sometimes the choice has been to transform traditional tax professionals into finance/IT/data professionals, or play a dual role and responsibilities
3. In a tomorrow's in-house tax organization the structure should carry different roles:
 1. A relationship management role for both internal as well as external 'clients';
 2. An adequate planning professional supporting the business on a pre-transactional base;
 3. A data analytical role, which filters data and 'outliers' to the 'real tax specialists' to address the 'outliers' but only when the data analyst cannot easily resolve the 'outliers' and
 4. A major flow of standardized data, where tax ERP specialists, prepare the data from 'source tier' to be ready and clean for tax purposes and be shared with different stakeholders such as the tax authorities, plus
 5. A senior digital tax officer which pulls all of these workflows together.

Tax Administration 3.0

Towards Tax Administration 3.0



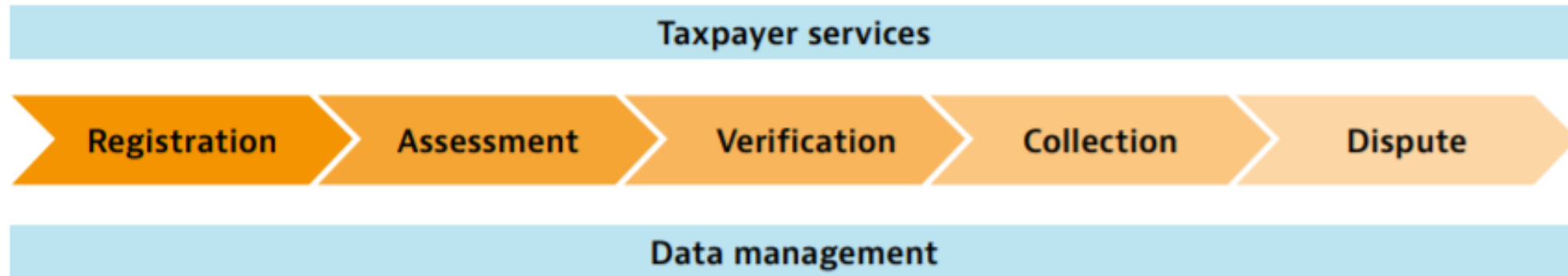
- *Forms driven (electronic & paper)*
- *Periodic, historical, aggregated data*
- *Manual, slow & costly*
- *Retrospective risk treatment*
- *Disconnected ecosystems*

Source: OECD (2020)

- *Data driven*
- *Event based, detailed & real-time data*
- *Enables validation & automation*
- *Enables assured data*
- *Interoperable ecosystems*
- *Enables international co-operation*

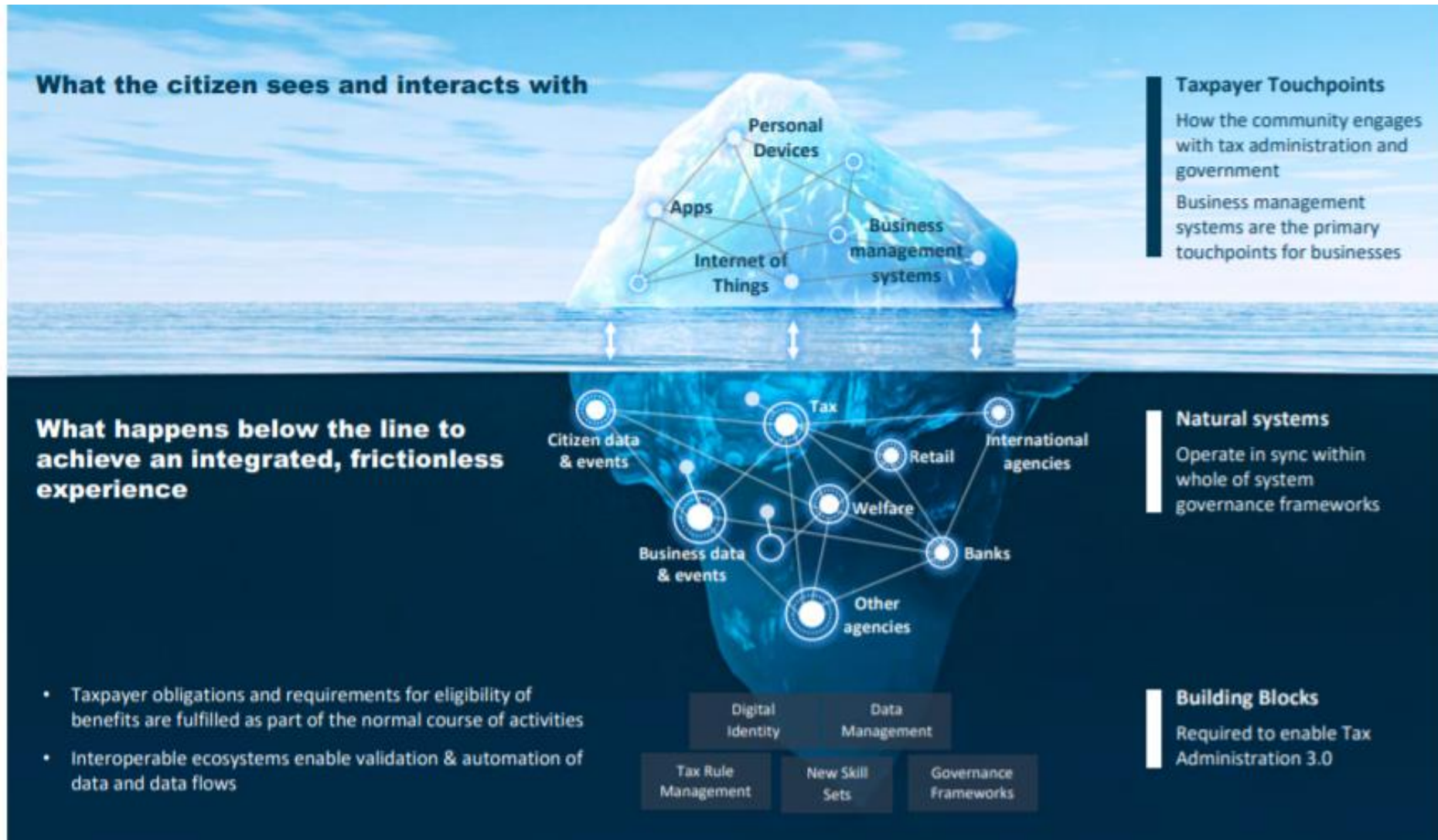
Tax Administration 3.0 process

Figure 1.1. Tax administration processes



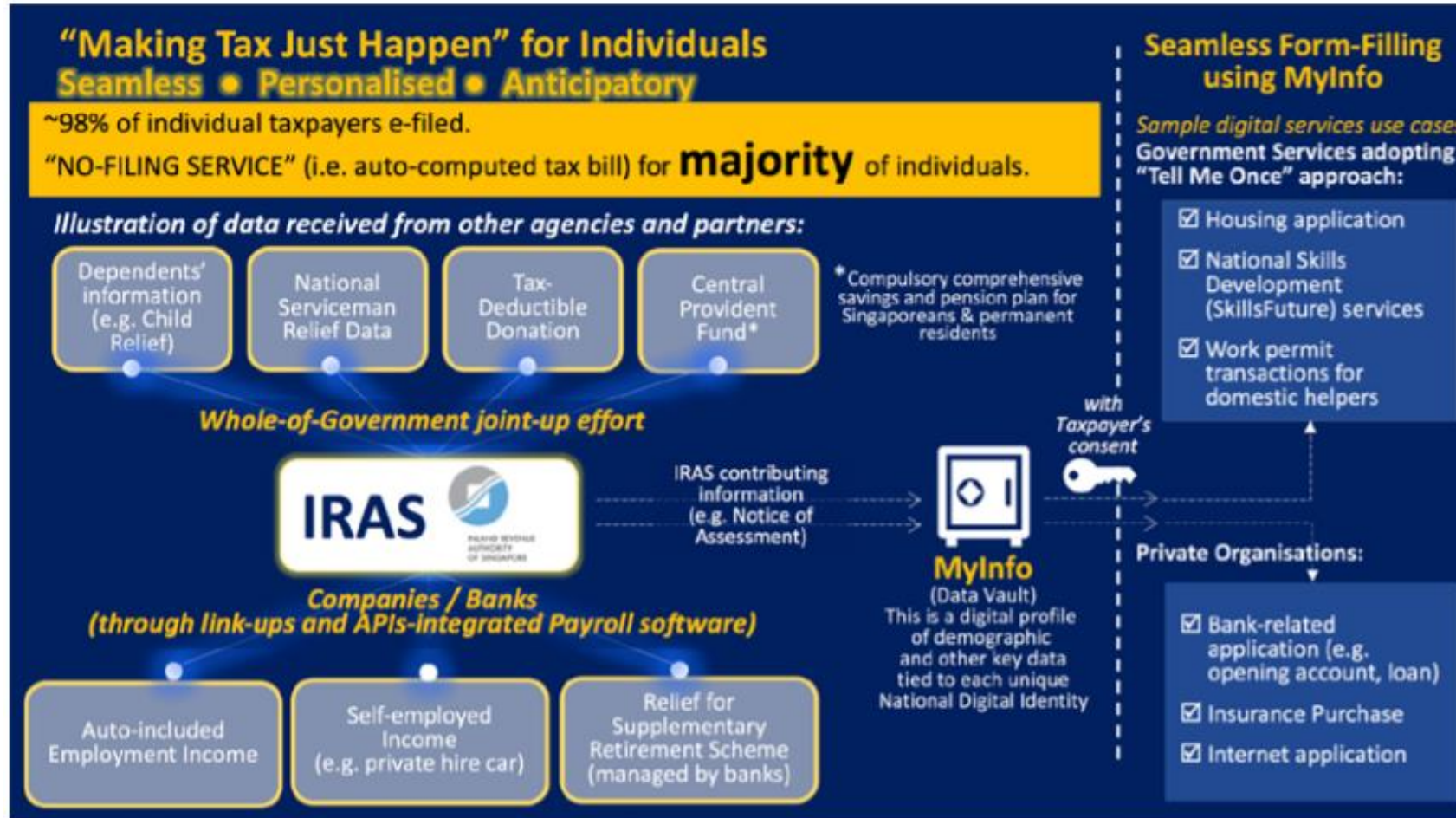
Source: OECD (2020)

Vision of Tax Administration 3.0



Source: OECD (2020)

Making Tax Just Happen for Individuals



Source: Inland Revenue Authority of Singapore (2020)

Three Narratives for 2030: Dynamic Individual

DYNAMIC INDIVIDUAL MARY'S STORY IN 2030



About Mary:

Meet Mary in the 2030s, as she gets her first job and finds herself having to pay tax for the first time. We follow her through important life events and changing circumstances – and see how tax is a natural and integrated part of her daily life.

Dynamic Individual



Dynamic Entity



MNE in Transition



Mary's experience



Mary has embraced the use of the My365 platform and app which supports her in many aspects of her life. She connects with many different public and private actors supporting her life events in a coordinated and holistic manner via My365.

Mary is not particularly concerned with tax, but she acknowledges its important role in financing society and wants to contribute. She trusts that her taxes are mostly taken care of automatically by her digital ecosystem, and that the processes are working correctly in the background using her personal digital information safely and securely.

She know that her tax status is always available to her in a simple and easy to understand manner and that she will be notified with necessary guidance if her attention is needed. The few interactions that she has needed to have with the tax administration have been friendly, professional and specific to her situation

Three Narratives for 2030: Dynamic Entity


THE DYNAMIC ENTITY
KIM'S STORY IN 2030




 **About Kim:**

Meet Kim in the 2030s, as she starts out in her profession. In the beginning she is just earning additional income on side of other activities in a busy life. We follow Kim as she gradually becomes self-employed before transitioning to a Limited Company with growing international operations.


Dynamic Individual



Dynamic Entity



MNE in transition



Kim's experience



Kim is not particularly concerned with tax, and she perceives it as an unproblematic part of her growing business. She knows that it is mostly taken care of automatically through her business solution MyBusiness. She is always able to see an up-to-date and detailed statement of her tax affairs.

She has already experienced receiving notifications from MyBusiness when her attention is needed. This has been especially important through transitions in her business development, where she is given advice up front on how and when to proceed.

Her few personal interactions with the tax administration have been friendly, professional and specific to her situation.

Three Narratives for 2030: MNE in transition

**THE MNE IN CONTINUOUS TRANSITION
—SMART FALCON'S STORY IN 2030**



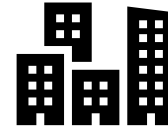
About Smart Falcon

Meet Smart Falcon in the 2030s, a big international company competing in the expanding dronocar service delivery business. The company is renting out self driving cars and personal travel drones as integrated travel experiences for people traveling across countries using a personalized mix of road, air and sea travel. The company is exploiting state of the art technology for continuous business monitoring across their subsidiaries in all countries. Complex tax issues arising from the different jurisdictional rules they face is largely dealt with in the background.

Dynamic Individual



Dynamic Entity



MNE in Transition



The company's experience



The drone business triggers many different tax consequences in the countries in which Smart Falcon operates. Indirect taxes hardly give them any concern since tax is seamlessly integrated within business processes. They also feel quite confident that they have an updated view of their current tax positions on direct taxes.

They feel confident that the software integrating business with tax rules and standards in each country will handle their daily issues. They experience that the tax consequences of international business transactions can be clarified up front in a coordinated dialog with tax authorities in the involved countries including through the use of AI. The company's tax function can comfortably give top management an overview of the tax situation for the company to inform the company's strategic business decisions. Automated compliance activities from the tax administration mostly happen close to real time focusing on the functioning of the systems.

Car Wash for Tax

Car Wash Approach



Pay for what you use approach

Share a carwash instead of buying one and be 100% compliant without spending ½ million per year on licenses

Use building blocks and connectors

Use different software tools as building blocks and use connectors for process automation

Tax Compliant Carwash



Structuring of Data

1

Build Datapool, clean Data, structure Data, data Eligible for Recycling, Risk and Data Analysis

CBCR			Annual Report
	SAF-T	VAT	
			CIT
TP		Customs	



Pushing Data into Forms

2

Insert clean information in Country-by-Country Reporting, Value Added Tax, SAF-T, DAC6



XML Conversion

3

Mapped Against the Forms, OECD XML Standard, Free / Premium



Country-Specific XML Conversion and Digital Mailbox

4

File Forms Directly at the Tax Administration Through API, XML Download Available, Risks / Data Analysis?



Full Compliancy

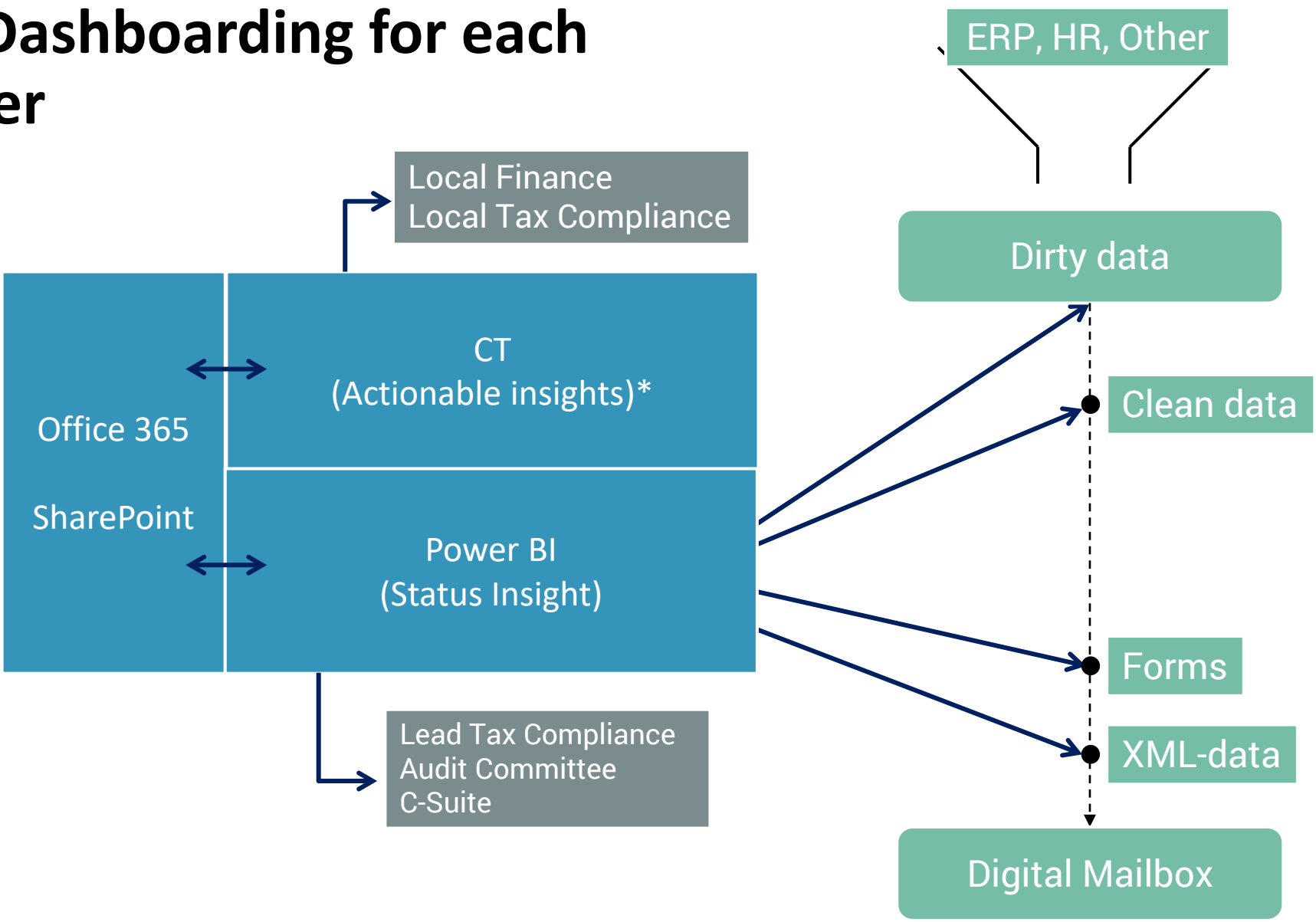
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Clean Data, Risks Analyzed, Filed at the Tax Administration, Minimal Human Interference



Finance and IT teams are aligned with a fully automated process that does not need any manual work

Relevant Dashboarding for each stakeholder



Single Source of Information

Single Source of Data

*Confirmation of filing completed

TP Genie

Poll: How do you convert your CbC to XML now?

- By external consultant
- Through external IT solution
- Through In-house IT solution

TP Genie Demo

Vizor Software

Vizor Software Team




Mary O'Leary
Tax and Technology
Lead



Jordan Thompson
AEOI Product
Manager

Who We Are

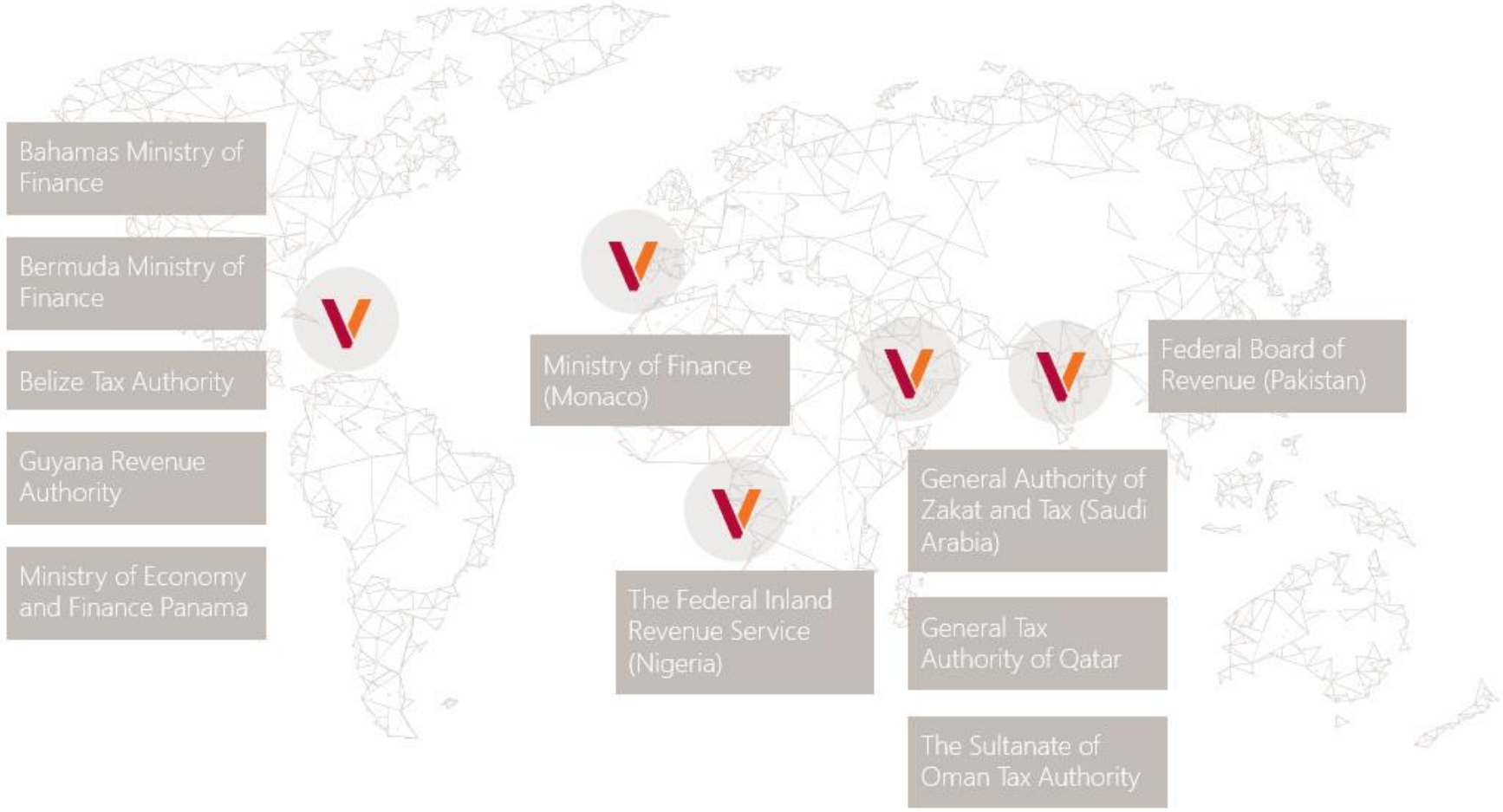


Vizor is the global leader in the provision of the Automatic Exchange of Information solutions (AEOI) for Tax Authorities

Trusted Worldwide By



Tier 1 Customers - Tax Authorities



Why Customers Choose Vizor



Our vision is a seamless AEOI for Global Tax Transparency.



Software

The automation and simplification of all AEOI requirements



Service Expertise

AEOI domain experts trusted by tax authorities in 19 countries



Customer Success

Proven software delivery methodology and customer success framework

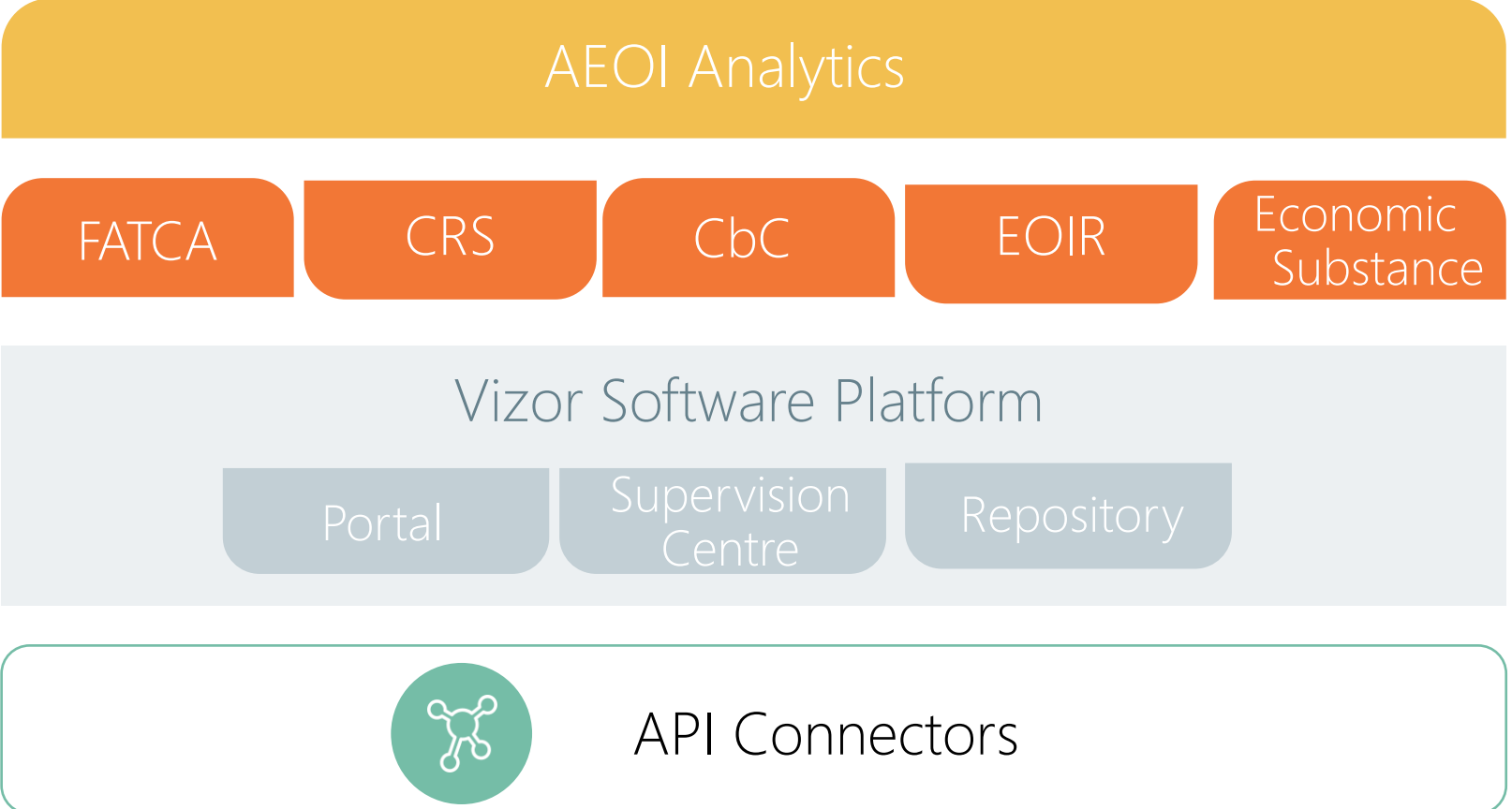


Community

Community of tax authorities exchanging their knowledge and experience

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Vizor AEOI Product Overview



Vizor Software Demo

Thank you! Please contact Jasper Verkamman, head of Tax Technology at TPA Global, if you want to have a personal discussion about your digital transformation Roadmap or anything else related!
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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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