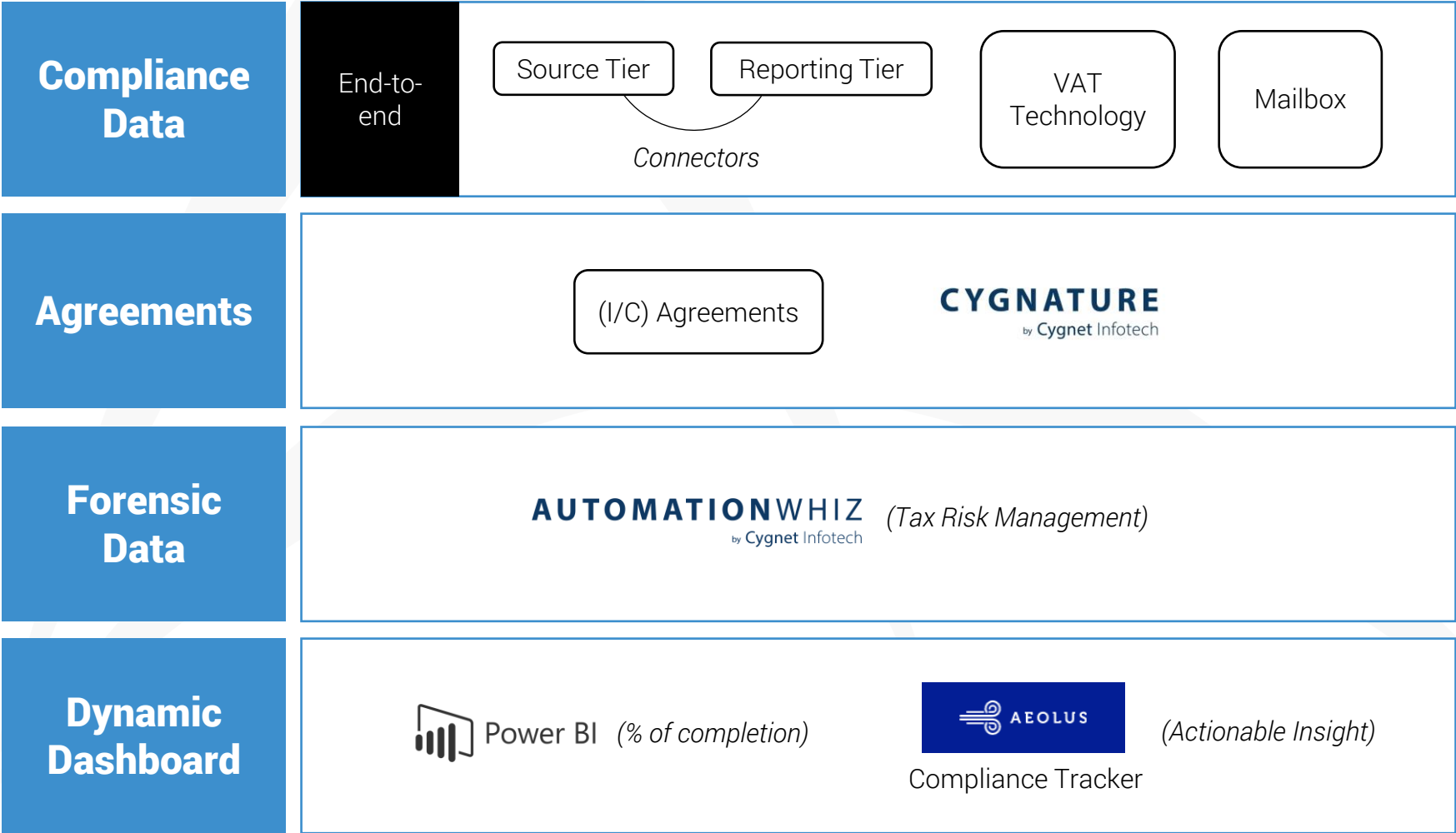# How to organize your end-to-end tax technology solutions and become a 'best in class' tax technology team?

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March 09th, 2022
03:00-04:00 PM CET

End-to-end tax technology solutions

Compliance Data	End-to-end	Source Tier — Reporting Tier *Connectors* VAT Technology — Mailbox
Agreements		(I/C) Agreements **CYGNATURE** by Cygnet Infotech
Forensic Data		**AUTOMATION**WHIZ by Cygnet Infotech *(Tax Risk Management)*
Dynamic Dashboard		Power BI *(% of completion)* **AEOLUS** *(Actionable Insight)* Compliance Tracker

Agenda

1. Trends on integration of tax technology solutions

2. What are the benefits of an 'end-to-end solution' approach?

3. Why people process technology - the learning paths on tax technology (a short introduction on the 'belt system')

4. What is your minimum target as a multinational to become 'best in class'

5. End-to-end approach on tax compliance + types of available connectors - A VAT illustration

6. End-to-end approach on legal documents

7. End-to-end approach on tax risk management

8. End-to-end approach on dynamic dashboarding - the challenges of 'real-time' communication on tax matters

9. Lessons learned - what does the ROI look like?

10. Next steps for multinationals

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Trends on Integration of Tax Technology Solutions

Data is the future of tax

Transparency to all stakeholders is key

Full transparency requires a dynamic data-driven set of dashboards to communicate relevant information to relevant stakeholders

Always use the People, Process, Technology approach

The tax compliance cycle

The majority of workflows should be fully automated by 2025 (co-compliance model)

The tax risk cycle

A minority of workflows should be automated by 2025, but steadily increasing (mix of tax, legal and communication technology)

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Benefits of an 'end-to-end solution' approach

- ✓ Smarter tax architecture & management

- ✓ Having a clear connection between Single Source of Data, Single Source of Information and Workspot Interface

- ✓ Using a holistic view on data required vs. data available by mapping data models

- ✓ Having tax professionals being involved in the whole end-to-end data chain

- ✓ Makes it easier to apply the 'People, process, technology' approach

- ✓ By creating a clear target (Tax Vision 2025), you enhance career and talent management for your professionals
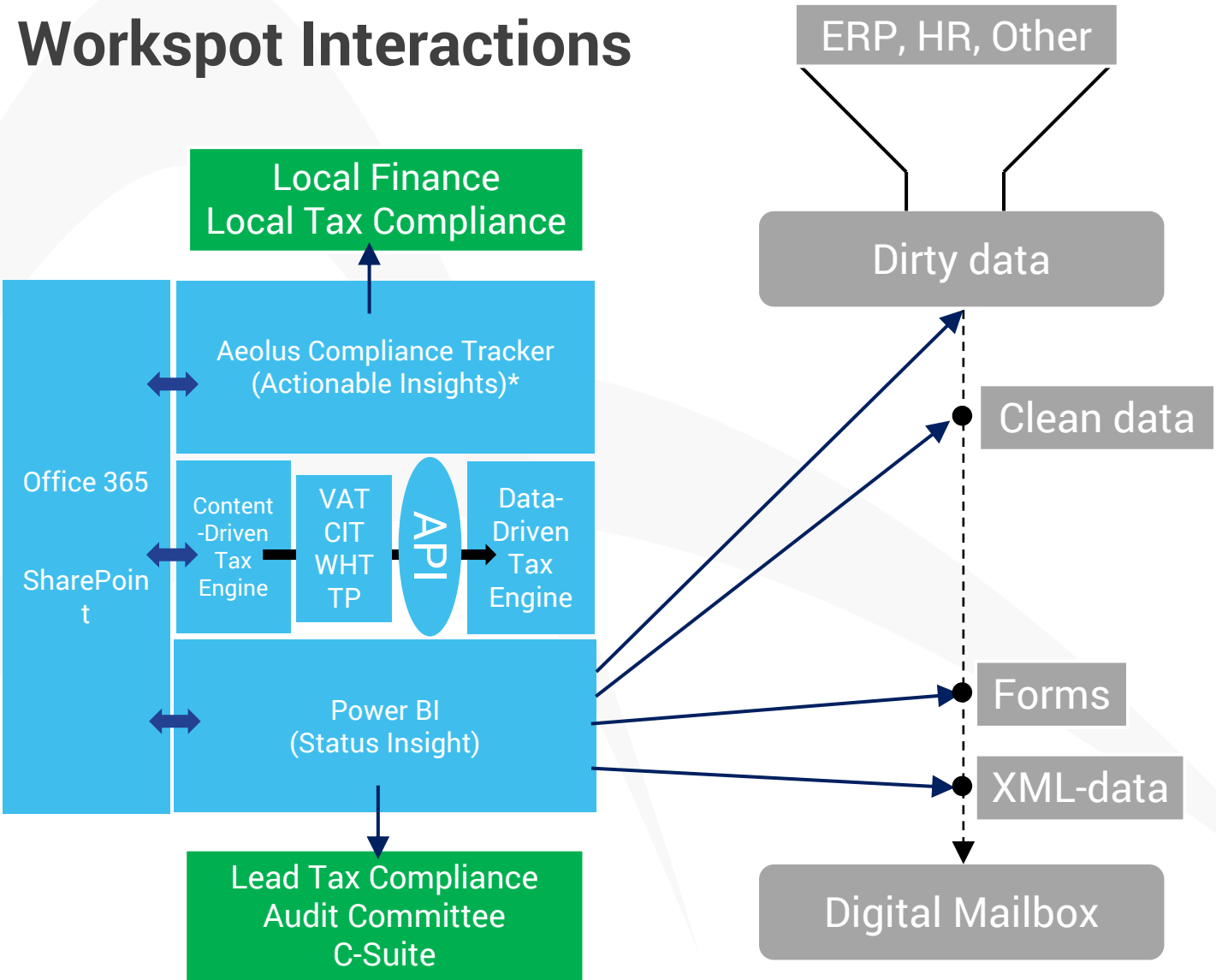
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Tax Skills Transformation Map

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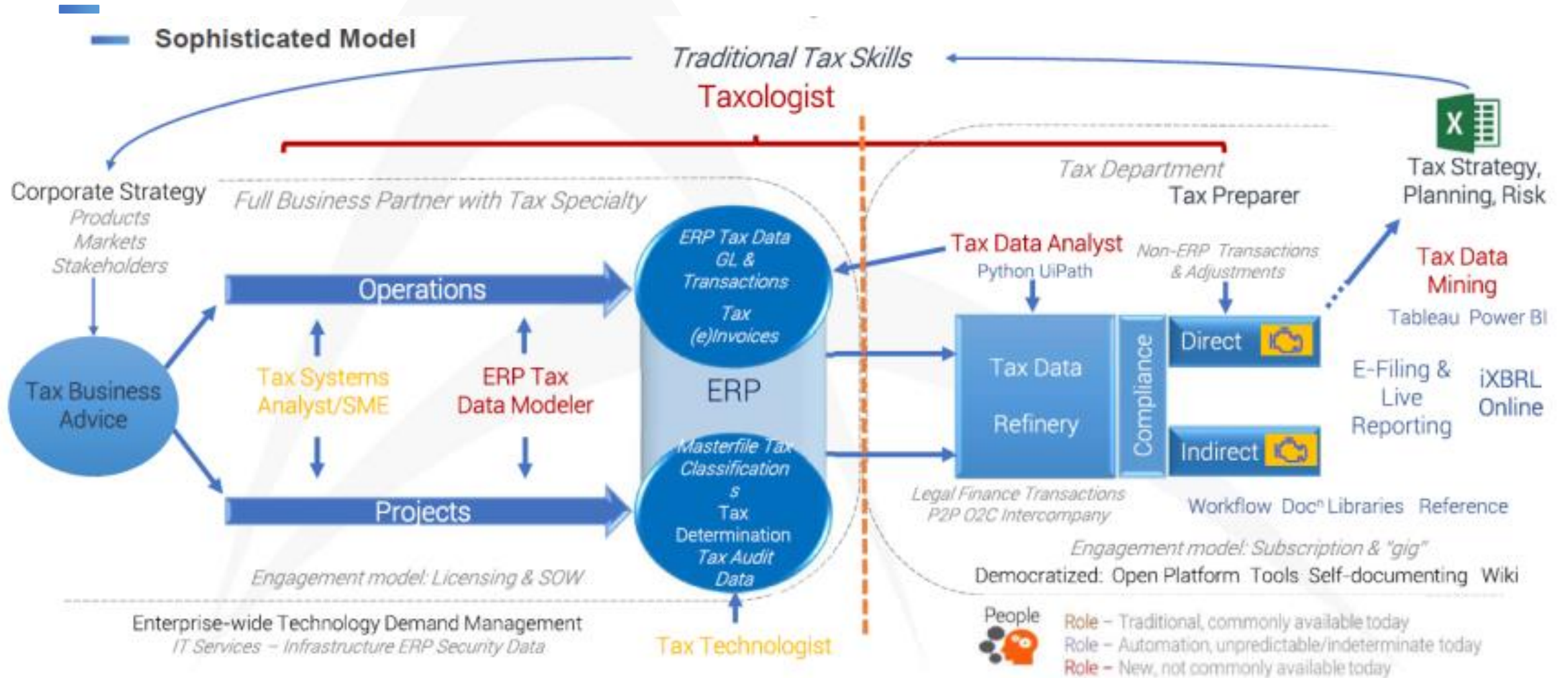
The People-Process-Technology Approach

Belt System – Career Path
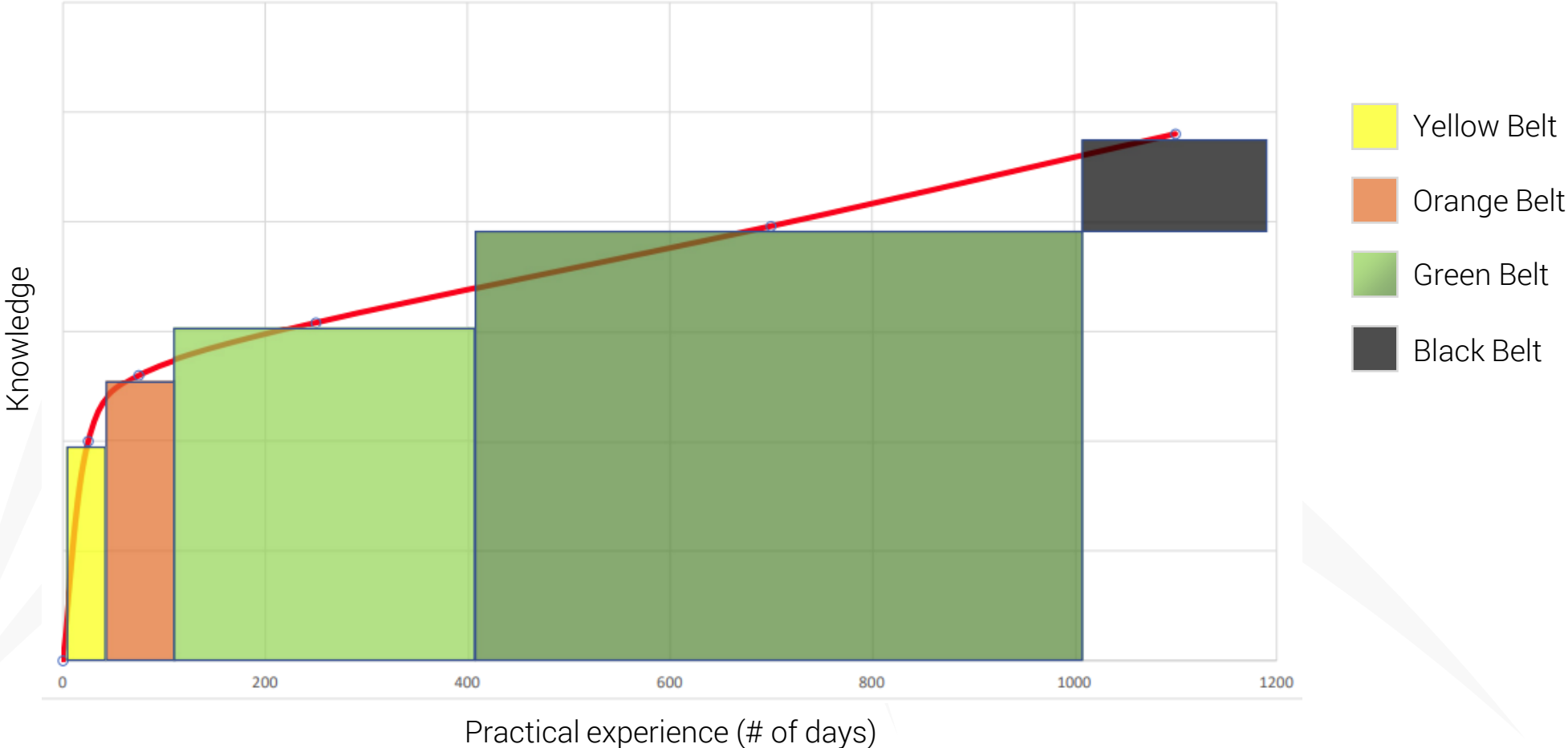
SSOD and SSOI Workspot Interactions

alteryx

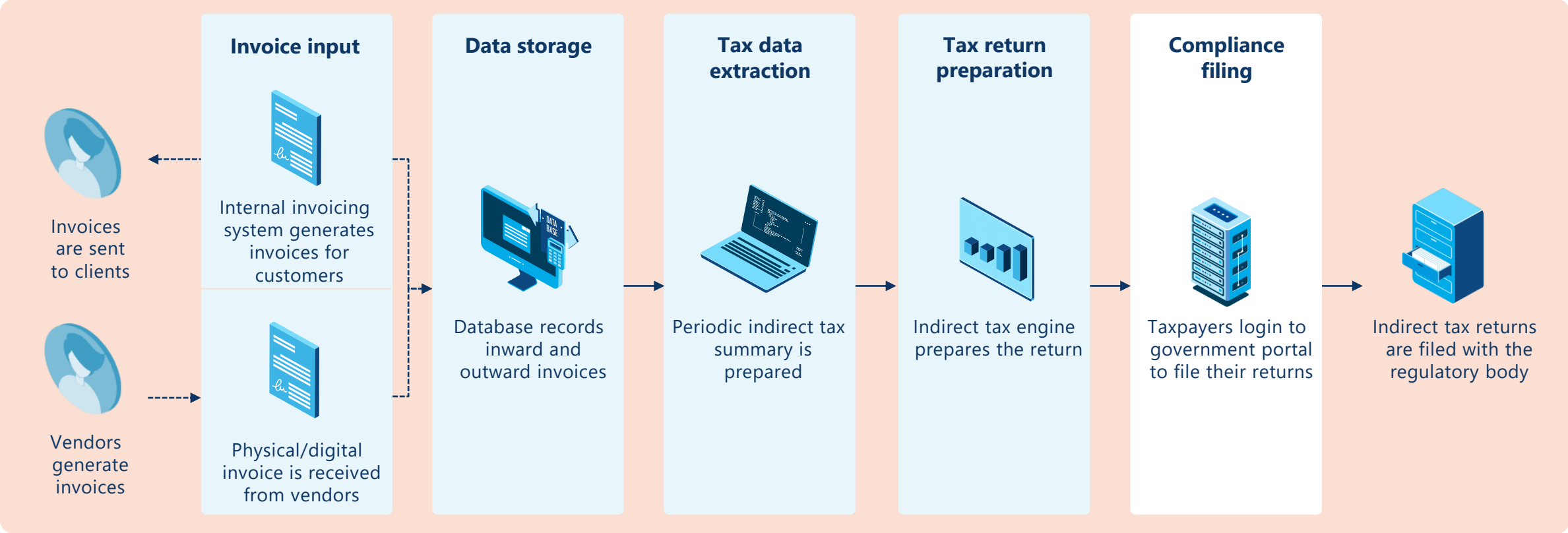+ableau
SOFTWARE

Google

Data Studio

◆ Jira Software

*Confirmation of filing completed

**Local Finance
Local Tax Compliance**

**Aeolus Compliance Tracker
(Actionable Insights)***

Office 365

SharePoint

Content-Driven Tax Engine

VAT
CIT
WHT
TP

API

Data-Driven Tax Engine

**Power BI
(Status Insight)**

**Lead Tax Compliance
Audit Committee
C-Suite**

ERP, HR, Other

Dirty data

Clean data

Forms

XML-data

Digital Mailbox

Single Source of Information

Single Source of Data

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output

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What is your minimum target as a multinational to become 'best in class'?

	Now	Future
Collect data	●●●	●
Prepare financials for tax provision	●●●	●●
Review	●●	●
Planning and monitoring	●	●●●
Rework	●	-
Reporting	●	-
Analytics	-	●
Risk Management	-	●●

End-to-end approach on tax compliance + types of available connectors - A VAT illustration

Invoice input	Data storage	Tax data extraction	Tax return preparation	Compliance filing	
Internal invoicing system generates invoices for customers	Database records inward and outward invoices	Periodic indirect tax summary is prepared	Indirect tax engine prepares the return	Taxpayers login to government portal to file their returns	Indirect tax returns are filed with the regulatory body
Physical/digital invoice is received from vendors					

Invoices are sent to clients
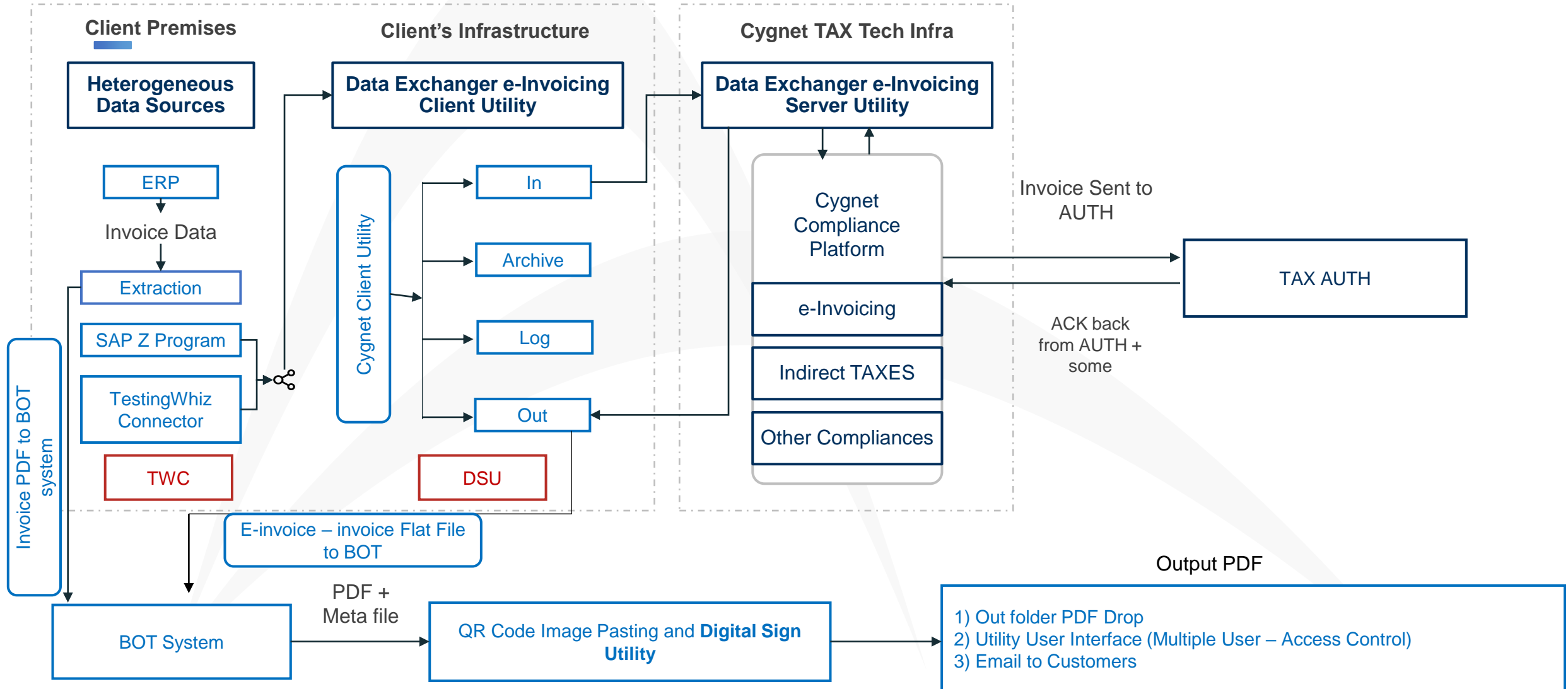
Vendors generate invoices

API based extraction and RPA based data processing can optimise tax processes
- The indirect tax team extracts reports from ERP manually at the end of each tax reporting period.
- Mapping of items is done manually line by line.
- Reconciliations and reports are done manually.
- Tax team is unable to divert attention towards other matters such as direct taxes and tax strategy.
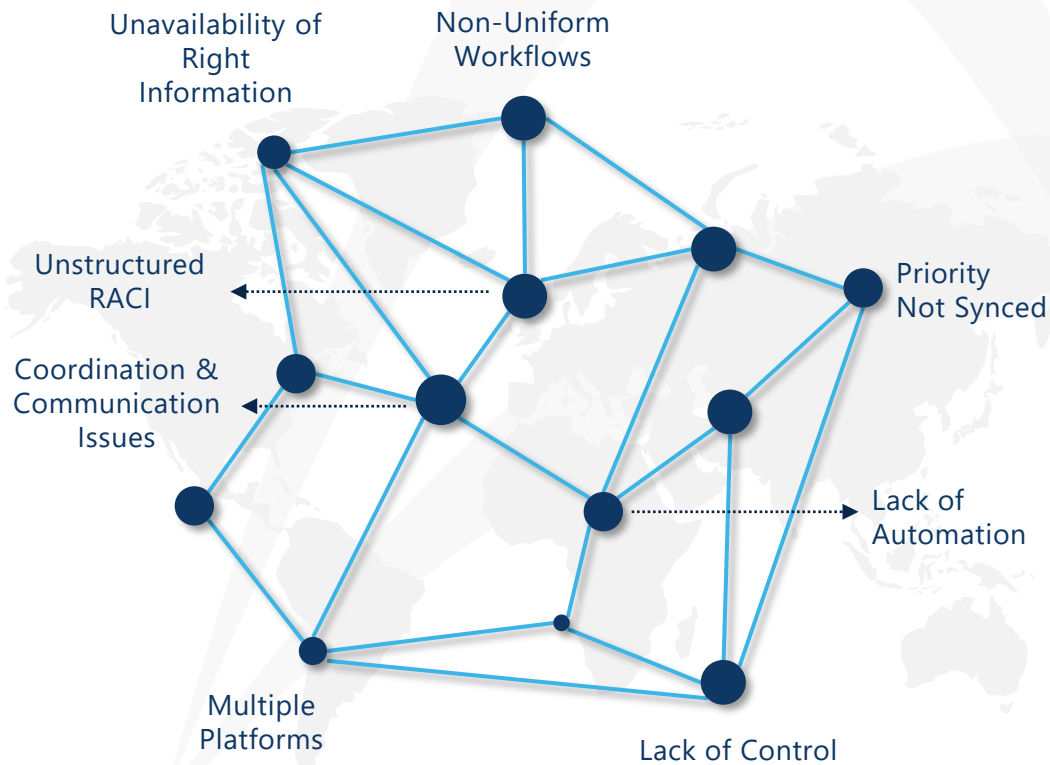
Key:
- - - - - → Transactional Data
———→ Summary Data
———→ Manual Process
———→ Semi-Automated Process
———→ Automated Process

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End-to-end approach on tax compliance + types of available connectors - A VAT illustration

Client Premises

Client's Infrastructure

Cygnet TAX Tech Infra

Heterogeneous Data Sources

Data Exchanger e-Invoicing Client Utility

Data Exchanger e-Invoicing Server Utility

ERP

Invoice Data

Extraction

SAP Z Program

TestingWhiz Connector

TWC

Invoice PDF to BOT system

Cygnet Client Utility

In

Archive

Log

Out

DSU

Cygnet Compliance Platform

e-Invoicing

Indirect TAXES

Other Compliances

Invoice Sent to AUTH

TAX AUTH

ACK back from AUTH + some

E-invoice – invoice Flat File to BOT

BOT System

PDF + Meta file

QR Code Image Pasting and **Digital Sign Utility**

Output PDF

1) Out folder PDF Drop
2) Utility User Interface (Multiple User – Access Control)
3) Email to Customers

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End-to-end approach on dynamic dashboarding - the challenges of 'real time' communication on tax matters

Current Challenges

Dashboarding

Unavailability of Right Information

Non-Uniform Workflows

Unstructured RACI

Coordination & Communication Issues

Priority Not Synced

Lack of Automation

Multiple Platforms

Lack of Control

Centralized & Updated Information

Due Date Alerts

Streamlined RACI Structure

Synced Status Updates

Visibility Across Teams

Simple Workflows

Automated Notifications

Compliance Data Team

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End-to-end approach on dynamic dashboarding - the challenges of 'real time' communication on tax matters

Add On	**AUTOMATION ENABLERS**	CUSTOM BOTS	STANDALONE ENRICHED API	PURCHASE AUTOMATION	OCR CAPABILITIES	**TOOLS/ FEATURES**	INVOICE VERIFICATION	TAX RETURN SCORES	PROFESSIONAL SERVICES

Reporting	**EXTERNAL USE CASES**	TAX RETURNS	E-INVOICES	EXTERNAL REGULATORY COMPLIANCES	TAX AUDITS	**INTERNAL REPORTING**	MIS & RECONCILIATION REPORTS	ANALYTICAL & BI REPORTS	INTERNAL COMPLIANCE REPORTS

Processing	**ANALYTICS & INTELLIGENCE**	TAX DETERMINATION & COMPUTATION	REAL-TIME DASHBOARD & POWER BI	KPI CALCULATION	DATA ANALYSIS	PREDICTIVE DATA MODELLING	**DATA PREPARATION**	DATA MESSAGING	COMPLIANCE VALIDATION	DATA MAPPING

Storage	**DATABASES**	DATA WAREHOUSE	DATA LAKE	APPLICATION DATABASE	OTHER INTERNAL DATABASE

Integration	**STANDARD INTEGRATION**	RESTFUL API INTEGRATION	STANDARD ERP/SAP REPORTS	STANDARD ETL TOOLS	**CUSTOM INTEGRATION**	SSIS INTEGRATION	CUSTOM ERP/SAP REPORTS	TESTINGWHIZ
						RPA	SFTP DATA EXCHANGER	

Source	**INTERNAL SOURCES**	SAP	MICROSOFT	EXCEL	**EXTERNAL SOURCES**	INDUSTRY REPORTS	COMPANY REGISTER	GOVT. ORGANIZATIONS REPORTS	TRADE ASSOCIATIONS REPORT
		ORACLE	OTHER ERP/ INTERNAL DB	INFOR					

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End-to-end approach on legal documents

Picks document from designated folder	Signs document digitally for E-invoices	Puts document back into designated folder
Emails document to pre-decided recipients	Works as a background service	Provides robust error handling during automation
Provides a dashboard to view signing statistics	Supports server-side, client-side and API based	Fully Automated Signing Solution

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End-to-end approach on legal documents

An award-winning signing solution that securely authenticates signers, offers them a range of signature types for signing and protects the signed document from tampering.

Also features Invoice generation and Bulk Signing Application enabling documents via a client server various Utility with all possible customizations & ensuring all security protocols.

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Our Recently Integrated Signatures

Aadhar Based Sign

UAE Pass Integrated

State of the Art Technology

Designed for the Modern World

User Authentication

Document Protection

One Solution for All Signatures

Electronic

Digital

Biometric

Security & Protection You Can Trust

Powered by Blockchain

Advanced Encryption

ISO & VAPT Compliant , SOC 2 Certified

Feature-rich & Easy to Use

For Individual

For Enterprise

LIVE Cygnature

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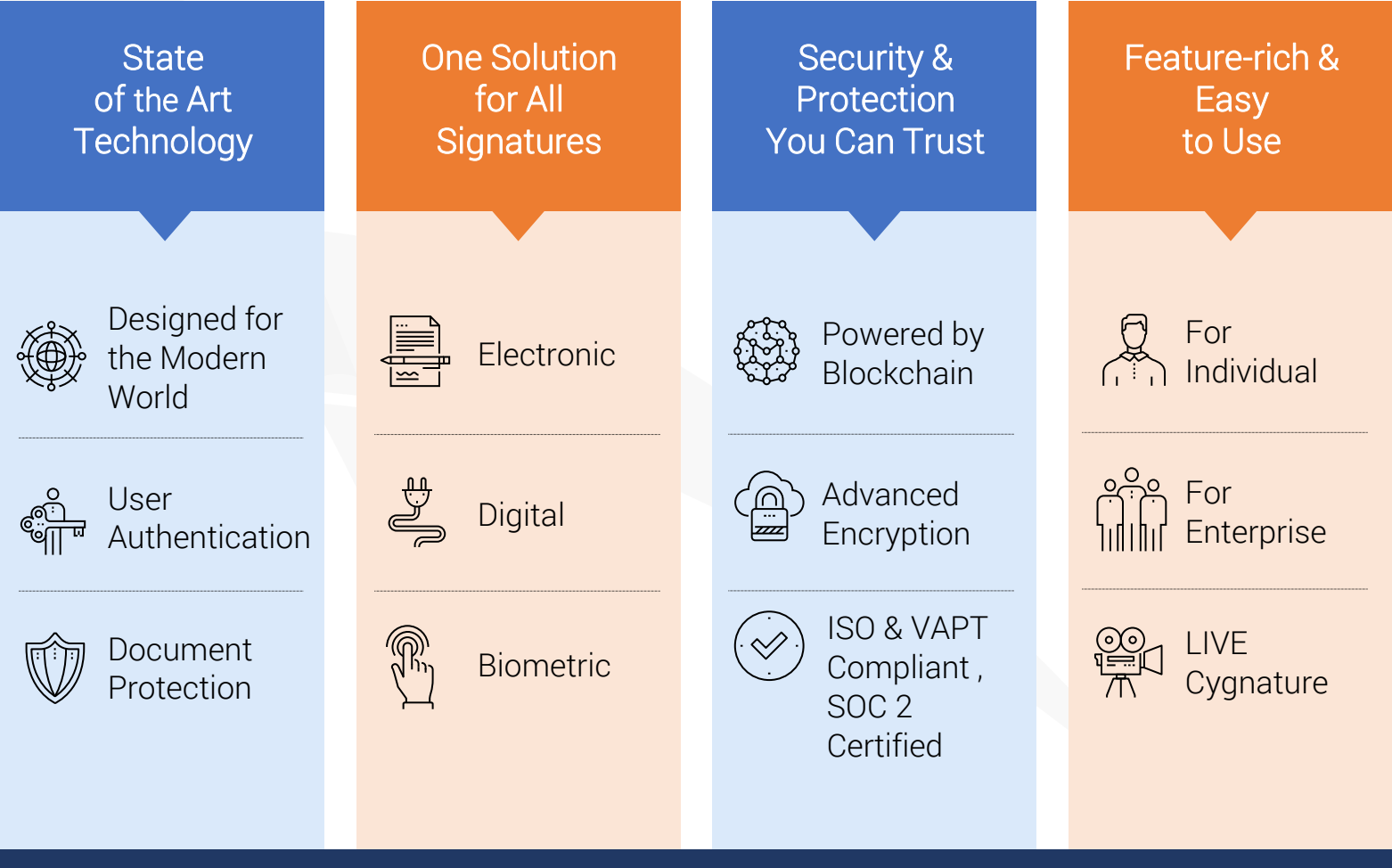
End-to-end approach on tax risk management - AutomationWhiz

Sample Use cases

RPA Applications

> Information extraction from documents

> Auto-fill form using data points

> Auto-fetch info from website or sources

> Validate data using match criteria

> Data translation & file format conversion

> Create MIS reports

> Integrate or pass data between systems

Bots can extract data from Bank statements, financial documents (balance sheet), Invoice, Bill of Entry, Shipping Bill for analysis and feed info into ERP & DMS in the required format
Extract data from premium receipts to help insurance brokers

Due Diligence - Fetch documents from email, extract information, validate with external systems or data points

Extraction of data from multiple scattered systems to populate forms e.g. loan application form, Insurance underwriting application form, generate loan agreement

Information extraction from SAP / ERPs and translate to feed to other systems and generate MIS reports

Bots for SAP processes e.g. PO, MIGO, MIRO and more

Info Extraction & Reco – Invoices Bill of Entry, Shipping Bill, Ice-gate bot
Shipment Tracking
Calculating Freight cost
Automate Exporter's information using IEC code

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End-to-end approach on tax risk management - AutomationWhiz

- Track document extraction accuracy
- Auto Fill
- Form Fill
- Dashboard
- Page processing details
- Time stamps

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Lessons learned - what does the ROI look like?

On people
1. how many tax/finance/it professionals are busy with the tax compliance process?
2. how many tax/finance/it professionals are busy with the tax risk management process?
3. from a tax professional how many 'access codes' are required to use all processes and/or technology?

On processes
1. how many tax processes are being defined by you? [# of regional or global processes]
2. how many 'sources of data' feed into these tax processes? [# of data sources per layer/per region]
3. how many of the data sources carry 'transactional data'? [#]

On technology
1. how many 'source tier' technology solutions are being used today? [# of software packages on screen of tax knowledge workers]
2. how many 'reporting tier' technology solutions are being used today?
3. how many technology/software used should be integrated into an 'end-to-end' application? [% of current processes]

On data
1. how is the access to data sources for tax organized [not, through finance, direct access, blend]
2. what is the frequency of data feed from the data sources to the tax team [define frequency - real time, daily, weekly, monthly, quarterly, beyond quarterly]
3. what is the data readiness for use by one or more tax work processes [0% means fully reconcile/rework, 50% means significant reconcile/rework, 75% means low reconcile/rework, 100% means no reconcile/rework required]

For complete questionnaire, see appendix

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Next steps for multinationals

- Introduction of an end-to-end system for tax – it's a starting point for a multinational's digital transformation

- To obtain savings in excess of 50%, multinationals are required to rethink their tax data architecture and tax data management

- The 'People, Process, Technology' approach is a prerequisite

- Real-time tax compliance requirements drive the need for dynamic dashboarding

- In addition to working with a multidisciplinary team (finance, IT and tax), each of the participants needs to be green and/or black belt certified

- In summary:
  1) Have your tax vision 2025 ready;
  2) Define your major challenges and take stock of available solutions;
  3) Start running your tax technology transformation plan to achieve the target

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Thank You

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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.

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Appendix

Questionnaire RoI and Project Prioritization

By completing this questionnaire various insights are obtained that bring forward the core reasons to prioritize certain projects on the tax technology road map. Subsequently, the answers provide information that can be used as input in the RoI calculations for each project in scope.

On people

1. how many tax/finance/it professionals are busy with the tax compliance process? [express in # of FTEs, including average employee cost/year]
2. how many tax/finance/it professionals are busy with the tax risk management process? [same]
3. how many tax/finance/it professionals are busy with the proper tax communications to stakeholders? [same]
4. from a tax professional how many 'access codes' are required to use all processes and/or technology? [# of logins]
5. what is the governance for the above-mentioned workflows? [tax reports into ....]
6. How many new professionals with different profiles (currently not within the organization) would need to be hired to successfully run the project(s)? [#]
7. How many existing professionals from IT and Finance would need to be involved to successfully run the project? [#]
8. What is the expected involvement of the external parties in terms of time and budget on such a project? [#] one-off and recurring

On processes

1. how many tax processes are being defined by you? [# of regional or global processes]
2. how many 'sources of data' feed into these tax processes? [# of data sources per layer/per region]
3. how many of the data sources carry 'transactional data'? [#]
4. how many of the data sources carry 'cumulative data'? [#]
5. What is the current feedback on your current processes, i.e. what are the bottlenecks ventilated by the "on the ground" employees?
6. How much time per employee/hourly rates can be saved as per your first assessment? [#]

Questionnaire RoI and Project Prioritization (Continued)

On technology

1. How many 'source tier' technology solutions are being used today? [# of software packages on the screen of tax knowledge workers]
2. How many 'reporting tier' technology solutions are being used today?
3. How much technology/software use should be integrated into an 'end-to-end' application? [% of current processes]
4. From a tax professional how many technologies are on average used per tax professional [less than 5, between 5-10, more than 10]
5. How many tax files/reports are filed per 'means of tax' and 'per geography'? [e.g. 25 VAT returns in Europe produced monthly]
6. How many of the existing tools can be replaced by end-to-end solutions? (please provide an assessment on the cost of existing tools vs cost of the end-to-end solutions) [#]
7. What is the current feedback on your current tools, i.e. what are the bottlenecks ventilated by the "on the ground" employees?

On data

1. How is the access to data sources for tax organized [not, through finance, direct access, blend]
2. What is the frequency of data feed from the data sources to the tax team [define frequency – real-time, daily, weekly, monthly, quarterly, beyond quarterly]
3. What is the data readiness for use by one or more tax work processes [0% means fully reconcile/rework, 50% means significant reconcile/rework, 75% means low reconcile/rework, 100% means no reconcile/rework required]
4. How is the reconcile/rework process of data organized by the organization [not, allocated to finance, allocated to IT, allocated to tax, fully automated, fully manual, partially manual & partially automated]
5. Is there a difference between the 'transactional data pool' versus 'cumulated data pools' used by tax processes? [no, yes-limited, yes-significant]

On one-off investments

- What is the yearly level of one-off investments during the last 3 years…

On recurring investments (includes running and maintenance cost]

- What is the yearly level of recurring cost for people/processes/technologies, splits between external and in-house?