Facing Global Tax Technology Challenges

The intelligence, technology and human expertise you need to find trusted answers.

THOMSON REUTERS®
Facing Global Tax Technology Challenges

CONTENTS

- Introduction to Thomson Reuters
- Facing Global Tax Technology Challenges Head-On
- Globalization of the Tax Department
- The First Complete Solution
  - ONESOURCE™ & Checkpoint™
  - Transfer Pricing
  - Indirect Tax
  - Compliance & Reporting
  - Global Information Reporting & Withholding
  - Research & Guidance
- Global Coverage, with Local Expertise
Introduction to Thomson Reuters

It might seem as if the world of tax is in a perpetual state of disruption — with ever-changing regulations, more tax authorities to contend with, and technology evolving at breakneck speeds. How can your organization flourish in what feels like constant chaos? The answer is simple — you need a trusted partner to accompany you on the journey.

Consider Thomson Reuters. Not only do we handle the heavy lifting for you, we have the foresight and technology that give you the power to stay ahead of the changes affecting your world so that your organization doesn’t just comply and survive — it thrives.

The breadth and depth of Thomson Reuters offerings is what makes us unique and truly sets us apart in the global marketplace. We design our solutions with the future in mind so they evolve with your organization, essentially becoming smarter the longer you use them. And because Thomson Reuters solutions are integrated to work together, the information can be leveraged for future use and across departments, making your organization as profitable, productive, and efficient as possible.

As part of the Thomson Reuters family of businesses, we’re backed by 150+ years of experience in providing critical information and groundbreaking tools and services to move your organization forward.

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.

Keep reading to learn how we can help you solve the challenges facing institutions like yours today. These powerful products and services will give you the visibility and control you need to manage your supply chains, determine taxability, set proper transfer pricing, and deliver complete corporate compliance.

We’ll be there for you every step of your tax journey, driving global tax compliance and accounting decision-making with the industry’s most powerful portfolio of corporate technology solutions.

Kind regards,

Duane Mac Donald
Head of Financial Practice Group, Tax & Accounting, Thomson Reuters
Facing Global Tax Technology Challenges Head-On

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

To address this shift, your institution 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 staying up to date 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 be multi-jurisdictional?

Increasing regulations and the urgency to reduce costs are constant struggles that every financial institution 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.
Regulatory Changes

Regulations are increasing around the world as governments find new ways to increase revenues. A medium-sized company could have over 31,300 tax filings in a single year. In 2017, India implemented the Goods and Services Tax (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, by existing indirect tax jurisdictions, per year.

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. Not understanding or being aware of these constant shifts in regulations and related exposure can and will impact the bottom line of multinational corporations everywhere.

Economic Pressure

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

Leading multinational companies continue to move more tax and global trade functions to Shared Service Centers (SSC) 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 a 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 improvements.

Key decisions need to be made. Most companies 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 financial institutions — ranging from the corporate C-suite, to shareholders, to governments, to news media and outside activist groups. As increased enforcement of tax codes becomes the norm, compliance is more important than ever for your organization.

Ask yourself:

• Are you able to deploy a worldwide tax technology strategy?
• Are you confident your existing tax technology can meet the needs of tomorrow — all types of tax, in all regions?
• 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're combining to 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.

"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

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

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.

Transfer Pricing
Reducing risk and exposure in the transfer pricing space
SEE MORE >

Research and Guidance
Providing the right information, right now
SEE MORE >

Indirect Tax
Effectively manage indirect taxes on a global level
SEE MORE >

Global Information Reporting and Withholding
Streamlining reporting and tracking global regulations
SEE MORE >

Compliance and Reporting
Providing global direct tax and data management solutions
SEE MORE >

ONESOURCE and Checkpoint
Managing your worldwide tax and trade operations
SEE MORE >
Managing Your Worldwide Tax and Trade Operations

The ONESOURCE enterprise suite from Thomson Reuters 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.

But it’s more than just technology. ONESOURCE delivers rich tax content and rules, which are updated on demand within the platform.

Thomson Reuters Checkpoint provides you with the right information, right now — including expert research, guidance, technology, tools, learning, and news. Checkpoint is relied on by thousands of professionals to understand complex information, make informed decisions, and use knowledge more efficiently.

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.

- **ONESOURCE** is the most widely used tax platform by multinational corporations and the Big 4.

- **This 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 as a partner 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 offers the solutions that allow you to manage data and processes consistently.
Transfer Pricing

Reducing risk and exposure in the transfer pricing space

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.

- This enterprise-wide technology platform utilizes 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.

Click to see Global Coverage

Resources to Learn More

Whitepapers

- 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
Indirect Tax

Effectively manage indirect taxes on a global level

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's 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 SSC 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

Whitepapers

• Why Cloud? Why Now?
• Discover How Technology Can Revolutionize the Indirect Tax Process

Brochures

• Indirect Tax Compliance
• Sales & Use Tax Compliance
• India GST

Visit Our Product Sites

• ONESOURCE Indirect Tax
• ONESOURCE Property Tax
Providing global direct tax and data management solutions

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 corporations worldwide, especially in the emerging world of digital reporting such as SAF-T.

• ONESOURCE is the best-suited platform to face the challenges of global tax compliance. Whether your tax department is centralized, decentralized, onshore, offshore, 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.

• Thomson Reuters has the resources and expertise to handle and keep up with 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

Click to see Global Coverage
Global Information Reporting & Withholding

Staying one step ahead of regulations to ensure compliance

Tax information reporting compliance is more complex and time consuming than ever. New regulations targeting tax evasion globally have added to an already exhaustive array of reporting requirements.

ONESOURCE solutions help your institution ensure compliance and avoid penalties in all U.S. and global jurisdictions where you do business. Thomson Reuters tracks global reporting requirements as they evolve enabling accurate, on-time compliance.

• ONESOURCE Tax Information Reporting is a comprehensive solution for U.S. federal, state and Canadian information reporting including all types of Forms 1099, 1042-S and other forms. Available as software or full service, it covers the end-to-end compliance lifecycle including source data management, tax form production, printing, form distribution, regulatory filing, withholding management and tax ID number compliance. Our tax experts take the burden of keeping on top of regulatory changes off your internal operations team.

• Financial institutions with large account volumes rely on our secure scalable solution to remove the complexity and risk from 1099 reporting. Wealth management transactional data is efficiently managed throughout the year. Powerful analysis and exception tools prepare account data for tax form e-filing. Annual client tax statements are mailed or electronically distributed in time for tax preparation.

• ONESOURCE AEOI (Automatic Exchange of Information) allows international institutions to comply with the Foreign Account Tax Compliance Act (FATCA) and the Common Reporting Standard (CRS) through comprehensive global coverage for 180 countries and growing. Our automated solution manages the entire tax workflow for tax documentation, data management and reporting. ONESOURCE AEOI enables you to collect and validate tax residency during client onboarding, consolidate cross-border account data management and prepare efficiently to meet aggressive filing deadlines through a cost effective and accurate reporting process.

Click to see Global Coverage
Research and Guidance

Providing the right information, right now

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

Checkpoint from Thomson Reuters 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 of this information when you’re on the go with Checkpoint Mobile.

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

Click to see Global Coverage

Resources to Learn More

Whitepapers

• 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 Catalyst
• Checkpoint Intuitive Search
• Checkpoint World
• Checkpoint International Tax
Global Coverage, with Local Expertise

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

Click on each area to visit our region sites.