Discover the value in your Direct Tax Data

Tax Intelligence Solution – Direct Tax

kpmg.com/au/taxdataanalytics
Using data analytics, organisations now have the opportunity to transform tax data into valuable insights. Imagine gaining the ability to interpret the enormous volumes of transactional data captured in your business systems, finding overpaid and under-claimed tax and uncovering hidden business opportunities.

By accessing relevant tax data in a user friendly way, you can maintain control of your tax processes, identifying risks and leveraging opportunities.

Stop struggling with your tax data. Start winning with it.

KPMG is helping organisations delve into their tax data, revealing both untapped opportunities and hidden risks. Early detection of such opportunities and risks can lead to financial return and support the tax function to become a key value add resource at the centre of business decision making.

KPMG’s TIS Direct Tax is just one of a suite of tax data analytics tools offered by KPMG across corporate, customs, employment and indirect taxes.

How is data analytics disrupting the oversight and management of direct taxes on a global basis?

Technology-driven disruption, along with the ever-increasing volume of data is transforming the role of the tax function. Increasingly, tax functions are expected to provide executives with holistic oversight of the group’s tax performance on both a local and global level. The large volumes of data involved in such organisations are difficult to decipher, often only digestible in lengthy spreadsheet documents which are at risk of corruption and misinterpretation.

KPMG’s TIS Direct Tax is designed to make this simple by separating deep insights from noise. Imagine having visibility of your organisation’s tax footprint in a clear and concise manner that allows you to easily identify tax opportunities and potential risks across the globe. KPMG’s TIS Direct Tax analytics can provide valuable insight on a local and global level, ease your tax decision making and reduce time spent interpreting multiple local data metrics and complicated country specific reports.

Questions to ask about your direct tax data:

- Do I have full visibility of my tax costs and leakage on a global basis?
- When did I last review the total of my intra-group funding to identify any sub-optimal lending?
- Do I have full visibility over the utilisation of tax losses and tax credits across all jurisdictions?
- What scenario planning do I have in place to model the impact of tax rate or law changes in a particular jurisdiction?

How does tax data analytics work?

1. KPMG’s data specialists work with your team to extract data from business systems.
2. The data specialists cleanse, reconcile and load the data using KPMG proprietary data analytics tools.
3. KPMG undertake exception testing, benchmarking and trending to report results, detect anomalies and visualise data.
Focused on outcomes

Drawing on advanced data analytics technology and the expertise of KPMG’s tax professionals, KPMG’s approach is focused on identifying inefficiencies across business systems and manual processes. It helps you to:

- **Gain control and visibility of your direct taxes**
  Gain fact-driven insight into tax and compliance costs on an easy-to-use interactive dashboard.

- **Increase efficiency**
  Drive improvement by identifying areas for optimisation, allowing you to focus your attention on the right areas.

- **Improve risk management**
  Uncover operational control weaknesses which may be more prevalent in certain regions, countries or entities.

- **Transform data into value**
  Recognise business process gaps at a global level that give rise to potential cash refunds and go-forward savings.

- **Focus on your core business**
  Reduce your effort to allow focus on specific areas of concern or opportunity, including a focus on intra-group transactions.

### What insights can Data Analytics provide?

- **Identify main tax attributes and risks across the organisation’s global footprint**
  Executives can gain oversight of the entire group with the ability to drilldown into entities and relationships.

- **Effective tax rate and cash tax rate**
  Gain a deep understanding of where tax costs and benefits differ from the statutory rates throughout the group and global presence.

- **Cash management optimisation intragroup loans**
  Identifying mismatches between the tax rate of deductions for interest against assessable income, to draw attention to sub-optimal intra-group funding.

- **Permanent establishment risk**
  Review the risk profile of locations to determine any likely unknown taxable presence.

- **Intercompany in depth**
  Review all intercompany transactions on an entity and country basis.

- **Tax audit risk**
  Show upside and downside tax risks of the group, and highlight the degree of certainty or uncertainty of positions taken.

- **Earnings – repatriation & volatility**
  Review volatile conditions that the group is subject to, including commodity prices, currency and interest rate movements.

### Case study

A Multi-National Corporate (MNC) had limited oversight of their foreign loans and how tax losses and tax credits were being used on a global scale. Historically, manual reports prepared by tax and finance functions provided a clunky review process. Through the use of KPMG’s TIS Direct Tax executives were able to view a global snapshot to review all loans and associated taxes. Previously unknown tax losses and tax credits were also uncovered in entities throughout the group structure, and KPMG was able to advise on the utilisation including the transfer of losses and the potential for cost-base adjustments. The overall effect to the group was a more tax effective structuring of loans and losses throughout the MNC.
KPMG’s TIS Direct Tax uses market leading visualisation software allowing you to interrogate your data, validate exceptions and identify opportunities in a clear and concise manner. An example of a data driven insight is set out in our visualisation tool below:

![TIS Direct Tax Loans Summary](image)

Note: sample data set only.

**Contact us**

For more information on how KPMG’s suite of Tax Data Analytics tools can help discover the value in your tax data, please contact your KPMG Tax Advisor.

**Grant Wardell-Johnson**

*Partner*

+61 2 9335 7128

gwardelljohn@kpmg.com.au

**Peter Xing**

*Manager*

+61 2 9335 8328

pxing1@kpmg.com.au

kpmg.com/au/taxdataanalytics

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