

Tax Intelligence Solution for VAT

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Tax Intelligence Solution creates transparency in VAT processes

For organizations, especially those operating in international markets, the VAT process (VAT compliance and reporting) is complex. Would you like to learn more about an analytical approach to how your company's ERP system deals with the VAT process? KPMG has developed the Tax Intelligence Solution (TIS).

VAT is a transaction tax. VAT calculation is embedded in day-to-day processes and is captured and supported by ERP systems. All manner of VAT information is stored in ERP systems, e.g. invoices, master data, orders, conditions. To gain an analytical insight into how to improve tax processes, it is crucial to use all relevant VAT information that is available in your ERP system.

The complex VAT logic contained in ERP systems automatically attributes tax codes to each sales invoice. If the VAT logic is incorrect, repetitive errors occur that lead to substantial supplemental assessments and/or penalties.

On the purchasing side, VAT derivation is often a manual process. Mistakes are easily made and consequently too much or too little input VAT is claimed. Finally, application controls must sustain the automatic VAT process. Ideally, it should not be possible to override automatically attributed tax codes, and only a limited number of people should be authorized to maintain critical VAT data. To gain a complete insight into the process, analyses need to cover sales, purchasing, tax reporting and authorizations.

How can KPMG help you?

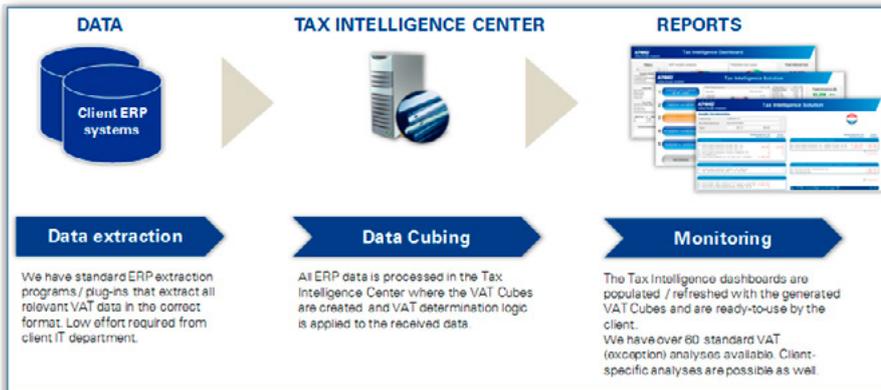
The existence of massive amounts of data in your company, in particular VAT-relevant data stored in your ERP system, provides opportunities for conducting all kinds of analyses using TIS.

Key benefits of TIS

- Fact-based insight into the level of VAT compliance for multiple jurisdictions
- Sophisticated VAT exception monitoring based on a list of more than 60 standard exceptions
- Insight into potential cash savings, opportunities to improve processes, system improvements
- Supports time-consuming periodic VAT activities, e.g. the preparation of periodic VAT returns, VAT/turnover reconciliation, validation of VAT identification numbers.

TIS is not an add-on, but leverages existing technologies

- TIS is an enterprise-based IT solution that relies on accelerators to ensure successful and efficient implementation
- It is scalable, flexible and leverages an organization's existing IT platforms/ technologies
- No license fee or new technology purchase requirements
- Uses pre-configured accelerators that work on multiple enterprise platforms and utilizes existing reporting front-ends, such as SAP ERP/BI, Business Objects, BWISE, QlikView, MicroStrategy, Cognos.
- After implementation, the knowledge required for maintaining TIS is fully embedded in the client organization.



When and where to engage KPMG?

Do you want to detect VAT risks and opportunities - based on facts - and take appropriate actions?

If the answer is "yes," then we recommend that you leverage KPMG's experience and knowledge, which has combined VAT and technology expertise in our Tax Intelligence Solution.



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