

Fast Track for tax reporting

Powered by Oracle's tax reporting cloud



Imagine setting up a tax reporting solution in just six weeks instead of nine months.*

Typically companies struggle with their tax close as part of the Financial Close under IFRS or US GAAP due to a huge reliance on spreadsheets, missing detail, underlying support of local calculations and data, and having no single version of the truth because data integration is missing. The tax close is traditionally aimed at collecting data and reconciling different sources and numbers instead of actually analyzing the information and adding quality to the process.

Typically clients run the tax close using spreadsheets that are collected throughout the group to match the current—and deferred tax—numbers reported in the financial system. Sometimes the consolidation system has one or more tax schedules to collect data for running the disclosure notes in the consolidated financial statements, but does not actually process the necessary calculations.

Reviewing local calculations, requesting supporting documentation, and reconciling all this data in spreadsheet format is usually a painful process. The reason is that the financial close is performed in a small window of time, numbers keep changing and the spreadsheets do not tie what is reported for financial purposes. Hence, most time is spent on data collection and reconciliation efforts, rather than actually reviewing the calculations adding quality to the process. The key will be removing many of the spreadsheets, standardizing the calculations, and integrating the tax close with the financial close, thus improving quality. This will lead to clients considering automation to achieve all of this.

Once clients consider automating the tax close, their next concern is about the effort, duration, and costs of such implementation. This is where Deloitte Fast Track for Oracle's Tax Reporting comes in.

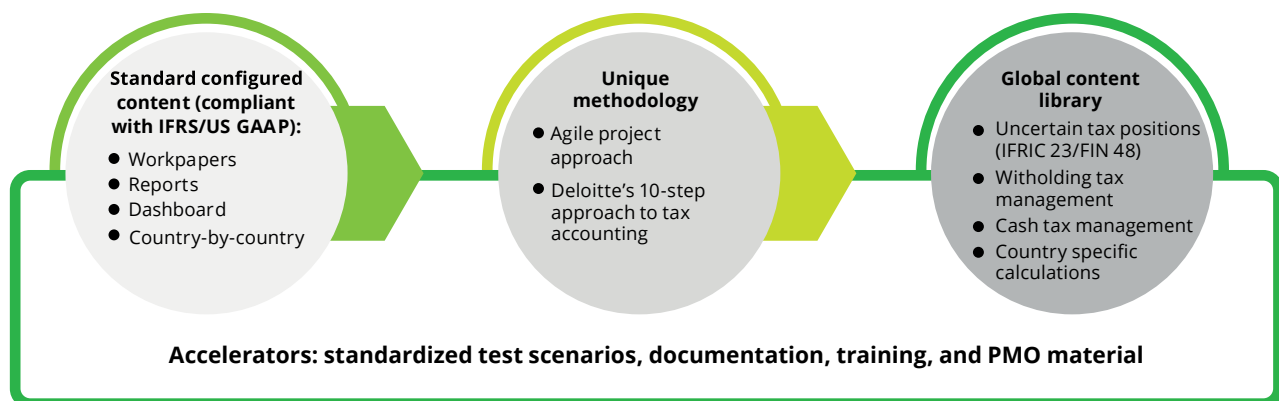
What it does

Where typically the implementation of such global tax reporting solution takes nine months, Deloitte is able to reduce this to six weeks* by making use of its unique approach, called Fast Track, and leveraging Oracle's Tax Reporting Cloud.

Through this agile approach we deploy market standard work papers, reports and dashboards, and give clients valuable time back in such implementations to focus on adoption of the solution. This leads to the success of the implementation, rather than spending time on requirements gathering and design discussions.

How it works

Oracle offers one of the few mature tax reporting solutions in the marketplace. Deloitte has added its functional knowledge of the process and content involved and turned this into standard material that can be utilized in the implementation. Deloitte standardized Oracle's calculation model, materials, and the approach into standardized (calculation materials that reduce the implementation time greatly.



* US based multinationals may have longer implementations times.

- **Methodology**—Unique to this methodology is that instead of starting the implementation with gathering requirements, Deloitte starts with training super users and unboxes the solution amongst others in the entity – and account structure of the company. Data integration is also typically set up with the consolidation system, ensuring that the Finance close and Tax close are aligned. Another differentiator is that the work papers in the solution have been set up following the Deloitte unique 10-steps approach to tax accounting;
- **Standardly configured content**—We have developed a leading practice of IFRS and US GAAP compliant data model that includes work papers and reports and dashboards to process the tax close. This can best be summarized as 11 integrated IFRS and US GAAP tax work papers, including tax-specific dashboards and reports for visual review purposes that are set up to produce the IAS 12 or ASC 740 disclosure notes, thus implementing a stand alone tax accounting process that is compliant with IFRS or US GAAP;
- **Global content library**—Deloitte manages a global content library that is continually expanding and offers clients the opportunity to receive more value out of the solution;
- **Accelerators**—The standardized accelerators include test scenarios, documentation, training and PMO material
- **What is also unique**—Our team is the most diversified, with capabilities and knowledge of tax, tax accounting, and IT in one. We are the glue between your finance, tax, and IT teams.

What value does it deliver?

Fast Track can deliver great value quickly. It automated one client's 2,400 entities and 2,000 tax permanent differences in just six weeks. And another client reduced repetitive and manual reconciliation work previously connected to a spreadsheet-based process by 90% with Fast Track.

Once the tax close for group purposes has been set up, additional value can be created by expanding the solution in other tax areas and leveraging Deloitte's global content library. Examples are for managing withholding taxes, cash taxes, or uncertain tax positions. Clients typically look for for localization efforts to also achieve efficiency in the preparation of the corporate income tax return.



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How Deloitte helps

Deloitte can help in this space in several scenarios:

- **EPM enterprise license deals**—Tax reporting cloud is included in the bundle. We can easily add value to the use of the licenses
- **Financial close**—A vital part of the Financial Close is the Tax close. Tax Reporting Cloud is a differentiating solution for the Tax close that we can quickly deploy using Fast Track;
- **Deloitte SuperLedger™**—Financial close is implemented with Deloitte SuperLedger™ and Tax close is included thus opening opportunities for more tax related topics;
- **Integrating with a SAP landscape**—We have implemented Tax Reporting Cloud on top of many SAP ERP environments
- **Replacing on-premise**—Various clients have self-built tax schedules in HFM. When replacing HFM, Tax Reporting Cloud should be considered to replace these schedules and add more value to the process.

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