



Deloitte's ITL Tax Supply Chain Control Framework and Indirect Tax Determination Framework SAP add-ons help manufacturer gain insight and knowledge into its supply chain transaction types

Global beverages manufacturer automates unique and complex supply chain models

Client Issue

A large global beverages manufacturing company was using several [complex supply chain models](#) for its transactions. The intercompany transactions were especially complicated as it included more than four parties in the chain as well as companies from both EU and non-EU regions. As such, the company's supply chain models [went beyond what](#) standard SAP can provide for. This resulted in a situation where tax was applied incorrectly or not applied at all.

Furthermore, the manufacturer needed granular data on its supply chain transactions, such as the volumes, occurrences and variations of transaction types, for business analysis. This would [increase levels of control in daily operations](#) and even more so when new supply chain scenarios were evaluated and added to the business.

In short, the manufacturer [required a solution](#) that would help automate and align its complex supply chain models, as well as provide the means to have better control and analysis of transactions and [accurate tax determination](#).

Indirect Tax Logic (ITL) contains a suite of SAP add-ons designed to simplify and enhance certain functionalities of SAP, reducing time and effort and helping firms to comply with tax authority requirements.

Solution

As part of a journey to improve its SAP system, the beverage manufacturer chose to implement Deloitte's ITL suite of SAP add-ons. This included the implementation of two ITL solutions: the Tax Supply Chain Control Framework and Indirect Tax Determination.

The Tax Supply Chain Control Framework (ITL-TSC) was **deployed globally** and covered different markets within countries such as Mexico, Singapore and Switzerland. The framework triggering the chain transaction acts as the single source of truth from which all documents in the chain are evaluated and controlled according to the tax policy.

Besides this, Indirect Tax Determination (ITL-ITX) was subsequently deployed in these markets as well – by leveraging the parameter set by the ITL-TSC, thus ensuring **accurate and synchronized** tax determination **across different legs** of the supply chain.

Recently, the manufacturer has chosen to upgrade to the latest version of ITL, unlocking new features and functions that further support their analytical needs.

Impact

With Deloitte's ITL Suite, the manufacturer now has a **low-cost, non-invasive** solution to automate tax components in its supply chain flows. It can benefit from **any** standard and/or custom processes in SAP that it seeks to run.

The manufacturer has gained **tight control** and **high visibility** of what is happening within its supply chain from a tax point of view. This resulted in a reduction in time spent on indirect tax compliance, rework and reposting as well as a reduction in tax avoidable cost due to less time spent in audit defense. By having first-time-right data and determination, they are well prepared for the requirements of digital tax authorities (real-time reporting and e-invoicing).

In short, with Deloitte's ITL solution, the manufacturer has aligned its supply chain models while simultaneously being able to **gain more** knowledge and insights into any performed transaction and reducing cost and risk in their daily tax operations.

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