Tax data analytics engine

Our services

January 2022

Background

In the changing landscape of tax compliance, tax authorities are placing an increasing emphasis on the integrity of company data.

To address this, many businesses are therefore investing in technology and automation in pursuit of a more consistent approach in the preparation of their compliance reporting, and tracking of taxable transactions.

There are many driving factors for this, including:–

— The opportunity to realise time efficiencies.–

— Integrity and tax governance expectations from tax authorities.

— Transparency of audit trails in anticipation of compliance reviews from tax authorities.

— The application of consistent methodologies year after year.

— Ability to interrogate output data, to find patterns and trends occurring within the business.

— Business obligations regarding the Senior Accounting Officer (SAO) requirements, Country by Country reporting and Tax Strategy publication.

KPMG's Tax Data Analytics Engine (TDAE) is a cloud-based data analysis application, hosted by Amazon Web Services. Using user defined rules and machine learning, TDAE can review large volumes of data, allowing for fast and efficient analysis of transactions for both direct and indirect tax purposes.

Whether your data relates to capital spend, accounts payable, employee expenses or share schemes, TDAE is designed to analyse it far more effectively than an equivalent manual process.

Master data

Whether your data relates to capital spend, accounts payable transactions, employee expenses, share schemes or pensions TDAE helps analyse and categorise it far more **effectively** than any equivalent manual process.
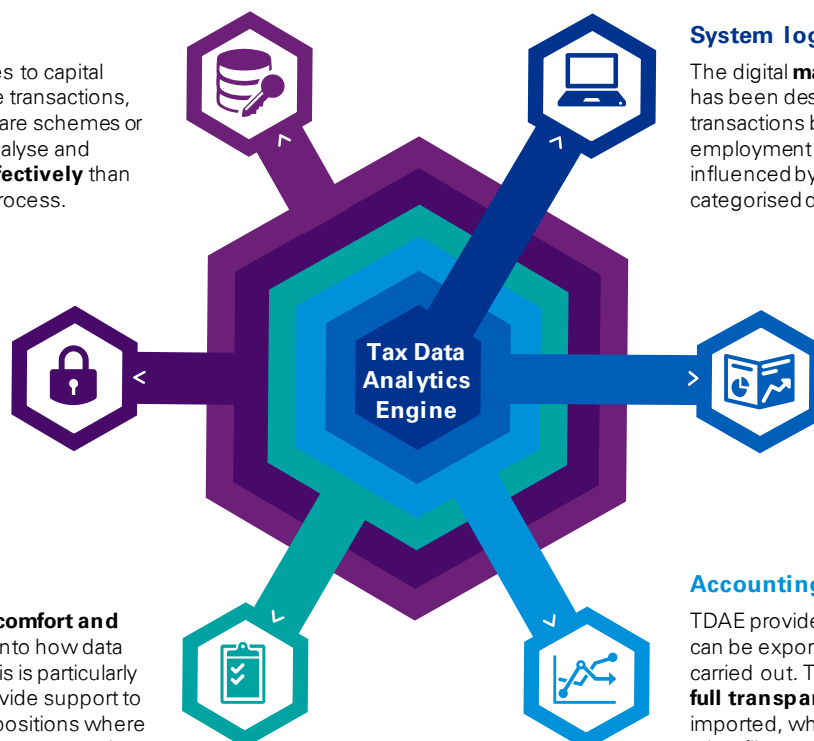
System logic

The digital **machine learning** module has been designed to identify transactions based on current UK employment tax rules and patterns influenced by KPMG qualified categorised data.

Storage & retention

TDAE allows the user to **Lock and Archive** analysis, providing the ability to come back years later and look at the work that was done.

Tax Data Analytics Engine

Data entry

With an **intuitive user interface** large volumes of data can be categorised quickly by writing rules using a simple drag and drop approach, **requiring no Excel macros or coding skills.**

Reporting & filing

TDAE helps give **client comfort and HMRC understanding** into how data has been processed. This is particularly important in order to provide support to the **SAO** to sign off tax positions where large datasets have been processed.

Accounting & adjustments

TDAE provides a PDF action log that can be exported for each analysis carried out. This Action Log provides **full transparency** on what data is imported, what rules are written and what files were exported.

Cross-tax benefits of tax data analytics engine (TDAE)

We build software that's powerful yet easy to use. Our approach reflects a combination of sophisticated logic and an seamless user experience.

As cloud technology, business users will have remote access to the technology. Being cloud based also allows KPMG to input and review your data remotely.

TDAE can be quickly and easily customised to analyse the same tax transactions for different purposes across your business.

The simple drag and drop approach makes the creation and management of rules uncomplicated and straightforward.

The table below outlines TDAE's features in relation to VAT, Corporate Tax, Capital Allowances and Employment Taxes.

Features	VAT	Corporate Tax	Capital Allowances	Employment Taxes
Review transactions and allocate into reporting and non-reporting categories.	✓	✓	✓	✓
Rules can be configured for multiple tax jurisdictions	✓	✓	✓	✓
Full audit trail, keeping track of any changes made across multiple users	✓	✓	✓	✓
Detailed reports provide full analysis of how transactions have been categorised and why	✓	✓	✓	✓
Real time insights on analysis of transactional data throughout the year	✓	✓	✓	✓
Output can be readily utilised for tax compliance reporting	✓	✓	✓	✓
Applicable in analysing qualifying and non-qualifying expenditure	✓	✓	✓	✓
Suitable for identifying non-deductible items for Corporate Tax purposes		✓		
Applicable for identifying Form P11D and PSA items				✓
Output can be utilised for the digital links requirement of Maxing Tax Digital for VAT.	✓			
Can be applied for identifying suitable transactions for processing through payroll				✓
Identifying areas where carbon footprint spend can be reduced				✓

Some or all of the services described herein may not be permissible for KPMG audited entities and their affiliates or related entities.

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