

# Indirect Tax and Technology

## ERP Services

It is time to reimagine more than business processes. It is time to reimagine customer relationships, data, markets, supply chain, workforce and more. A good way to achieve your strategic organizational goals is with the help of Enterprise Resource Planning (ERP) solutions, tax engines and other business compliance software.

Tax departments are often the single largest consumer of financial information within an organization, yet they typically face difficulties in obtaining data from accounting and other source systems at the appropriate level of detail and timely enough to support the company's VAT compliance and indirect tax planning activities. This may lead to excessive administrative burdens, overpaid VAT or, in the worst case, underpaid VAT positions, which could result in future VAT audits and fines.

### ERP and Indirect Tax

ERP systems, such as Oracle or SAP, can capture the data required, however collecting and classifying the data for tax purposes is frequently manual and therefore time-consuming. Adjusting existing tax determination logic or defining tax requirements up-front can reduce manual activities, resulting in improved data quality.

If your company is currently in the middle of:

- Implementing a new ERP system or upgrading an existing one;
- Planning or undergoing a financial transformation;
- Acquiring or merging with another company;
- Archiving data or decommissioning legacy applications

and/or your tax department is experiencing or has experienced:

- Challenges in obtaining indirect tax data to support the indirect tax lifecycle;
- Significant amounts of manual processes in the tax department;
- Difficulties in getting to the right financial accounting starting point for indirect tax purposes;
- Changes in key tax personnel;
- Material weakness or significant deficiency in the tax department

then KPMG Switzerland's indirect tax professionals, technology consultants, ERP specialists and industry experts can be of help.

### Our services and further information

Our Indirect Tax Technology Services (ITTS) team can help bridge the gap between Tax and IT departments during an ERP implementation or upgrade, efficiently identifying areas where tax can bring value to an overall ERP project. We also have the knowledge and experience to efficiently incorporate indirect tax requirements without adversely impacting the planned design. An ERP implementation, like the migration into S4/HANA is a unique milestone in a company's life and thus a one-off, unrepeatable opportunity for tax departments. The extra effort of including the tax department in such a project is well compensated by the resulting benefits.

## How we can help

KPMG's indirect tax technology service (ITTS) practice has dedicated indirect tax and ERP professionals with in-depth experience and knowledge in:

- 01** ◆ Understanding how to include the tax department when implementing a new ERP and other financial reporting applications to improve accuracy and performance.
- 02** ◆ Analyzing existing business models, transaction flows and their VAT treatment to set-up a proper E2E indirect tax reporting process within ERP systems.
- 03** ◆ All of the major ERP applications to efficiently incorporate the data needed for tax compliance and planning the design and configuration of the system.
- 04** ◆ Automating and visualizing key work steps related to indirect tax and data analytics to improve tax departments' internal compliance control capabilities.
- 05** ◆ Helping tax departments get the most out of their data already collected by the organization and to streamline and automate processes across the indirect tax lifecycle.
- 06** ◆ Implementing archiving strategies and applications to satisfy tax record retention requirements.

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