



MITF 2024 – Data in a tax driven world

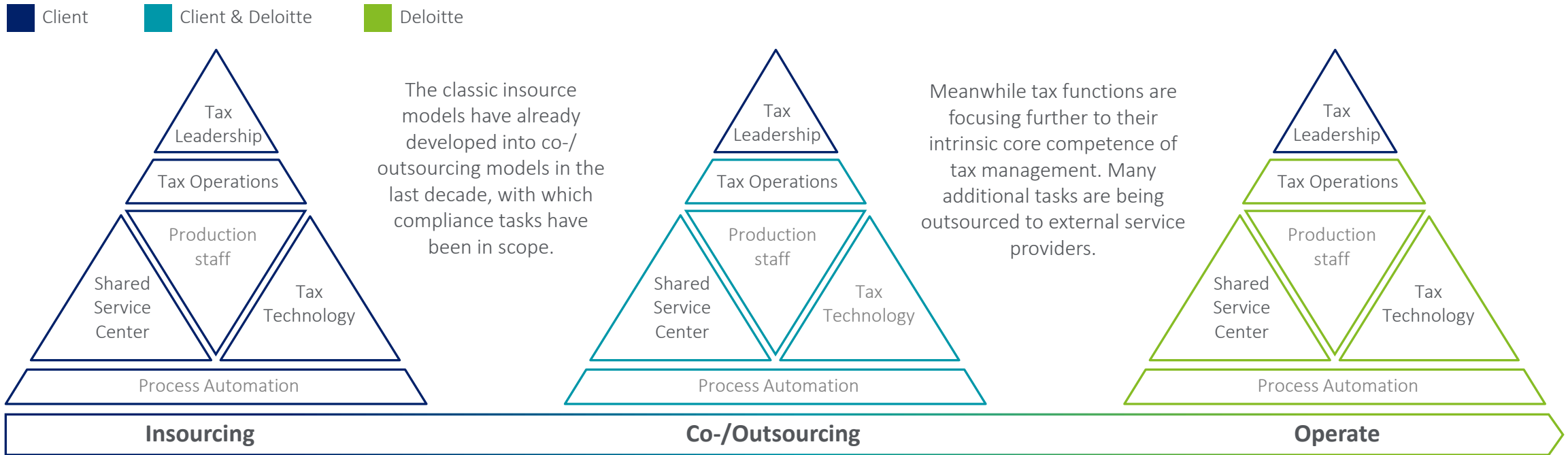
Perspective from a Tax Operate approach

26/27. September 2024

Tax Operate always is associated with transformation

Tax operating model continuum

Finding the right model for your business is the starting point. The aim is to design a resilient but flexible tax operating model with resource solutions for current and future needs in accordance with the envisaged target operating model.



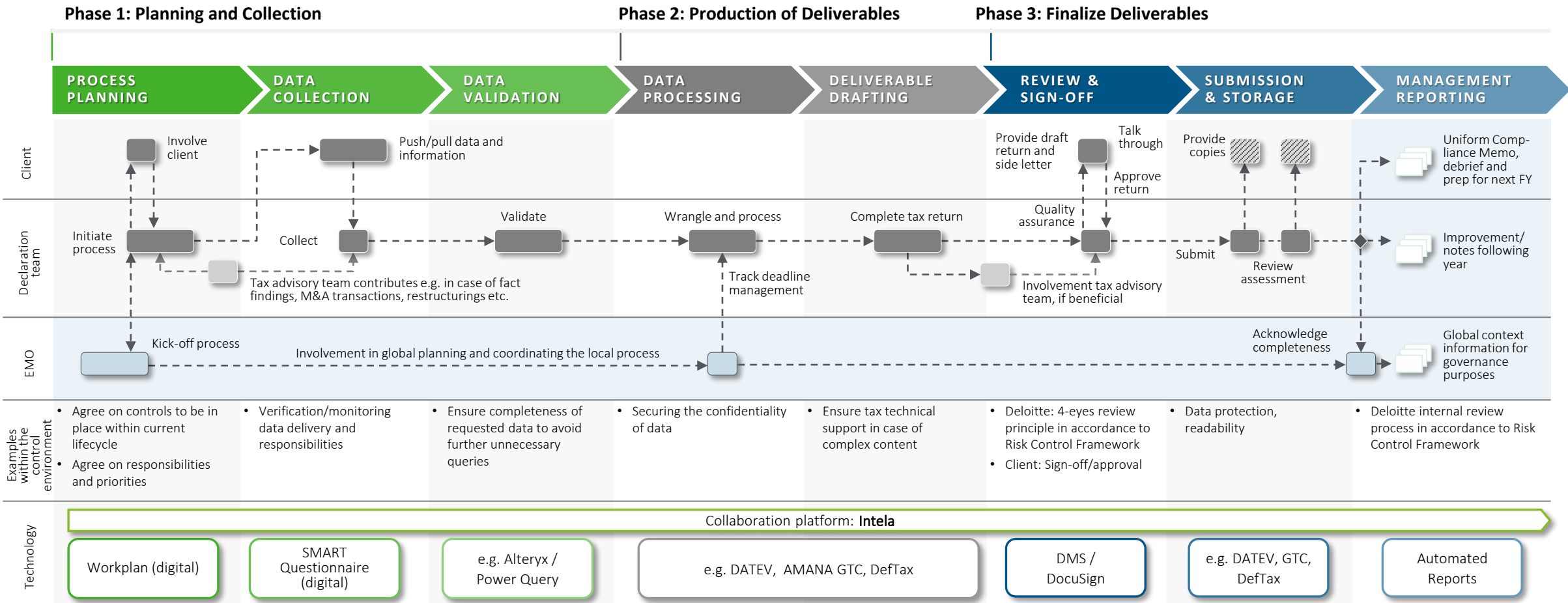
Transformational aspects of Tax Operate

We divide the implementation of an integrated Tax Operate setup between two phases, the transition and the transformation. Within the transition, Deloitte will set-up conditions for the tax operate framework, take over and stabilize existing processes. Then, different value drivers are applied to transform the operational tax workstreams into the envisaged operating model.



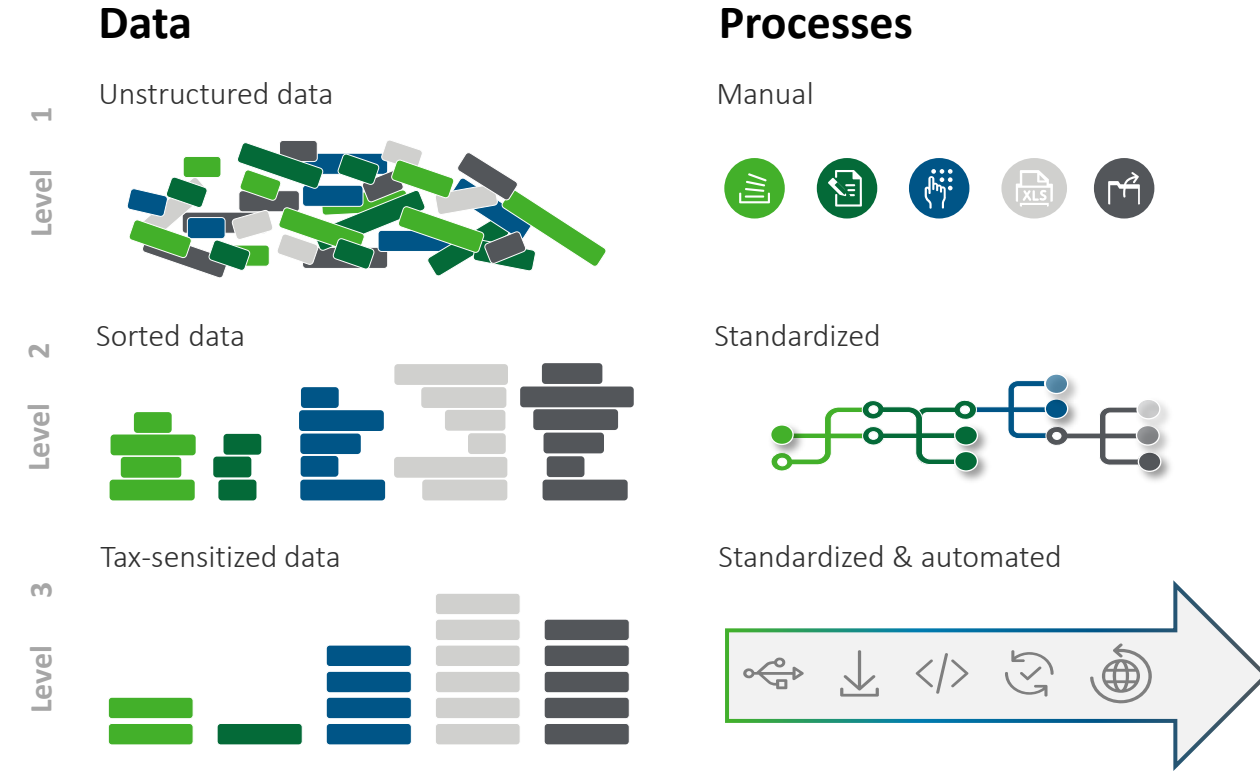
Integrative approach with 8-steps

A standardized process approach is the backbone for any type of optimization, as opportunities and possibilities have to be defined and pursued based on a clear process understanding. The below example is related to the preparation of a direct tax return.



Data quality and process automation

Tax technology and experience as well as leading practice in technology provides a solid basis for your digital journey. However, all approaches are only as successful as the source data that is made available for the automation. It is important to be aware that data quality improvements are key and have to go hand in hand with automation to be implemented.



Optimization opportunities

Structured data and standardized processes are the basis for a tax function operating efficiently by leveraging automation potential. Quick- and mid-term wins with automation could be e.g. the following:

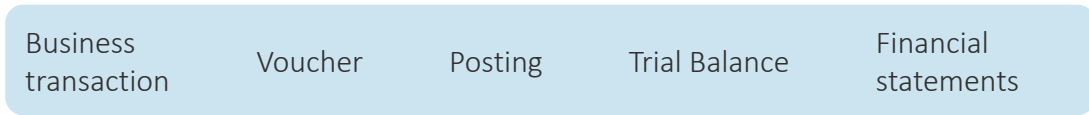
1. Tax record-to-report process. Preparing tax compliance and reporting obligations, out of a single (full) set of transactional data derived directly from your ERP system.
2. Automated tax assessment note review
3. Tax audit readiness checks (on a transactional level).
4. § 147b AO – Extended export of standardized data to tax authorities. We expect the current reporting obligation for a separate e-balance sheet to be extended by a lead over from the journal entries in the ERP system to the e-balance sheet.



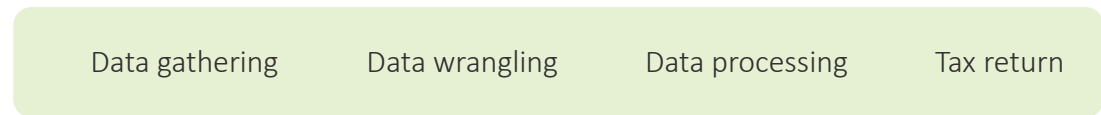
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Regulatory requirement

Workflow owner: Finance and Accounting



Workflow owner: Tax Group / Tax Service Provider



Excursus: Poland – Direct tax standardized reporting

More and more jurisdictions implementing extensive (close-to) real-time or filing obligations on a transactional level (e.g. the Spanish SII reporting, UK's - tax digital initiative; Italian, German and Polish e-invoicing).

Data requirements

Time of provision

Purpose

Today

1. SAF-T file (JPK files) **for VAT** (introduced in 2016)

On request of tax authorities (commonly requested at tax audits)

2. Others like:

- a. Accounting books (JPK_KR),
- b. Bank statements (JPK_WB),
- c. Warehouse (JPK_MAG),
- d. Invoices (JPK_FA)

The purposes of the increasing data requests and filing obligations with the Polish tax authorities are:

- 1. To reduce the costs of tax administration operations.
- 2. To improve tax control and its results.
- 3. To eliminate paper printouts.
- 4. To provide access to data in an easy-to-analyze format.
- 5. To automate the control process.

CY 2025

3. SAF-T file (JPK files) **for CIT** (for taxpayers with a turnover of more than 50 Mio EUR, from FY2026 for all taxpayers) including:

Together with the CIT return filing

- a. SAF-F files covering accounting books and corporate income tax (JPK_KR_PD)
- b. SAF-T file related to fixed and intangible assets (JPK_ST_KR)



Excursus: Poland – Direct tax standardized reporting

Given upcoming reporting obligations high frequency and level of detail (in the future possible transactional level in Poland), the quality of the source data supported by solid processes becomes key. Deloitte's tax technology and our experience in Germany, Poland and beyond, provides a solid basis for your digital journey and towards your future tax function.

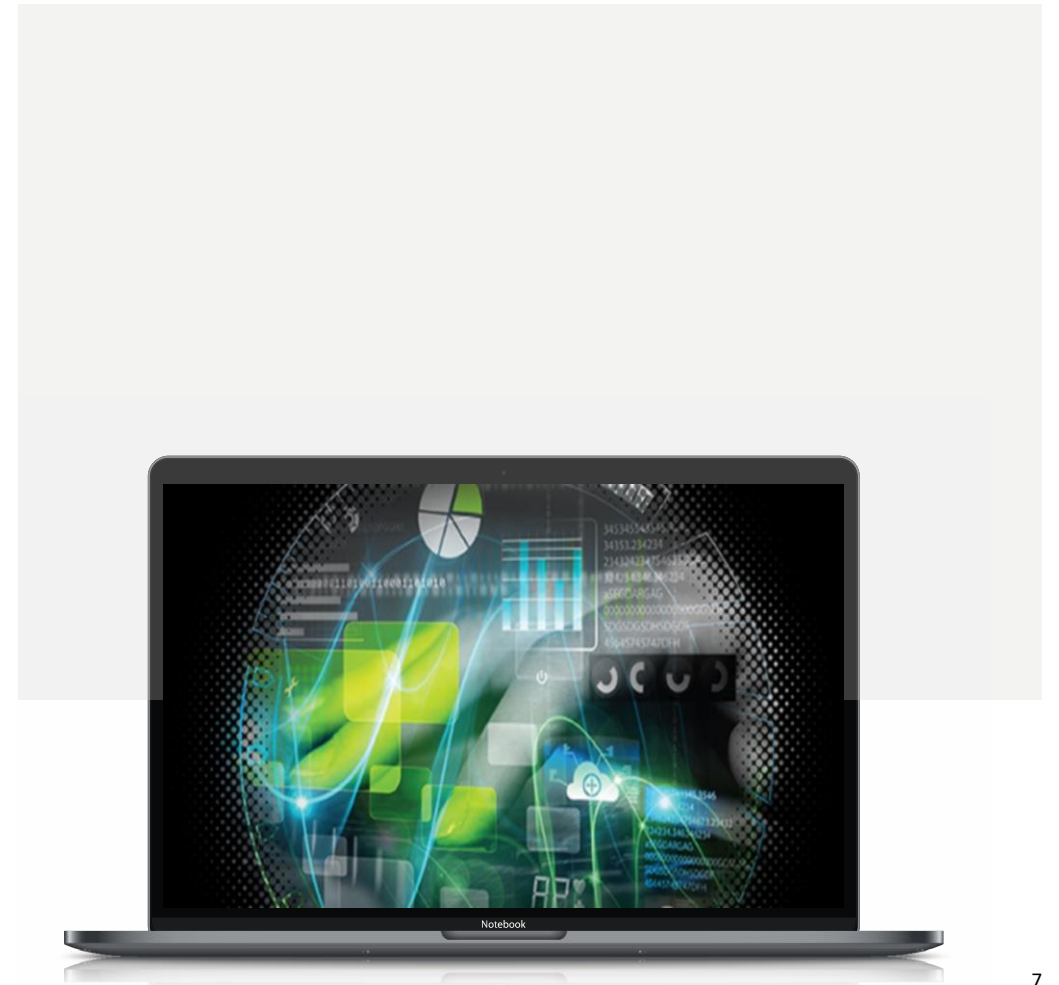
The essence of the mandatory SAFT-CIT reporting (JPK-CIT), is to provide the accounting books in a structured xml file supplemented with additional information to tax authorities. These additional information are the following:

1. From 2025

- a. account tags for entities which prepare their financial statements on the basis of the Polish Accounting Act,
- b. information covering tangible and intangible assets (specific rules apply)

2. From 2026 (optional in 2025)

- a. identification data of taxpayer's suppliers and customers (e.g. tax identification number),
- b. invoice number in KSeF (e-invoicing system),
- c. differences between the balance sheet result and the tax result,
- d. account tags for entities which prepare their financial statements on the basis of IFRS.

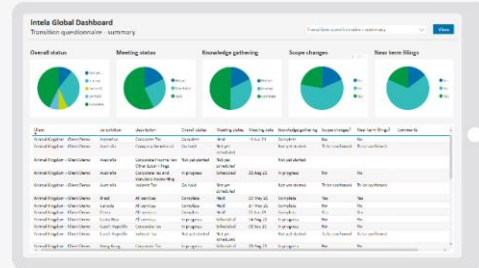


One technology platform for your account management: Intelta as an example

Intelta will enable to obtain regional tax data analytics, track status, securely share information, drive consistency and lock in efficiencies. On a daily basis, you and your teams will interact with Intelta which is Deloitte's ecosystem that combines internally developed global applications and the best third-party tools available. Throughout the compliance lifecycle, Intelta will streamline and standardize the collection process for data and information, track workflows and deadlines, review documents and track issue escalation and remediation.

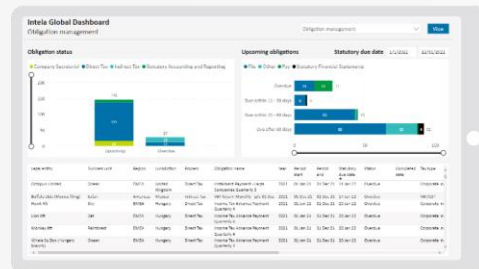
Transition Management

- Complete transition management
- Comprehensive, detailed and real-time status dashboards across all processes and jurisdictions for the entities we would need to transition to Deloitte



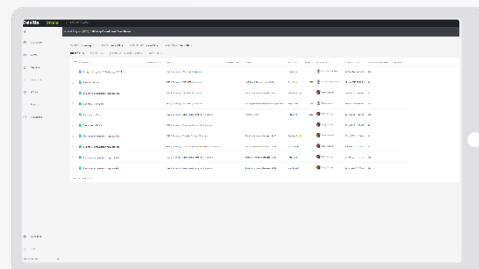
Compliance Status & Engagement Management

- Obligation and due date tracking dashboards
- User-friendly status updates in real-time for deadline tracking for statutory due dates and milestones for all obligations across the engagement



Data sharing and collaboration

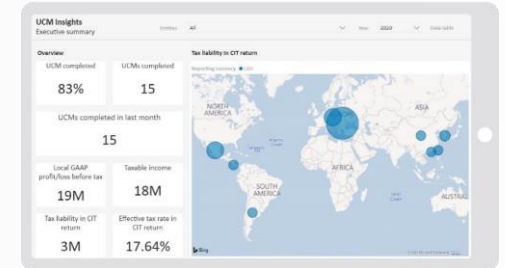
- Sharing of workpapers and tax returns
- Information request management
- Simultaneous working on documents



Uniform Compliance Memo (UCM)

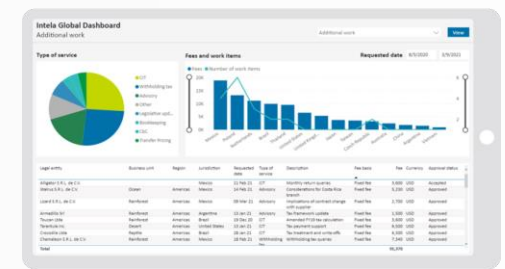
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- Insights for direct and indirect tax
- View data at a group, country and entity level
- Analyze key data points, risks, changes in legislation, etc.
- Analyze trends and identify opportunities



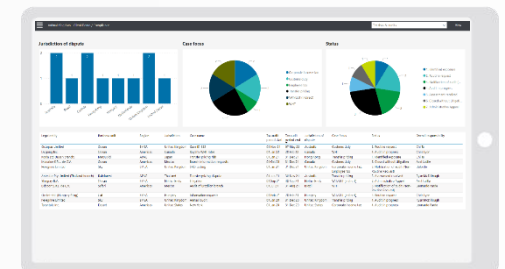
Budget

- Monitoring global budgets and compliance
- Approval of budgets
- Additional work tracker: Overview of additional work requested in local markets



Tax audit management

- Assess tax types and which tax years are under audit, statutes of limitations or expected date of a resolution
- Corresponding description of audit subjects
- Integrate out of scope companies for global overview





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Tax Operate is like a complex puzzle – some parts relate to people and team, other parts to data, processes or technology. Commitment is of particular importance to complete the big picture. Finally, all comes together.

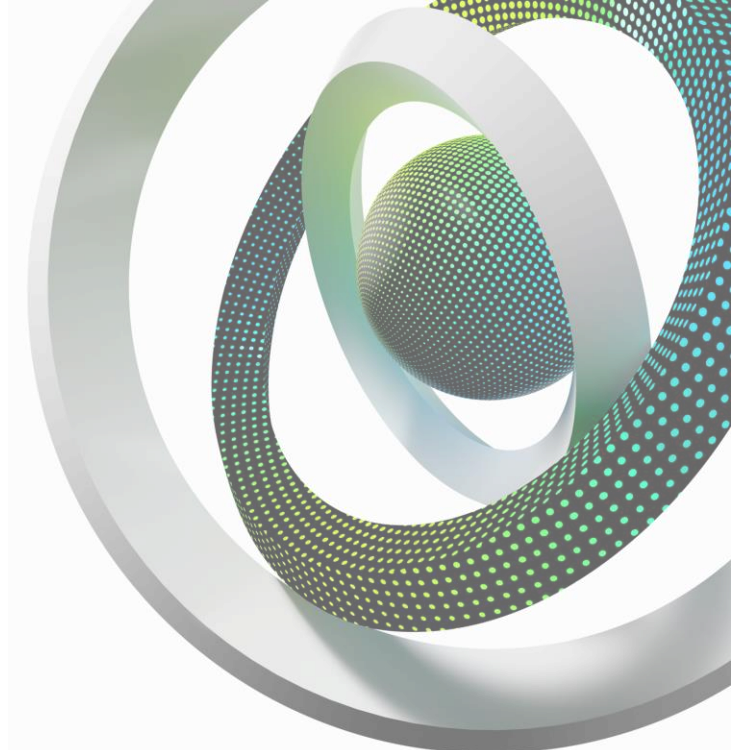
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Scan the QR code to get more insights from the Tax Transformation Trends Survey 2023.