

# Facing Global Tax Technology Challenges in the Energy Sector



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# Introduction to Thomson Reuters



It might seem as if the world of tax is in a constant state of disruption with ever changing regulations, more tax authorities to contend with, digital reporting, corporate restructuring, and technology evolving at breakneck speeds — not to mention U.S. tax reform. How can your organization flourish in what feels like constant chaos?

For these reasons, the Thomson Reuters Energy Practice Group compiled this handbook to help you get acquainted with our global portfolio of tax solutions.

Thomson Reuters has operated for over 100 years in more than 100 countries providing critical information and groundbreaking tools and services. Today, more than 150,000 Thomson Reuters ONESOURCE™ users from more than 5,000 companies sign on to our tax and global trade solutions worldwide — including 87% of the Global 100.

This history and experience enables us to give you the confidence that comes with knowing you are working with an organization with the financial soundness and R&D investment to stay on top of the evolving dynamics of tax technology. When you partner with Thomson Reuters, you're not simply getting a software solution. We'll be your long-term partner, dedicated to providing you with the intelligence, technology, and human expertise you need to find trusted answers.

We hope you find this handbook useful. Let us know if you have any questions; we look forward to working with you.

Kind regards,

**Peter Roberts**

Head of Energy Practice Group, Thomson Reuters Tax & Accounting





# Facing Global Tax Technology Challenges Head-On

Multinational energy companies like yours are faced with new challenges as they globalize their tax and global trade operations. The demands for transparency and timely response are steadily increasing, driven by the efforts of governments to expand their tax base.

To address this shift, your energy company must readdress your investment in three key areas of transformation: process, technology, and people.



**Process:** Today's cost pressures demand out-of-the-box thinking as you transform your tax-related processes and platforms. Can you address this financial transformation while still maintaining familiarity with local tax regulations?



**Technology:** It's important to stay current with the latest technology — but knowing when and where to invest for the greatest ROI is a challenge that stresses the resources of every IT department.



**People:** Every manager works to keep employees motivated and focused on the tasks that provide the best results. How can you reduce mundane and time-consuming tasks and upskill your staff for additional responsibilities that may cross borders?

Increasing regulation and the urgency to reduce costs are constant struggles that every energy company faces — and the tax department and global trade functions can feel this firsthand. With so much at stake, senior leadership may now demand a greater level of visibility into their worldwide tax operations.



55%

of corporate tax operations specialists state that increasing cross-border and local regulation is their biggest concern.

33%

say their top operational worry is reorganizing their global tax organization to accommodate shrinking budgets while improving service levels.





# Facing Global Tax Technology Challenges Head-On

## Regulatory Changes



Regulations are increasing around the world as governments find new ways to earn revenues. A medium-sized energy company could have over 31,300 tax filings in a single year. In 2017, India implemented a Goods and Services Taxes (GST) regime, while the Gulf Cooperation Council (GCC) countries are enacting separate VAT programs for 2018. This is in addition to more than 4,000 changes to rates and rules globally per year by existing indirect tax jurisdictions. The 2018 U.S. tax reform bill adds more complexity to energy companies with the introduction of BEAT, GILTI, and FDII.

In global trade, energy companies encounter massive complexity. With the release of the 2017 harmonized tariff schedule, energy companies face adoption challenges for countries that are trying to modernize to this schedule, while others are not — and misclassification can lead to penalties and delays in shipments.

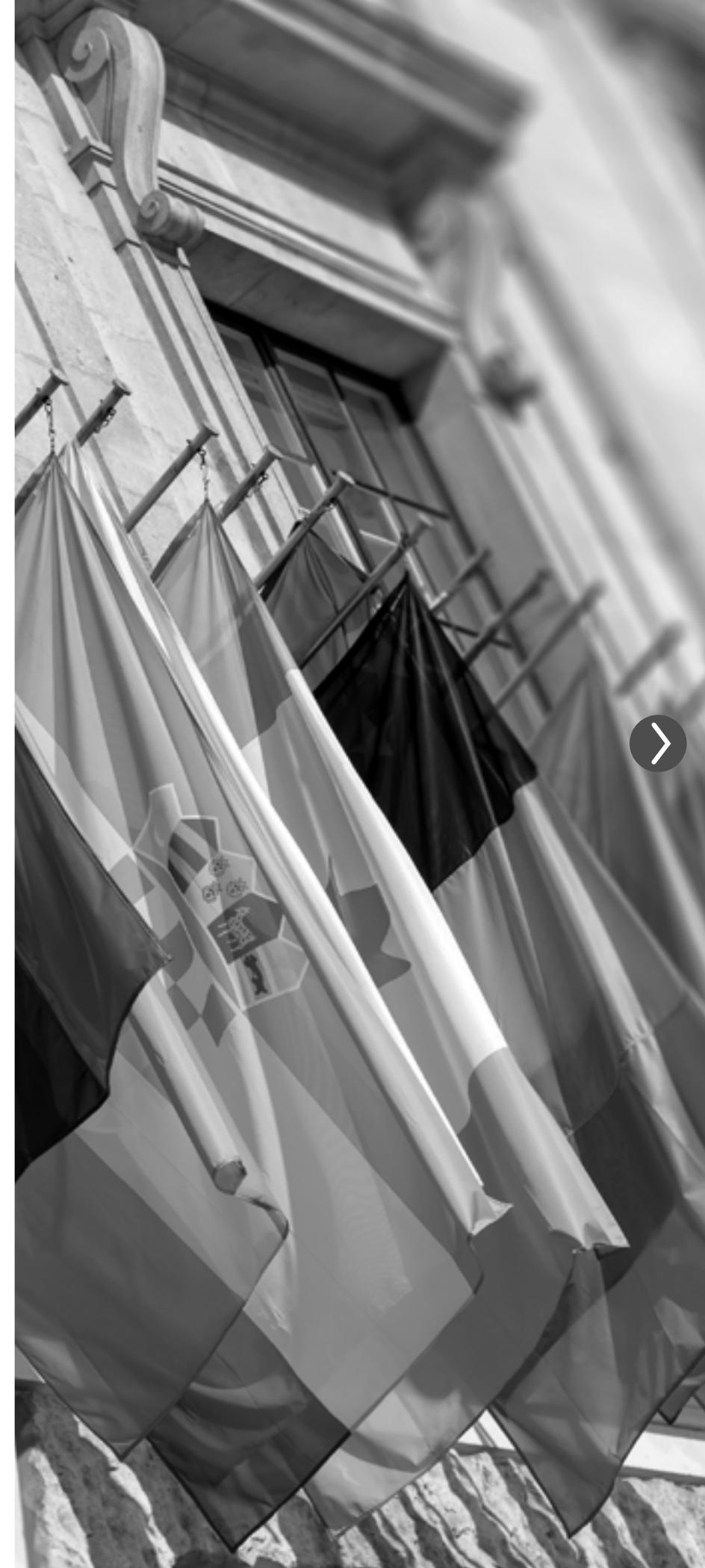
And, of course, the Organization for Economic Co-operation and Development (OECD) cross border guidelines have added a new level of complexity and demand for transparency. Countries like Australia have focused on the energy sector and imposed multimillion dollar assessments. Not understanding or being aware of this constant shift in regulations and related exposure can and will hit the bottom line of multinational corporations everywhere.

## Economic Pressure



Fuel prices, corporate reorganizations, and mergers and acquisitions all contribute to greater stress within tax departments. At the same time, global tax determination and trade classification gets more complex, cross border transparency is increasing, and digital reporting is more frequent.

Leading energy companies continue to move more tax and global trade functions to Shared Service Centers (SSCs) and Global Business Services (GBS) hubs. In fact, 80% of Global 200 companies expect to move more tax responsibility to offshore centers. While these centralized hubs can bring some relief, they also introduce new challenges related to training, data management, and loss of local tax knowledge.





# Facing Global Tax Technology Challenges Head-On

## Changing Technology



Technology has always been important to an energy company's tax operations. However, with the current state of industry consolidation, globalization, and new digital reporting requirements, there is even more pressure for technology to deliver radical ROI improvement.

Key decisions need to be made. Most IOCs and NOCs are in a financial ERP upgrade cycle, with SAP S/4 HANA at the forefront. Tax needs to be at the table to address global tax determination, transfer pricing, and global trade initiatives. Will you be able to articulate the concerns of your tax department when the IT department suggests a build versus buy decision that affects tax?

With SAF-T, Spain's SII, and Brazil's SPED, governments want more detailed data — more often, via electronic means. This trend will only continue to grow.

## Risk and Reputation



There are many stakeholders demanding greater transparency from energy companies. It ranges from the corporate C suite to shareholders, governments, news media, and outside activist groups. As increased enforcement of tax codes becomes the norm, compliance is more important than ever for your organization.



It's not a question of if but rather how your organization will address this move to globalization of tax.

### Ask yourself:

- Are you able to deploy a worldwide tax technology strategy?
- Are you confident your existing technology can meet the needs of tomorrow — all types of tax, in all regions — including energy-specific taxes such as U.S. Motor Fuels and custom regimes like REPETRO?
- Are you confident that you're maximizing Free Trade Agreement (FTA) opportunities?
- Can you provide the C level with global visibility into tax risk and exposure?
- Will your preferred technology partner keep abreast of important technology — including blockchain, AI, and machine learning?





# Globalization of the Tax Department

Executing your global tax technology strategy requires a coordinated effort — whether that structure is centralized, decentralized, onshore, offshore, outsourced, or a hybrid.

The tax technology platform you choose must fit whatever organizational model you follow. So, what are the most critical elements?

## Global coverage



It starts with extensive global coverage for all tax types in the jurisdictions where you do business — and a platform that looks at your business through the eyes of multiple tax authorities — in order to have the trusted answers to stay compliant and avoid penalties.

## Scalable and flexible



As you consolidate your ERP systems and other platforms, it is critical that your tax systems can scale with them.

Whether you are combining your downstream businesses in the Americas with one tax engine, analyzing millions of accounts for transfer pricing, or rolling up accounts for your global provision or base erosion and profit shifting (BEPS) reporting, you need a platform that is configurable and scalable — not one that requires extensive ERP customization every time a rate or rule changes.





# Globalization of the Tax Department

## Enhance collaboration



Your tax, finance, IT, and outsourcing resources are often scattered throughout the world. Visibility into your global operations is necessary to balance the needs of regulators, auditors, investors, shareholders, and public perception. A global collaboration, research, and workflow platform is crucial to minimizing tax risk.

## Improve efficiency



Tax departments need answers and tools in order to keep up with global regulatory changes. The ideal solution should eliminate repetitive processes and make updates and administration simpler. A platform approach aligns operations cross-departmentally, providing accurate, real-time information to everyone utilizing the solution. And in today's global tax world, research tools and multilingual solutions are critical.

## Digital governance



More often and more in depth — that is the trend tax authorities are employing to optimize collection efforts. Your tax technology must allow your team to keep pace with emerging electronic reporting regimes and ever-increasing compliance pressures, without added people cost.



Your technology platform for global tax and trade must be robust and responsive. Thomson Reuters is the trusted partner for energy companies like yours — with all the resources and experience to help your team scale globally, utilizing best-in-class solutions on a single platform.

**"Platform:** A new business model that uses technology to connect people, organizations, and resources in an interactive ecosystem in which amazing amounts of value can be created and exchanged."

Geoffrey G. Parker,  
Marshall W. Van Alstyne, and  
Sangeet Paul Choudary



# The First Complete Solution

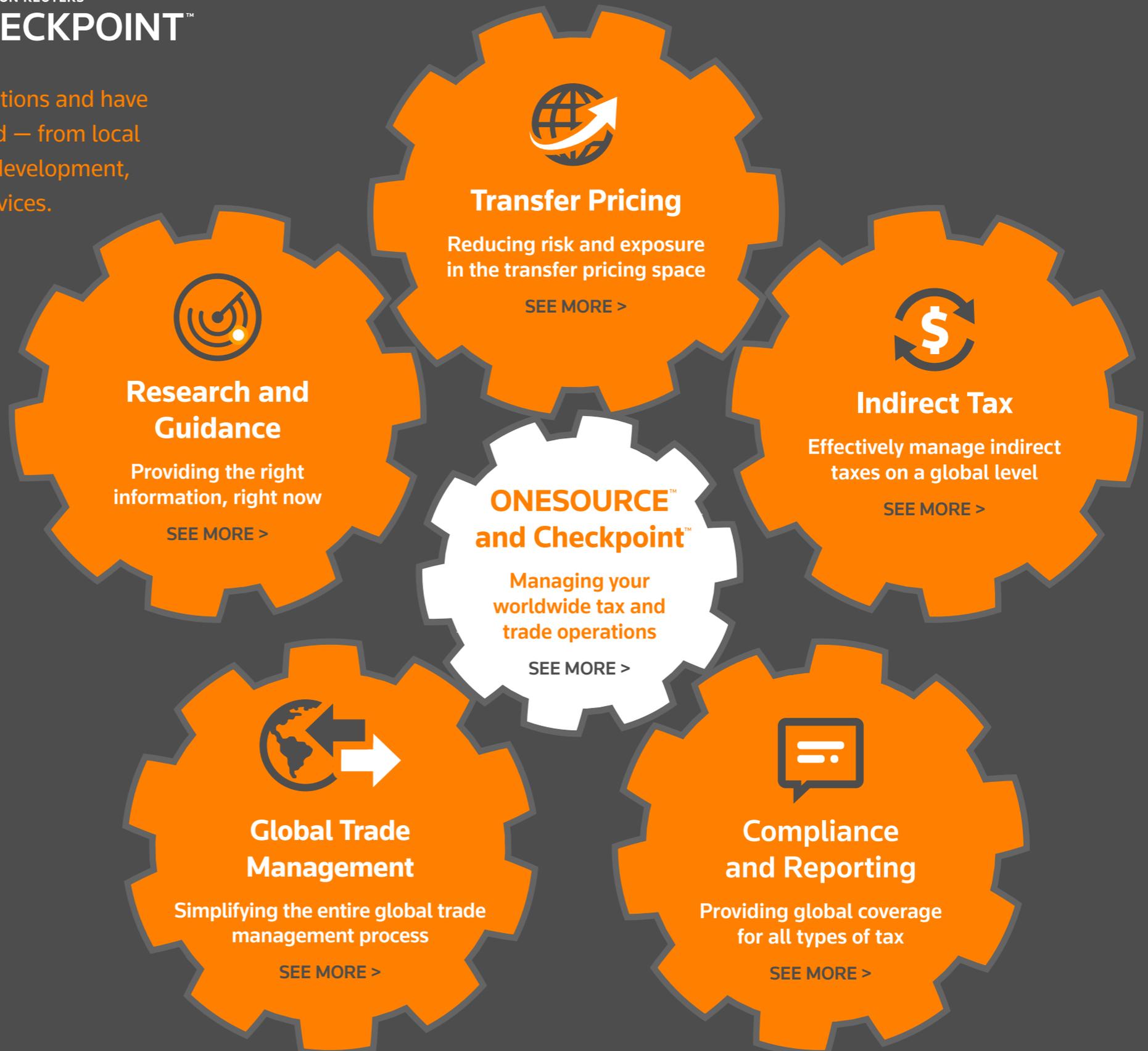
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We keep up with changing regulations and have the worldwide resources you need — from local providers of content to software development, implementation, and support services.





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## Managing Your Worldwide Tax and Trade Operations

The Thomson Reuters [ONESOURCE™](#) enterprise suite is a corporate tax and trade platform that drives global tax determination, compliance, and accounting decision-making with the industry's most powerful portfolio of corporate tax solutions for multinational companies. It is a multi-tax, multi-jurisdiction, multilingual platform that provides the technology professionals need to manage global tax and global trade operations.

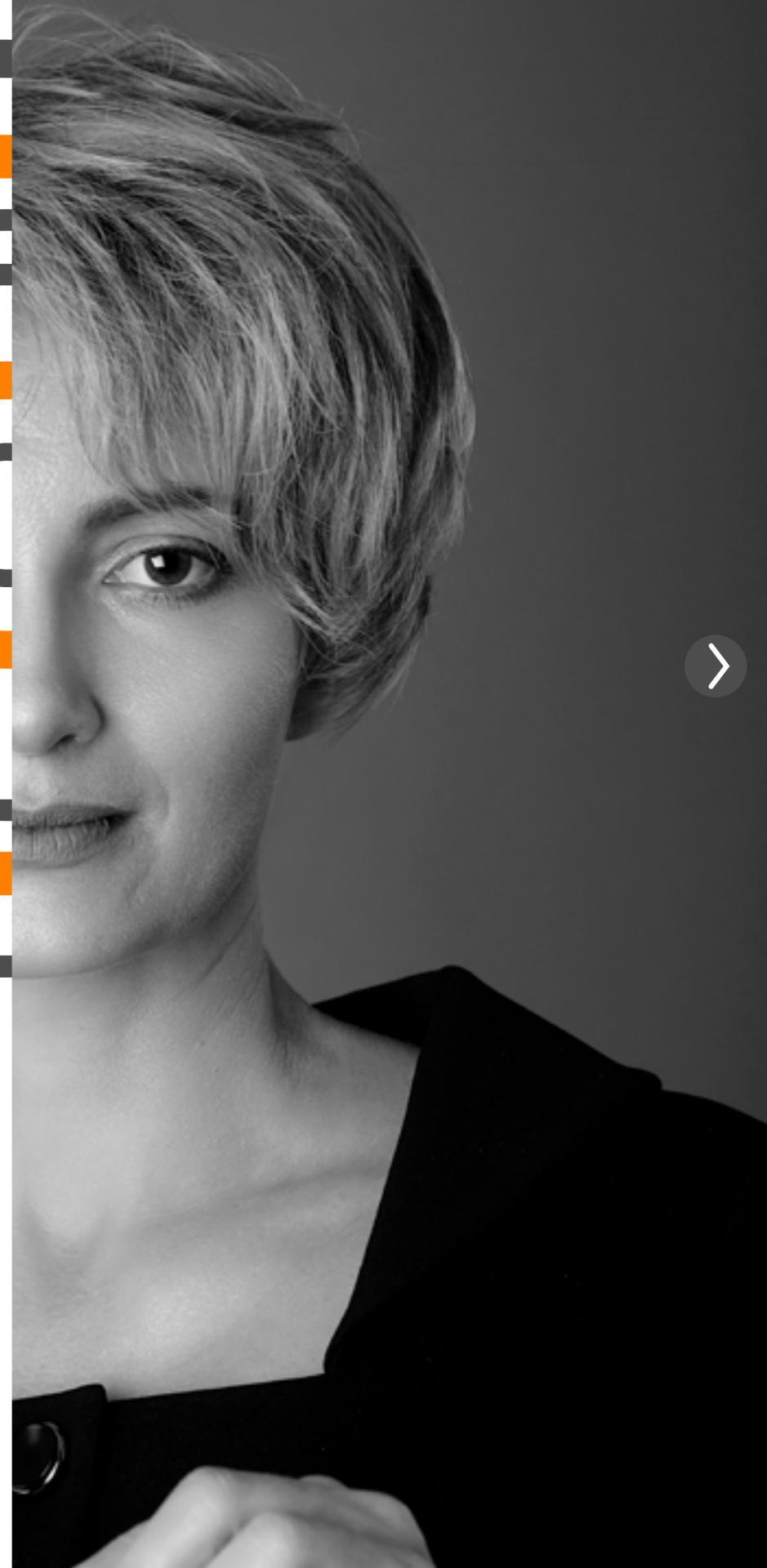
ONESOURCE is the most widely used platform by multinational corporations and the Big Four. Eighty-seven percent of the Fortune 100 and more than 150,000 corporate tax professionals use ONESOURCE.

Thomson Reuters Checkpoint™ delivers knowledge solutions including expert research, guidance, technology, tools, learning, and news for corporate tax professionals.

With ONESOURCE and Checkpoint, you control the processes, the workflows, the collaboration, the data, and the technology.

- **ONESOURCE and Checkpoint** provide a broad portfolio of Indirect Tax, Global Trade, Transfer Pricing, Direct Tax, and research solutions for most regions worldwide.
- **It is an enterprise-wide technology platform** for your worldwide tax operations that is built with state-of-the-art cloud, web, and data management technology that is scalable and delivers high performance and calculation speed.
- **ONESOURCE** is the one platform you can rely on to partner with during this period of regulatory and technology disruption. Whether your tax experts are at headquarters or in an SSC, in the Americas, the EU, or AsiaPac, Thomson Reuters provides the solutions that allow you to manage data and processes consistently.

We keep up with all the changing regulations and have the worldwide resources you need — from local providers of content to software development, implementation, and support services.





# Indirect Tax



## Effectively manage indirect taxes on a global level

Thomson Reuters ONESOURCE™ Indirect Tax provides a single, standard platform to globally manage your indirect tax determination and compliance responsibility. Implemented at client sites in over 140 countries, it is the only calculation to compliance indirect tax solution that delivers indirect tax rates, logic, rules, and policy from a global perspective. ONESOURCE delivers value in several ways:

- ONESOURCE delivers a global determination and calculation solution that covers 189 countries and over 15,800 U.S. tax jurisdictions. Our patented process for determining, calculating and recording indirect tax liability allows corporations of all sizes and geographic reach to deliver business-specific tax content and configuration rules across multiple business systems much more consistently and accurately.
- ONESOURCE Indirect Tax compliance software is a comprehensive, web-based, VAT, GST, and sales and use tax compliance solution that covers more than 50 countries including Brazil, India, and the GCC. Its cloud-based architecture is perfect for Shared Service Center deployment.
- The ONESOURCE Indirect Tax Determination engine architecture is built on industry-standard JEE technology and state-of-the art, object-oriented design principles that optimize performance, reliability, interoperability, scalability, and security. ONESOURCE provides interfaces to SAP, Oracle, and other ERP platforms.
- ONESOURCE delivers a significant cost advantage over custom ERP solutions that require constant customization or multiple locally independent systems – both of which are expensive to maintain.



[Click to see Global Coverage](#)

## Resources to Learn More



### White Papers

- [Exposing and Responding to Today's Enterprise-Wide Global Indirect Tax Determination and Compliance Challenges](#)
- [Discover How Technology Can Revolutionize the Indirect Tax Process](#)



### Brochures

- [Indirect Tax End-to-End brochure](#)
- [Sales & Use Tax Compliance](#)
- [India GST](#)



### Visit Our Product Sites

- [ONESOURCE Indirect Tax](#)
- [ONESOURCE VAT and GST](#)



# Transfer Pricing



## Reducing risk and exposure in the transfer pricing space

Thomson Reuters ONESOURCE™ Transfer Pricing is an end-to-end solution that delivers value across the entire transfer pricing life cycle, helping you tell and support your transfer pricing story with confidence. From managing intercompany agreements to Big Data analytics, ONESOURCE Transfer Pricing delivers the tools that transfer pricing professionals need.

- ONESOURCE Transfer Pricing includes a wide portfolio of solutions touching areas such as compliance documentation, intercompany agreement management, BEPS reporting, operational transfer pricing, workflow, benchmarking, and audits.
- It is an enterprise-wide technology platform utilizing the latest cloud and data management technologies for Big Data transaction analytics and high-speed performance.
- ONESOURCE BEPS Action Manager combines research, data management, entity charting, document storage, reporting and analytics in a single solution, enabling worldwide compliance and multidisciplinary collaboration.
- ONESOURCE Operational Transfer Pricing allows you to analyze, consolidate, and report one, fully supported transfer pricing story to tax authorities. Our hosted platform uses Big Data technology to support complex entity/transaction analytics and calculations. The ONESOURCE platform centrally manages all data, rules, and rates, reducing risk and improving accuracy.



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## Resources to Learn More



### White Papers

- [Trends in Data Analytics Headed for the Tax Department](#)
- [BEPS Action Item 13: Using Technology to Simplify Compliance](#)
- [Can you satisfy your BEPS CbCR and notification obligations with a spreadsheet?](#)



### Brochures

- [Operational Transfer Pricing brochure](#)
- [BEPS Action Manager brochure](#)



### Visit Our Product Sites

- [ONESOURCE BEPS Action Manager](#)
- [ONESOURCE Transfer Pricing](#)



# Compliance and Reporting



## Providing global coverage for all types of tax

Thomson Reuters ONESOURCE™ Tax Compliance solutions cover a variety of corporate tax compliance requirements including corporate income tax, global tax provision, statutory reporting, and indirect tax (VAT, GST, S&U). We are the go-to solution for energy companies worldwide, especially in the emerging world of digital reporting, such as SAF-T.

- ONESOURCE is the perfect platform to face the challenges of global tax compliance. Whether your tax department is centralized, decentralized, on-shore, off-shore, outsourced, or a hybrid, our cloud-based compliance solutions fit any operational strategy you choose to deploy.
- ONESOURCE delivers an enterprise-wide technology platform. It is an end-to-end, web-hosted solution for the entire tax lifecycle, built with state-of-the-art cloud, web and data management technology that is scalable and delivers high performance and calculation speed.
- We are experts at being able to handle and keep up with all the changing regulations, rates, and rules. We have worldwide resources — from local providers of content and software development to implementation and support services.
- ONESOURCE Tax Compliance solutions provide global coverage for all types of tax.
  - VAT and GST compliance solutions for more than 50 countries
  - Income tax solutions for the U.S., Brazil, UK, Australia, and a dozen more
  - Legal statutory reporting for 30+ countries
  - Global tax provision (U.S., IFRS)
  - Global tax controversy and audit management
  - Global tax calendar and due dates
  - BEPS compliance solutions



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## Resources to Learn More



### White Papers

- [The Shifting Landscape of Direct Tax and the Right Framework to Address It](#)
- [Trends in Data Analytics Headed for the Tax Department](#)
- [Managing Statutory Reporting and Tax in Shared Service Centers](#)



### Brochures

- [Tax Provision brochure](#)
- [Income Tax brochure](#)
- [Statutory Reporting brochure](#)



### Visit Our Product Sites

- [ONESOURCE Provision and Income Tax](#)
- [ONESOURCE Workflow Manager](#)
- [ONESOURCE Audit Manager](#)
- [ONESOURCE Statutory Reporting](#)
- [ONESOURCE Indirect Tax Compliance](#)
- [ONESOURCE Sales & Use Tax](#)



# Global Trade Management



## Simplifying the entire global trade management process

Thomson Reuters ONESOURCE™ Global Trade is a comprehensive global trade management solution that enables companies to automate and manage complex global trade processes, comply with customs regime protocols, and ensure tax and tariff compliance. The first global solution of its kind and used by more than 350 multinational corporations, ONESOURCE Global Trade integrates with leading ERPs, such as Oracle and SAP, and enables seamless global trade management and compliance across enterprises.

- Key modules include Import, Export, Free Trade Agreements, Restricted Party Screening, Product Classifier, Trade Finance, and Special Programs.
- ONESOURCE Global Trade is a truly localized solution whereby in-country subject matter experts design the local product to reflect the country-specific regulations, language, and business needs, enabling quick deployment without extensive customization or local content sourcing.
- Yet, it is a global platform (single instance) that can be used for all your subsidiaries around the world. The same workflow (process standardization) can be used for all countries. Plus, it is multilanguage (English, Japanese, Spanish, Portuguese, Korean, Turkish, and others).

ONESOURCE Global Trade improves performance by configuring workflows to speed up goods clearance, sharing tools to connect as fast as possible with brokers, and by integrating internal systems, such as with your ERP.



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## Resources to Learn More



### White Papers

- [Emerging Trends in Global Trade](#)
- [Solution Supports ABB'S Recof Deployment and Management](#)



### Brochures

- [ONESOURCE Global Trade Management](#)



### Visit Our Product Sites

- [ONESOURCE Global Trade Management](#)
- [ONESOURCE Classifier](#)
- [ONESOURCE Free Trade Agreement](#)
- [ONESOURCE Restricted Party Screening](#)
- [ONESOURCE Import Compliance](#)
- [ONESOURCE Export Compliance](#)



# Research and Guidance



## Providing the right information, right now

Our industry-leading RIA<sup>®</sup>, WG&L<sup>®</sup>, EBIA<sup>®</sup>, Boskage<sup>®</sup>, and WorldTrade Executive<sup>®</sup> experts cover critical topics in key areas — including federal tax, state and local tax, international tax, audit, corporate finance, and international trade.

Checkpoint offers unique time-saving tools to maximize productivity and profitability — all while ensuring quality and consistency. Some of our newest tools help you stay informed and advised on the fast-changing world of tax, increase accuracy, and give you peace of mind when it comes to compliance. Plus, you'll have access to all this information when you're on the go with Checkpoint Mobile.

Our news products and services allow you to stay on top of legislative updates, regulatory changes, and other information relevant to energy companies, ensuring you can deliver complete compliance, timely responses to requests, and more.



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## Resources to Learn More



### White Papers

- [BEPS Action Item 13: The Importance of intercompany agreements in a post-BEPS era](#)
- [2017 Global BEPS Survey Report](#)



### Visit Our Product Sites

- [Checkpoint](#)
- [Checkpoint International Tax](#)



# Global Coverage with Local Expertise

ONESOURCE is the most comprehensive, end-to-end corporate tax solution to be found anywhere. Wherever you do business — Europe, the Middle East, Africa, Asia Pacific, Latin America, or North America — ONSOURCE has compliance software and services to meet the needs of your business.



Click on each area to visit our region sites.

