

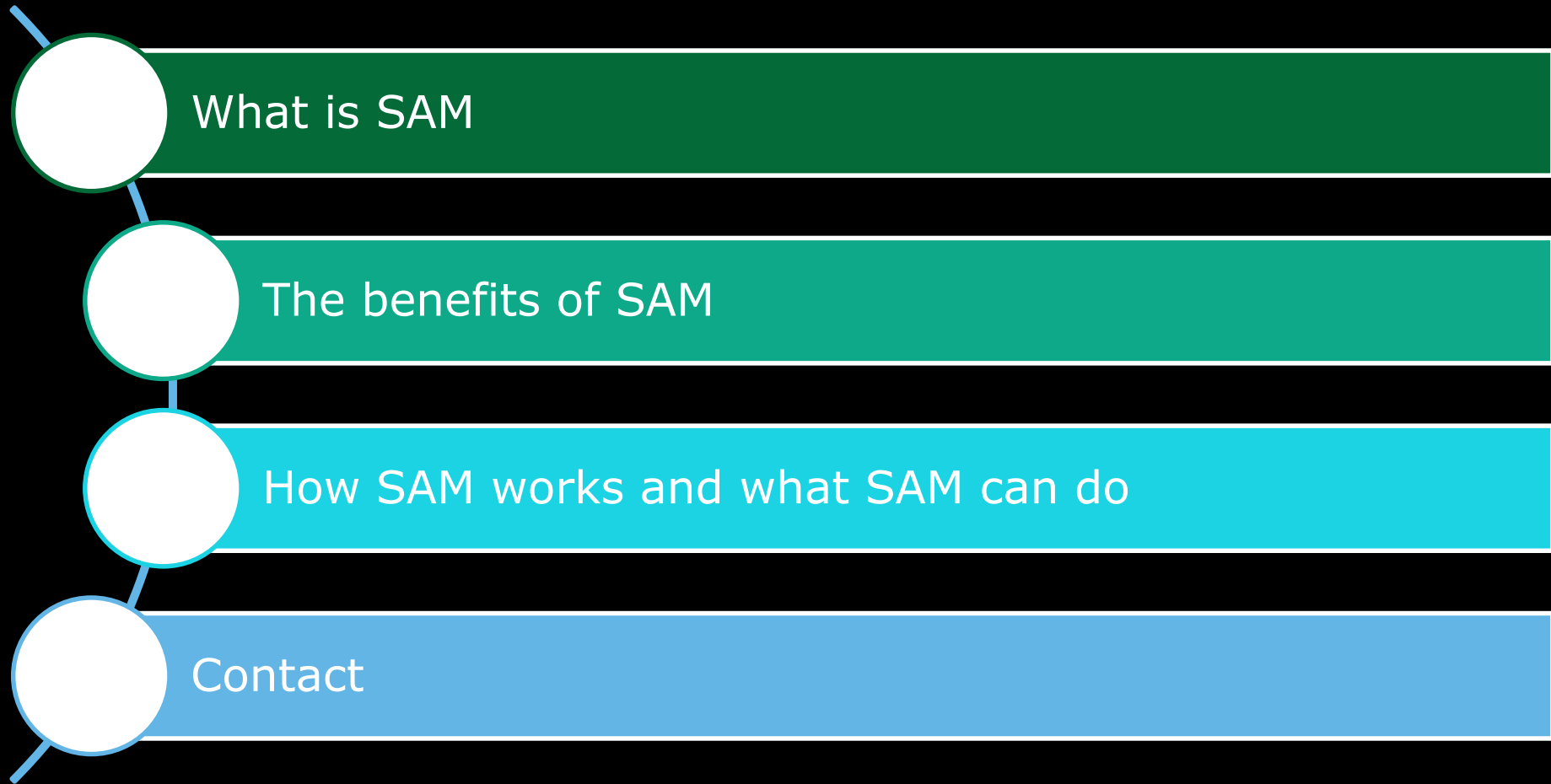
**Deloitte.**

# **VAT chatbot SAM**

*The Chatbot for VAT advice*



# Content



# What is SAM?

A 24/24 VAT assistant

## What is SAM?

---

SAM is a **chatbot** that provides basic EU VAT advice and can answer questions about your legal entities. The combination of Artificial Intelligence, Natural Language Processing software and knowledge databases maintained by VAT consultants ensures quality and a user friendly experience.

SAM can **analyze the VAT treatment of transactions** (place of supply, exemptions, rate, deduction limitations,...) and how you must report it in a VAT return. He will also tell you if a transaction triggers an obligation to register in an EU country. SAM is tailored to your business to ensure that he only asks relevant questions.

SAM can also answer more **general questions on VAT topics**. He can learn everything about VAT you need him to know.

SAM can also answer **questions about the legal entities in your company group**.

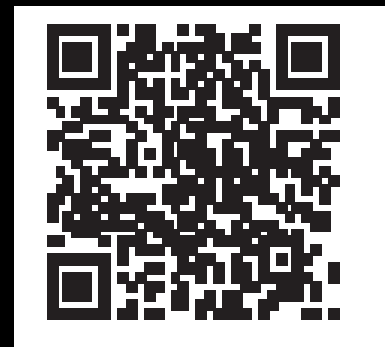
## Why SAM?

---

Although VAT is partly 'harmonized' in the EU there are still **plenty of differences**. The differences in national VAT legislation together with the **speed** at which these **local VAT rules change**, makes VAT complex and hard to manage.

**SAM is continuously updated by VAT consultants** across the EU and available to answer questions 24hours per day.

**Do you want to see a demo?**



Click the [link](#) or scan the barcode

# The benefits of SAM

## Why a chatbot for Indirect Tax?



No delay in response  
(even accross time zones)



Clear and understandable  
advice



Frees up for time for Indirect  
Tax responsables



Archives historic conversations  
which allows to analyze weak  
"spots" and learning  
opportunities



Leads to a more  
harmonized reporting



Redirects to a human  
where needed



Knows your business so only  
asks relevant questions



First-line support for ad hoc  
questions from the business



Trains people  
who use him



Increases the awareness of  
Indirect Tax within the business



Up to date with  
changes in legislation (vs. paper  
advice)



Can support multiple persons  
at the same time

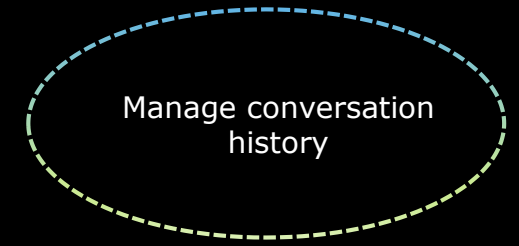
# The benefits of SAM

## The use cases (based on client conversations)

- A VAT manager who needs access to information on a number of countries (e.g. local reverse charge, deduction limitations,...) and who wants to **reduce research time**
- A VAT manager **caught up by basic VAT (reporting) questions** of the finance department/business, leaving him/her no time to focus on more strategic work
- Employees of an **AP/AR department** who are struggling to determine the VAT treatment of an invoice in order to make the correct VAT booking
- Employees in a **shared service center** who need to allocate the correct VAT code for invoices relating to several jurisdictions
- A CFO without **a full fledged VAT department** does not feel comfortable with the VAT knowledge of his finance department, and questions whether they make the right decisions based on 'google'
- Employees with limited VAT knowledge tasked with **issuing PO's** and to enable them to determine the VAT treatment
- Business (commercial) confronted with **basic VAT queries on sales** in the framework of the commercial discussions
- A tax manager who has a **direct tax background** and is forced to call upon external assistance for first hand VAT questions.

# How SAM works and what SAM can do

## In and out



### Client Masterdata

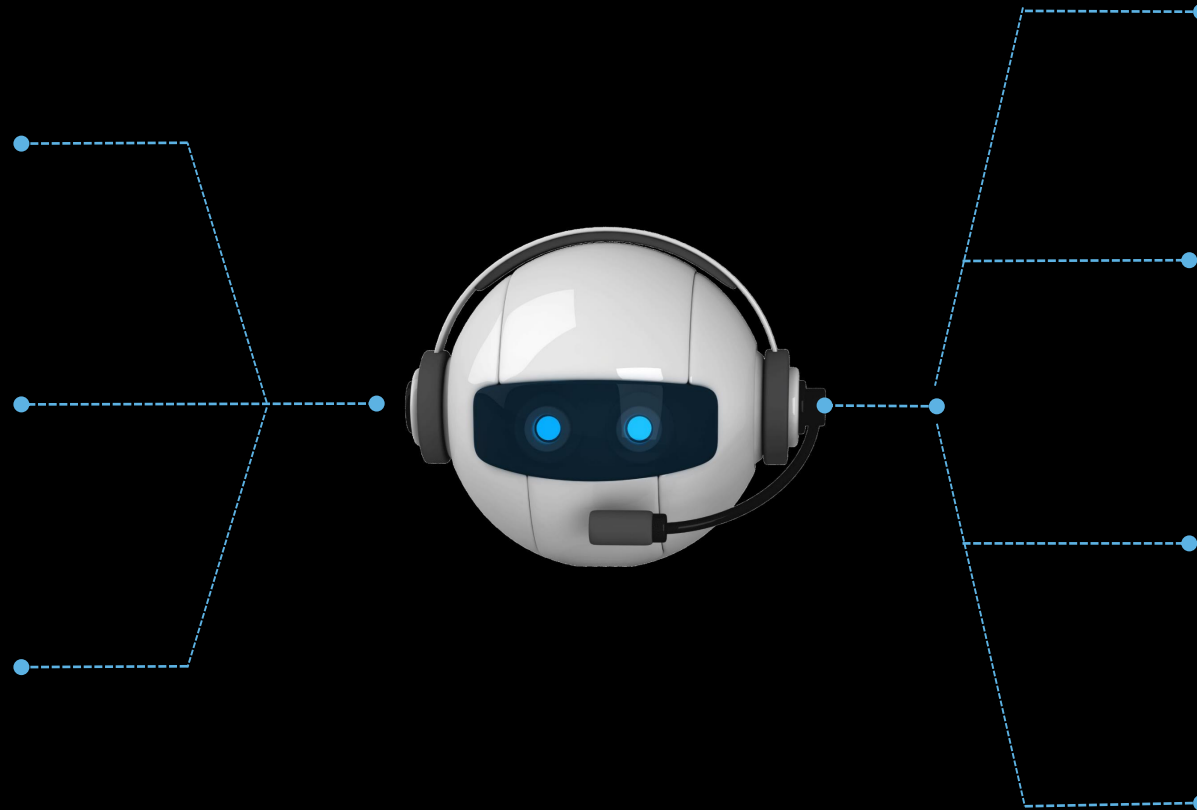
General information on client to reduce number of questions asked.

### Tax knowledge

Database with VAT knowledge maintained by local VAT consultants.

### AI and NLP

The combination of Artificial Intelligence and Natural Language Processing ensures a user friendly experience.



### AP module

Ask questions on the VAT treatment of a purchase invoice and how it should be reported.

### AR module

Ask questions on the VAT treatment of a sales invoice and how it should be reported.

### Topical questions

Ask questions on topics (e.g. what are the rules for domestic reverse charge on scrap in country X).

### Masterdata queries

Ask questions about your own legal entities (e.g. what is the VAT number of legal entity X, what is the correct legal name of legal entity Y).

# How SAM works and what SAM can do

## Client Masterdata

# COMPANY ONBOARDING INFO

Trade goods (description and applicable VAT rate)
Import license (yes/no)
Use of customs regimes (yes/no)
Private use of company assets (none, possible, always)
Person of contact for referrals
Use of immovable property (always, partially or not subject to VAT)
Special deduction limitation percentages (percentage per type of good or service)
Conditions for exemption of storage spaces met (yes/no)

Name and or company code
Place of establishment
Overview of fixed establishments (country, VAT number)
Overview of representation offices (country, VAT number)
Overview VAT/GST numbers (type: direct/fiscal rep, voluntary/mandatory)
Active of passive warehousing (sometimes/yes/no)
Import and export activities (yes/no)
Use of direct shipments (yes/no)
(List of Tax Codes used)

**Per legal entity**

**Per country**

# How SAM works and what SAM can do

## Tax knowledge

### AR and AP module: European VAT rules

- ✓ Place of supply rules (EU Directive and implementing regulations);
- ✓ Exemptions imposed by EU legislation (export, intracommunity supplies, transport of goods exported,..);
- ✓ Goods / services excluded from the reduced rates.

### AR and AP module: National VAT rules

- ✓ Reverse charge for non-established suppliers (goods, services, supply with installation);
- ✓ Domestic reverse charge rules for construction services, scrap, telecom services, emission rights, IT equipment, microprocessors,..;
- ✓ Use and enjoyment rules;
- ✓ Force of attraction for fixed establishments;
- ✓ Triangulations (limitations based on VAT registration/establishments)
- ✓ Rates and deduction limitations for 250 typical OPEX and CAPEX goods/services (currently BE, DK, SE and UK only)
- ✓ Rates and deduction limitations for 250 typical OPEX and CAPEX goods/services EU 28 (Q4 2019 – Q1 2020)

*! SAM can handle basic questions on trade goods as well (rates are uploaded as masterdata)*

### Topical module: National VAT rules

- ✓ Reverse charge for non-established suppliers (goods, services, supply with installation) (Q3 2019);
- ✓ Domestic reverse charge rules for construction services, scrap, telecom services, emission rights, IT equipment, microprocessors,.. (Q3-2019);
- ✓ Use and enjoyment rule (Q4 2019);
- ✓ Invoice requirements and e-invoicing (Q4 2019);
- ✓ Import VAT payment regimes: reverse charge, deferred payment (Q3 2019);
- ✓ Financial discounts (Q4 2019);
- ✓ Bad debts (Q4 2019);
- ✓ VAT Grouping (Q4 2019);
- ✓ Compliance obligations (Q4 2019);
- ✓ Penalties (Q4 2019);
- ✓ Deduction limitations (Q4 2019);
- ✓ VAT recovery process incl. prescription period (Q4 2019);
- ✓ Statute of limitations for VAT audits (Q4 2019);
- ✓ .....

### GST/VAT in non-EU

Canada (Q3-Q4 2019)



# How SAM works and what SAM can do

## Exemplary overview of the goods/ services included standard setting

cleaning	movable goods	purchase/sale	data processing services	purchase/sale	supply with installation
cleaning	real estate	purchase/sale	director fees	purchase/sale	tablet devices
demolition	movable goods	purchase/sale	edible fruits	purchase/sale	taxi services
demolition	real estate	purchase/sale	electricity	purchase/sale	telecommunication services
installation	built-in electrical facilities (alarm systems, electricity works)	purchase/sale	electronic books	purchase/sale	toll tickets
installation	built-in materials (built in closets, kitchens,..)	purchase/sale	electronic journals and newspapers	purchase/sale	train tickets
installation	fixed machinery	purchase/sale	emmission rights	purchase/sale	translation and interpretation services
installation	machinery	purchase/sale	engineering services	purchase/sale	transport of goods
lease	bicycles	purchase/sale	furniture	purchase/sale	trucks
lease	computer devices	purchase/sale	gas	purchase/sale	work on movable goods
lease	fixed machinery	purchase/sale	graphic design services	repair	automobiles
lease	furniture	purchase/sale	hosting services	repair	fixed machinery
lease	light trucks	purchase/sale	hotel services	repair	light trucks
lease	machinery	purchase/sale	insurance fees	repair	machinery
lease	movable goods	purchase/sale	internet subscription	repair	movable goods
lease	office equipment hardware	purchase/sale	IT related services	repair	professional clothing
lease	tablet devices	purchase/sale	legal services	repair	trucks
lease	trucks	purchase/sale	light trucks	short term lease	automobiles
maintenance	automobiles	purchase/sale	machinery	short term lease	light trucks
maintenance	bicycles	purchase/sale	management fees	short term lease	movable goods
maintenance	built-in electrical facilities (alarm systems, electricity works)	purchase/sale	microprocessors	short term lease	trucks
maintenance	built-in materials (built in closets, kitchens,..)	purchase/sale	movable goods	supervision	fixed machinery
maintenance	fixed machinery	purchase/sale	office equipment hardware		
maintenance	light trucks	purchase/sale	offline educational courses		
maintenance	machinery	purchase/sale	online educational courses		
maintenance	movable goods	purchase/sale	paper journals and newspapers		
purchase	corporate gifts	purchase/sale	parking costs		
purchase	employee gifts	purchase/sale	payroll services		
purchase/sale	trade goods or services	purchase/sale	phone subscriptions		
purchase/sale	access tickets for entertainment	purchase/sale	portable computer devices		
purchase/sale	access tickets for fair or exhibition	purchase/sale	print paper		
purchase/sale	accountancy fees	purchase/sale	printed books		
purchase/sale	advertising services	purchase/sale	professional clothing		
purchase/sale	alcoholic beverages	purchase/sale	promotional samples		
purchase/sale	automobiles	purchase/sale	royalties		
purchase/sale	bicycles	purchase/sale	scrap		
purchase/sale	bus tickets	purchase/sale	security services		
purchase/sale	business loges	purchase/sale	small office equipment		
purchase/sale	call centre services	purchase/sale	software license		
purchase/sale	catering services	purchase/sale	sponsoring or donation		
purchase/sale	coffee	purchase/sale	stand locations at a fair		
purchase/sale	computer devices	purchase/sale	storage (and fulfillment) services		
purchase/sale	consulting and advisory services	purchase/sale	storage (and fulfillment) services		
purchase/sale	cross border flight tickets	purchase/sale	streaming services		



Per good/service SAM is trained to recognize synonyms (f.e. if a user types bananas SAM qualifies this as edible fruits).



Starting from the EU VAT Directive potential deviations from the standard rates, place of supply rules etc are defined.

If SAM does not know an object (yet) SAM asks whether it is a good or service and analyse further from there.



Recharges and transfer of own goods not yet included

# How SAM works and what SAM can do

## AI and NLP

Can you choose your legal entity via the dropdown below so I can tailor my VAT advice?

Pieter Sarl

How can I help you?

analyse AP transaction

Can you tell me a bit more about the purchase? (e.g. we bought bananas that were shipped from France to Germany)

I have a purchase invoice from a german supplier for bananas shipped from BE (Antwerp) to BE (Gent)

Let me rephrase to make sure that I understand all the facts correctly. It concerns a purchase of edible fruits from a supplier established in Germany. The goods were located in Belgium at the time of the supply and stayed within Belgium. I also understand that your supplier is not established in Belgium or does not have a permanent establishment in Belgium. Is that right?

yep

Based on your description the invoice should not mention a VAT amount. Is this the case?

correct!

This transaction is a local purchase of variable goods or services in Belgium subject to 6% VAT rate. The transaction is subject to a reverse charge mechanism for non-established suppliers which means that no VAT can be charged on the invoice. Instead, VAT must be reported as payable and recoverable by the customer. The VAT on this purchase is recoverable. You can use tax code BE-AP-DOM-G-RC-NONEST-VARG&S-RED. The taxable base should be reported in box(es) 82,87. The VAT amount should be reported in box(es) 59. Finally the VAT amount should also be reported in box(es) 56.



Human expressions (yes, yeah) are captured thanks to the NLP function.



Tax technical terms are explained via hover over text boxes.



AI captures all VAT relevant information from the first input typed

# How SAM works and what SAM can do

## Analyze AP transactions

Can you choose your legal entity via the dropdown below so I can tailor my VAT advice?

Jelle NV

How can I help you?

analyse AP transaction

Can you tell me a bit more about the purchase? (e.g. we bought bananas that were shipped from France to Germany)

installation of a production line in germany

Is your supplier established in Germany?

no

This transaction is subject to a mandatory reverse charge mechanism in Germany and triggers the obligation for Jelle NV to register for VAT in Germany. Would you like me to contact your internal tax department for some further assistance on this?



SAM informs the user that the transaction triggers the obligation to register.



A contact person can be appointed per region/country topic who receives follow up questions from SAM.

# How SAM works and what SAM can do

## Analyze AR transactions

Can you choose your legal entity via the dropdown below so I can tailor my VAT advice?

Jelle NV

How can I help you?

analyse AR transaction

Can you tell me a bit more about the sale? (e.g. we sold bananas that were shipped from France to Germany)

goods shipped from brazil to Poland

Is Jelle NV the importer of record?

no

Are the goods subject to a customs suspension regime?

yes

Is your customer established and VAT registered in Poland?

no

Let me rephrase to make sure that I understand all the facts correctly. It concerns a sale of goods shipped from Brazil to Poland. Jelle NV is not the importer of record. The goods are placed under a customs suspension regime. Your customer is either not established or not VAT registered in Poland. Is that right?

yes

This transaction triggers the obligation for Jelle NV to register for VAT in Poland. Would you like me to contact your internal tax department for some further assistance on this?

yes please

Ok, I passed the message. One of my colleagues will contact you. Have a nice day!



Masterdata is used to tailor the conversation (f.e. question on type of customer is only asked if the masterdata indicates that the user is not-established in Poland).



The chatbot combines several tax technical topics (place of supply rules, rate/exemptions on supplies under customs suspension regimes/ local reverse charge rules,....

# How SAM works and what SAM can do

## Topical questions

How can I help you?

ask a general topical question

Can you explain a bit more in detail what you want to know, e.g. the existence or conditions of a reverse charge mechanism, penalties for certain actions...?

can I recover VAT on a 5 day car rental in DK?

Let me rephrase to make sure that I understand all the facts correctly. You would like to know the deduction limitation for the short term lease of automobiles in Denmark. Is that right?

yes

VAT is not deductible.




Information on a large number of topics available/ planned for Q3 2019.




Direct link to webpages with a summary overview and detailed information per country.

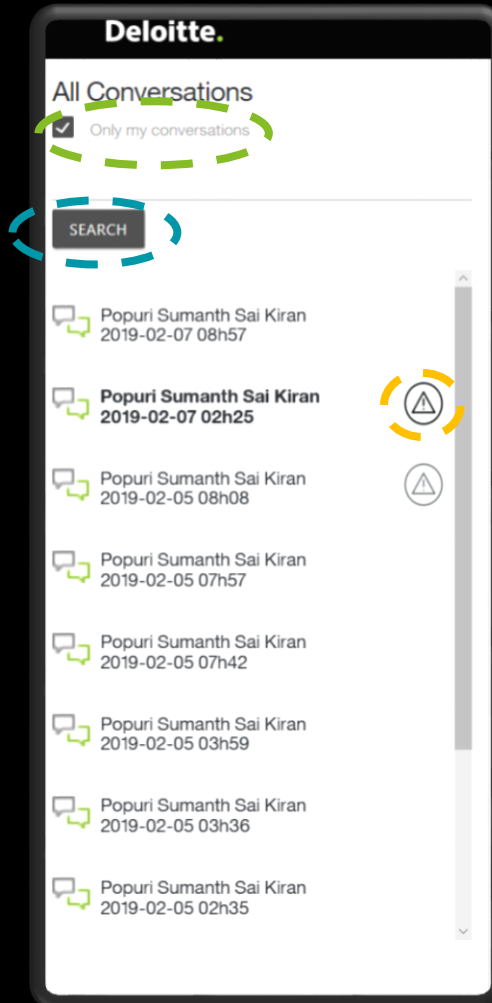
# How SAM works and what SAM can do

## Manage conversation history

 View team conversations

 Search historic conversations

 Flag outdated conversations (due to changes in the legislation).



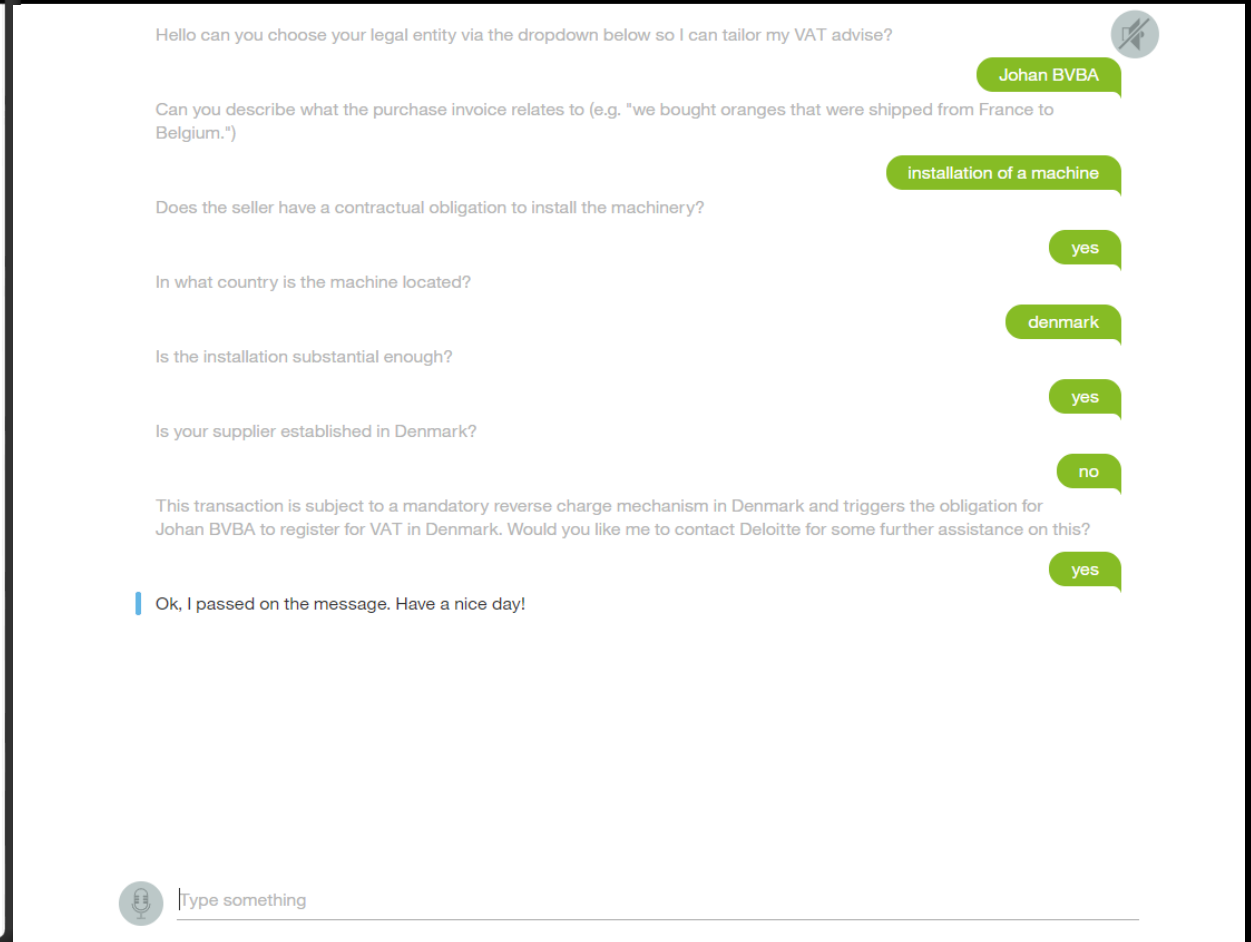
**Deloitte.**

All Conversations

Only my conversations

SEARCH

- Popuri Sumanth Sai Kiran  
2019-02-07 08h57
- Popuri Sumanth Sai Kiran  
2019-02-07 02h25
- Popuri Sumanth Sai Kiran  
2019-02-05 08h08
- Popuri Sumanth Sai Kiran  
2019-02-05 07h57
- Popuri Sumanth Sai Kiran  
2019-02-05 07h42
- Popuri Sumanth Sai Kiran  
2019-02-05 03h59
- Popuri Sumanth Sai Kiran  
2019-02-05 03h36
- Popuri Sumanth Sai Kiran  
2019-02-05 02h35



Home History Lexicon

Hello can you choose your legal entity via the dropdown below so I can tailor my VAT advise?

Johan BVBA

Can you describe what the purchase invoice relates to (e.g. "we bought oranges that were shipped from France to Belgium.")

installation of a machine

Does the seller have a contractual obligation to install the machinery?

yes

In what country is the machine located?

denmark

Is the installation substantial enough?

yes

Is your supplier established in Denmark?

no

This transaction is subject to a mandatory reverse charge mechanism in Denmark and triggers the obligation for Johan BVBA to register for VAT in Denmark. Would you like me to contact Deloitte for some further assistance on this?

yes

Ok, I passed on the message. Have a nice day!

Type something

# Contact Persons



**Pieter Van Hoecke**

*Partner | VAT Consulting & Compliance*

*Deloitte Belastingconsulenten*

Lange Lozanastraat 270, 2018 Antwerpen

D: +32 (0)3 800 86 74

M: +32 (0)473 700 278

[pivanhoecke@deloitte.com](mailto:pivanhoecke@deloitte.com)



**Karen Truyers**

*Senior Manager | VAT Consulting & Compliance*

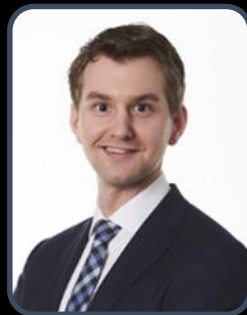
*Deloitte Belastingconsulenten*

Gateway Building Luchthaven Nationaal 1J, 1930 Zaventem

D: + 32 (0)2 600 66 13

M: + 32 (0)497 85 03 95

[ktruyers@deloitte.com](mailto:ktruyers@deloitte.com)



**Jelle Heyvaert**

*VAT Technology Consultant*

*Deloitte Belastingconsulenten*

Gateway Building Luchthaven Nationaal 1J, 1930 Zaventem

M: + 32 (0)497 33 80 97

[jheyvaert@deloitte.com](mailto:jheyvaert@deloitte.com)



Deloitte refers to one or more of Deloitte Touche Tohmatsu Limited, a UK private company limited by guarantee (“DTTL”), its network of member firms, and their related entities. DTTL and each of its member firms are legally separate and independent entities. DTTL (also referred to as “Deloitte Global”) does not provide services to clients. Please see [www.deloitte.com/about](http://www.deloitte.com/about) for a more detailed description of DTTL and its member firms.

Deloitte provides audit, tax and legal, consulting, and financial advisory services to public and private clients spanning multiple industries. With a globally connected network of member firms in more than 150 countries, Deloitte brings world-class capabilities and high-quality service to clients, delivering the insights they need to address their most complex business challenges. Deloitte has in the region of 225,000 professionals, all committed to becoming the standard of excellence.

This publication contains general information only, and none of Deloitte Touche Tohmatsu Limited, its member firms, or their related entities (collectively, the “Deloitte Network”) is, by means of this publication, rendering professional advice or services. Before making any decision or taking any action that may affect your finances or your business, you should consult a qualified professional adviser. No entity in the Deloitte Network shall be responsible for any loss whatsoever sustained by any person who relies on this publication.