



Tax transformation & technology



01

Tax needs technology

Today's tax leaders, in Canada and globally, face unprecedented regulatory change and complexity – from domestic tax reforms, the OECD's Base Erosion and Profit Shifting (BEPS) Action Plan, through to heightened scrutiny on multinational reporting and more.

In this dynamic and rapidly changing environment, organizations must adapt to address the shift towards global transparency, increased audit activity, direct access of data by revenue authorities, and increased information sharing across jurisdictions.

Technology and innovation can be the difference between a tax department that is on the defensive, one that is keeping pace, and one that is proactively building a proud tax narrative inside and outside of their organization.

Despite this, in KPMG's recent Global Tax Benchmarking Survey, only 14% of tax leaders surveyed expected to see a significant increase in tax technology investment in the next 5 years, with Canadian tax departments less likely than their global counterparts to take advantage of the efficiencies and value that investments in tax technology can bring.

There is therefore a massive untapped opportunity for Canadian tax functions to leverage data and technology to meet these new challenges as well as ever-tougher mandates to do more with less.

And with tax authorities increasing the scope of information requests and moving more-and-more toward real-time demand for data, there has never been a better time for organizations to use tax technology to take control over their tax data and the story behind it.

Questions to ask yourself

- Where does tax technology fit into your overall tax strategy?
- Do you have dedicated tax technology resources on your team?
- How do you stay on top of new technologies and trends in tax and tax governance?
- What are the key factors you use to make the business case for an investment in tax technology?



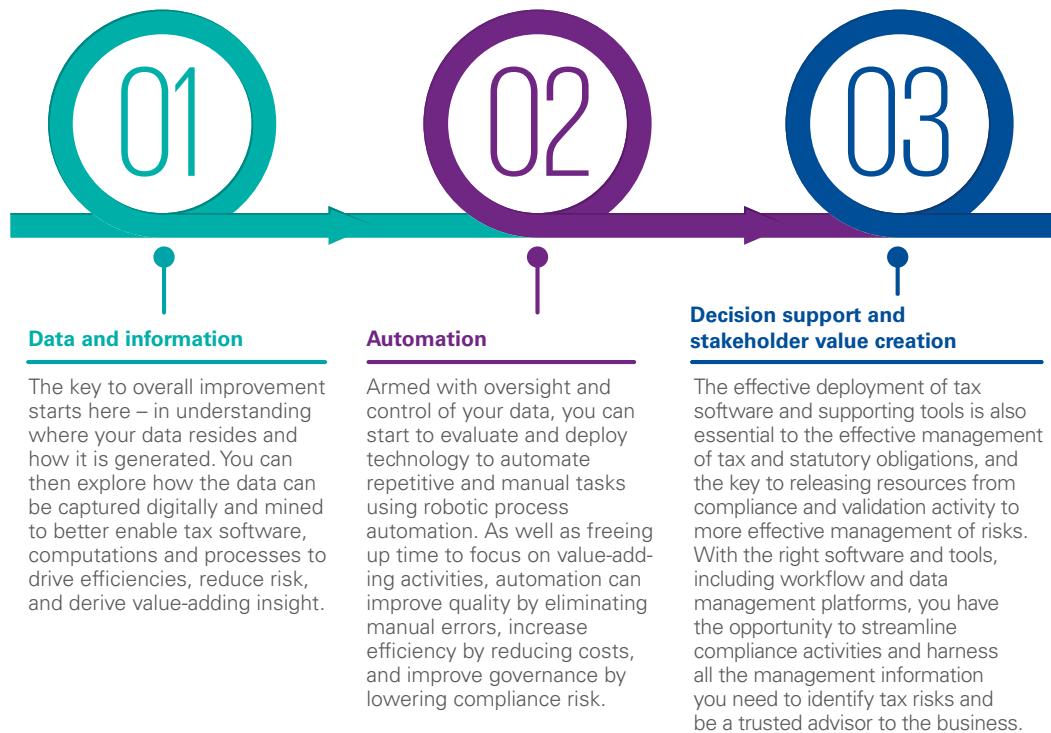
02

Using tax technology to drive value

The ambition of today's tax department is to become a trusted advisor to the rest of the organization, contributing to strategic value and becoming more closely aligned with the business, while adapting to the challenges of real-time tax.

However, in practice, many tax departments are still spending the majority of their time on compliance, especially tax returns and financial reporting. In order to achieve the vision of adding value through business partnering, the tax function needs to free up more time for personnel to move up the value chain – but how?

Put simply, tax functions can achieve this by implementing a robust data and technology strategy that includes the effective deployment of tax technologies to manage the acquisition and flow of data, automate repetitive and manual tasks, and enable informed strategic decisions and improved performance. This can be summarized in three pillars:



Through the combination of these three pillars, the tax function will have the crucial agility to react in an evolving landscape of tax compliance and reporting, which cannot be achieved through single-point solutions.

Questions to ask yourself

- Are you getting the tax data you need from your organization's ERP system?
- Have you implemented or considered implementing automation technology?
- Are you aware of the various tax technology solutions available?



03

How we can help you get there

1. Data and information

Data enablement

Whether you want to eliminate the need for complex spreadsheets to manage data flows, or move to an integrated tax data warehouse, cost efficiencies can be achieved by eliminating time spent on gathering, consolidating and the manual analysis of data on a repetitive basis. KPMG can support you by:

- Performing exploratory data analysis and applying advanced analytics techniques to identify weaknesses in business and tax processes that may require remediation
- Delivering a wide range of proprietary and third-party solutions to efficiently gather, consolidate and analyze data through greater automation
- Implementing data warehouse solutions to enable full access to historic and current data
- Putting in place data analysis tools to act as a compensating control

Workflow management

We have experience implementing a variety of third-party and proprietary workflow management tools to provide you with a secure, structured environment to monitor and control your tax and statutory compliance requirements and positions. Together, we can help you have oversight of all tax and non-tax filing requirements, and of the overall compliance position across divisions and borders, providing globally consistent compliance management and reporting.

Integrating tax software and tools

We will work with you on the design, configuration and implementation of technologies, including integration with upstream systems. Our teams have knowledge and experience with a number of third-party product suites and platforms, including Wolters Kluwer's CCH® Taxprep professional suite, Thomson Reuters' ONESOURCE® and Oracle's Hyperion® platform.

Maximizing the tax functionality of existing platforms

We review existing platforms and financial accounting systems for the purpose of tax sensitization in order to provide faster, more accurate data required for tax determination and reporting, and effective integration with other tax applications.

2. Automation

Tax provision automation

We are certified implementers of industry-leading provision automation solutions and can review the end-to-end implementation – from process and technology design, configuration and testing, right through to the conversion and integration of these systems post-implementation.

Tax compliance automation

Across all industries, we provide a variety of automation services that can pull the information from your data and automate the population of the returns and elections you need to prepare. We have extensive experience automating the completion of T2 (from provision automation solutions, Excel work papers or GL extracts), T3, T5013, information returns, rollover elections, business traveler T1 and 1040 returns, to name a few. We also have experience automating foreign reporting including T1134, T106, and country-by-country reporting.

Sourcing and implementing third party tools

We assist you to assess your sourcing options for tax software and tools to determine how you can manage your tax and statutory obligations in ways designed to be efficient and effective for all taxes, including business case design and implementation of software – from workflow management platforms all the way through to tax engines.

3. Decision support and stakeholder value creation

Decision support

Having control of your data offers you the ability to provide strategic value through improved planning, forecasting and modelling. KPMG's technology tools can support you with a suite of products that facilitate exempt surplus calculations, safe income calculations, capital asset reviews for tax purposes, and intercompany transaction analysis and planning.

Tax data & analytics

We can assist you with the extraction, management and analysis of large amounts of data from financial and tax systems, which can be transformed and reformatted to interface with tax applications or custom-built data analytics tools for reporting, analysis and decision support. This will help give you faster and more accurate information in order to help make informed strategic decisions and to provide operational insight and greater value to the business.

Designing tools to give you the management information that you need, with sufficient level of detail allows for faster, more accurate reporting and forecasting, and enables informed strategic decisions and improved performance.

Advanced analytic techniques are also used to conduct a comprehensive review of previously filed income and indirect tax returns to identify opportunities for missed savings.

Data analysis tools can also be leveraged to act as safeguard controls against identified weaknesses in your business and tax processes.

Questions to ask yourself

- How do you currently ensure that data is consistent across the planning, provision, and compliance processes? Do you have challenges with data management (collection, storage, recall)?
- How might robotic process automation tools offer value to your tax function?
- How recently have you assessed your existing technology platforms?



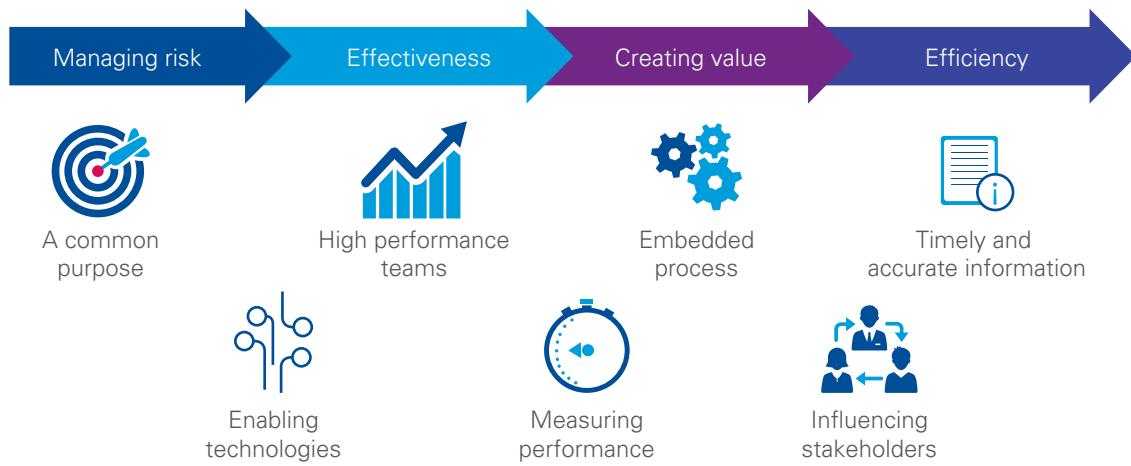
04

Why we are different

We take a holistic approach in helping you assess the needs of your tax function on an end-to-end basis.

We understand technology needs to sit within the overall strategy of your tax function, and we stand shoulder-to-shoulder with you to help you get there. Our end-to-end approach is underpinned by a proven framework which we use to help you transform the current state of your tax function and achieve your goals:

Driving tax performance framework



This framework is a part of our mindset and embedded in everything we do, including KPMG Tax Control Room, an innovative cloud-based solution built to assist your tax function deliver value across your business.

Using Tax Control Room, we can help you assess and benchmark your entire current tax operating model, including the deployment of technology, automation, analytics and governance, so that you have a robust operating model that positions tax as a business partner, demonstrating control but also driving process efficiencies and technology.

At KPMG, we don't just understand technology, we understand your business and your industry. We know that there is no one-size-fits-all solution, and so we build unique solutions tailored to your processes and your needs.

Questions to ask yourself

- How are you thinking about tax technology and data management at a holistic level for your department?
- Does your department have a documented tax technology strategy in place?
- What role will tax technology play in your future tax operating model?



Contact us

**Gino Piazza**

Partner, National Service Line Leader –
Tax Transformation & Technology
KPMG LLP

T: 416-777-8866
M: 416-418-5089
E: gpiazza@kpmg.ca

**Chris White**

Partner
Tax Transformation & Technology
KPMG LLP

T: 416-777-8481
E: cwhite@kpmg.ca

**Frankie Davenport**

Partner
Tax Transformation & Technology
KPMG LLP

T: 416-777-8047
M: 416-624-6676
E: frankiedavenport@kpmg.ca

**Les Der**

Partner
Tax Transformation & Technology
KPMG LLP

T: 403-691-7990
E: lder@kpmg.ca

kpmg.ca



The information contained herein is of a general nature and is not intended to address the circumstances of any particular individual or entity. Although we endeavor to provide accurate and timely information, there can be no guarantee that such information is accurate as of the date it is received or that it will continue to be accurate in the future. No one should act on such information without appropriate professional advice after a thorough examination of the particular situation.

© 2020 KPMG LLP, a Canadian limited liability partnership and a member firm of the KPMG network of independent member firms affiliated with KPMG International Cooperative ("KPMG International"), a Swiss entity. All rights reserved. 18509

The KPMG name and logo are registered trademarks or trademarks of KPMG International.