

## Finance is introducing a new ERP system. How can I maximise this opportunity for Tax?

### Client

Our client is a mining and resources group that embarked on a global implementation of SAP.

### Challenge

To ensure that implementation preparations and execution took tax into proper account, the tax team embedded key individuals within the project team. They also chose us to assist them in the tax-related review and design of the implementation process for the global roll-out.

### Solution

As per the rollout plan, the SAP project team were bringing business units online every six months. We worked with the project team to map the methodology they were using to implement SAP. Partnering with the local tax teams, we then created a methodology that captured all the points during the implementation process that had a tax impact. Next we integrated the two methodologies so that working through the implementation process would trigger a series of tax-related alerts at appropriate points. This ensured that each SAP implementation had the necessary tax considerations factored in at the right points, resulting in a system that gave the local tax function the confidence to access accurate, tax – sensitised data from their SAP system.

In order to preserve the momentum of the rollout, we identified local Heads of Tax prior to the visit by the implementation team, and provided them with a list of responsibilities that they needed to work through so that the implementation could proceed smoothly. The Heads of Tax then made the choice to cover the work themselves, split the responsibilities between them and us, or outsource all of the preparatory work to us.

Finally, we have also assisted the project team with key strategic decisions regarding the ERP implementation, including whether to use a tax engine ‘bolt-on’ or pre-existing components of SAP itself for the indirect tax determination of the group’s transactions.

### Benefits

As we continue to partner with our client around the world, the organisation is already experiencing the positive benefits of pro-actively tax sensitising their ERP system. An unsensitised system wouldn’t provide the information needed for the tax compliance/reporting purposes or effective tax planning, would potentially expose the group to resource consuming systems and other audits, and would potentially undermine their relationships with key stakeholders (both within and outside the business). Our client had now secured themselves higher levels of assurance around the accuracy of their direct and indirect tax source data which will give them greater confidence in their compliance, reporting and planning activities in the future.

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