Facing Global Tax Technology Challenges in the Tech Sector
Facing Global Tax Technology Challenges

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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 aggressive 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.

For these reasons, the Thomson Reuters Technology Practice Group compiled this guidebook to better enable your tax operations and make you even more effective and efficient.

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. 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.

In this guidebook, you will find a collection of valuable insights developed as a result of working with thousands of tax professionals from 180 countries over the past several decades. These pages are filled with the collective wisdom of more than 150,000 Thomson Reuters ONESOURCE™ users who globally represent 87% of the Fortune 100 companies, plus many other organizations.

Keep reading to learn how we can help you solve the challenges of today, and those in the future. 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,

John Wandrisco
Head of Technology Practice Group, Tax & Accounting

Alex Paladino
Global Managing Director, Head of Technology Practice Group
Multinational companies in the technology sector 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 rebuild their tax base. To address this shift, your company must readdress your investment in three key areas of transformation: people, process, and technology.

**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?

**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 keeping up with ever-changing 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 both tax and IT departments.

Increasing regulation and the urgency to reduce costs while keeping pace with an ever-growing business are constant struggles that every technology company faces — and the tax department and global trade functions can feel this firsthand. With so much at stake, senior leadership needs a greater level of visibility into their worldwide tax operations.
Facing Global Tax Technology Challenges Head-On

Regulatory Changes

Regulations are increasing around the world as governments find new ways to increase their revenues. In 2017, India implemented a Goods and Service Taxes (GST) regime, while the Gulf Cooperation Council (GCC) countries are enacting separate VAT programs for 2018. Technology companies are closely following developments in the European Union who are clearly focused on increasing the amount of tax paid by technology multinational corporations (MNCs). This is in addition to more than 4,000 annual changes to indirect tax rates and rules globally. We are now at the point where a medium-sized technology company could have over 31,300 global tax filings in a single year!

As technology companies increase their hardware footprint, they are encountering massive complexity in the areas of global trade compliance. With the annual releases of harmonized tariff schedule updates, 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 are adding a new level of complexity and demand for transparency, including for the first time cross-country sharing and public disclosure of corporate data. Not understanding or being aware of this constant shift in regulations and related exposure can and will hit the bottom line of MNCs everywhere.

Economic Pressure

Pressure on corporate tax departments has never been greater, yet the compliance burden is increasing. Massive workload peaks stress resources, as filings tend to fall on the same monthly or quarterly dates. Corporate reorganizations, new/updated internal systems, mergers and acquisitions, and explosive growth all contribute to greater stress on the people, processes, and technologies within tax departments.

While outsourcing, Shared Service Centers, and Global Business Services hubs can bring some relief, they also introduce challenges of their own. But in the rush to redevelop and invest in tax operations for a shifting global economy, how will corporations meet their budgets and survive in a world of greater tax scrutiny?
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 rapid growth, globalization, and new digital reporting requirements, there's even more pressure for technology to deliver efficiency and value.

Key decisions need to be made. Most companies are facing a move to a financial ERP in the cloud. Tax needs to be at the table to lead global tax determination, transfer pricing, and global trade initiatives. Early adopters are also finding the days of deep customizations for tax requirements are over as Cloud ERP solutions limit their options. Will you be able to quickly respond while the IT department strives to maintain an aggressive migration timeline?

It’s also not just about using technology to improve internal efficiency. Technology is a tool the authorities are using to make better sense of data reported through efile, SAF-T, Spain’s SII, and Brazil’s SPED. This will increase a company’s exposure to undetected errors, reporting inconsistencies, and potentially draw audit focus to uncertain tax positions. This 'big data' approach to taxpayer data and digital reporting enables authorities to quickly identify and target new regulations, giving companies very little time to plan and react. This trend will only continue to grow.

Risk and Reputation

From the corporate C suite, to shareholders, to governments, to news media, and outside activist groups — there are many stakeholders who are demanding greater transparency from technology companies. As increased enforcement of new and existing tax codes becomes the norm, compliance is more important than ever for your organization.
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

It’s critical your tax systems allow for the addition of new tax regimes, jurisdictions, and changing requirements. Modern tax software systems are robust, flexible, and configurable. They’re not a one-size-fits-all proposition but can be tailored to the unique needs of the business. Your tax systems must also adapt to ever-changing needs, ensuring you won’t have to reimplement or buy a new solution as your business needs change and grow.
Globalization of the Tax Department

Enhance collaboration
Nobody wants to run a siloed department with each team functioning independently. Collaboration between teams and offices is a crucial and often necessary part of succeeding in today’s complex regulatory environment. With common centralized and consistent tools, there’s no reason why teams can’t work together. A platform that touches on almost every aspect of tax naturally encourages collaborative, inter-team efforts while minimizing tax risk.

Streamline Processes
As technology companies grow, their operations become increasingly complex. Individual, best-of-breed solutions can solve an individual problem, but do little to solve broader cross-departmental challenges. A platform approach aligns operations cross-departmentally, providing accurate, real-time information to everyone using the solution. A unified platform increases efficiency and productivity by helping users navigate complex processes, preventing data re-entry, and improving functions such as data collection, analysis, and reconciliation.

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 technology companies like yours, with all the resources and experience to help your team scale globally, using best-in-class solutions on a single platform.
The disciplines within a tax department don’t live in silos, but represent different perspectives on the activities of your business. Aligning these disciplines with a global technology platform optimized to improve the efficiency and effectiveness of your teams is an ideal path to success.
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 MNCs. It is a multi-tax, multi-jurisdiction, multilingual platform that provides the technology professionals need to manage global tax and global trade operations.

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

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, drive tax planning strategies, 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 transfer pricing, indirect tax, direct tax, global trade, and research solutions for most regions worldwide.

• **ONESOURCE** is the most widely used tax platform by MNCs and the Big 4. 87% of the Fortune 100 and more than 150,000 corporate tax professionals trust ONESOURCE to support their operations.

• **ONESOURCE is an enterprise-wide technology platform** for your worldwide tax operations that is built with state-of-the-art cloud, web, and data management technologies that are scalable and deliver high performance and calculation speeds.

• **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, in a Shared Service Center, 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 specialty 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 is the only calculation-to-compliance indirect tax solution that delivers indirect tax rates, logic, rules, and policy with 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.

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Resources to Learn More

White Papers
- Why Cloud? Why Now?
- Discover How Technology Can Revolutionize the Indirect Tax Process

Brochures
- Indirect Tax Compliance
- Sales & Use Tax Compliance
- India GST
- Global Tax Determination

Visit Our Product Sites
- ONESOURCE Indirect Tax
- ONESOURCE VAT and GST
- ONESOURCE Global Tax Determination
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.

- 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.

- ONESOURCE Intercompany Agreements help you centralize and efficiently manage intercompany agreements so that they can be properly generated, updated, and analyzed. Streamline drafting and execution of any transfer pricing agreement through a centralized repository of contract management and e-signature capabilities.

- 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.

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Resources to Learn More

White Papers
- Trends in Data Analytics Headed for the Tax Department
- Operational Transfer Pricing Case Study
- The Importance of Intercompany Agreements in a Post-BEPS Era

Brochures
- Operational Transfer Pricing
- Intercompany Agreements
- BEPS Action Manager

Visit Our Product Sites
- ONESOURCE Transfer Pricing
- ONESOURCE Operational Transfer Pricing
- ONESOURCE Intercompany Agreements
- ONESOURCE BEPS Action Manager
Compliance and Reporting

Providing global coverage for all types of tax

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’re the go-to solution for technology companies worldwide, even providing solutions for emerging requirements such as digital reporting and 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’re 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 12 countries including U.S., Brazil, UK, and Australia
  – Legal Statutory Reporting for 30+ countries
  – Global Tax Provision (U.S., IFRS)
  – Global Tax Controversy and Audit Management
  – Global Tax Calendar and due dates for 7,000 Events in 108 countries
  – BEPS compliance solutions

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
• Income Tax
• Statutory Reporting
• R&D Tax Credit Manager

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• ONESOURCE Audit Manager
• ONESOURCE Statutory Reporting
• ONESOURCE Indirect Tax Compliance
• ONESOURCE Sales & Use Tax
• ONESOURCE VAT and GST
Global Trade Management

Simplifying the entire global trade management process

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 MNCs, 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.

- It is also 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 multilingual (English, Japanese, Spanish, Portuguese, Korean, Turkish, and more).

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®, 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 offers unique timesaving 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.

Orbitax International Tax Research and Compliance Expert not only provides you with the world's most complete array of cross-border tax analysis and data, but also gives you integrated modeling and calculation tools so you can immediately apply your research to your daily workflow.

Covering more than 100 global jurisdictions, this unique resource saves you time by putting a full range of international tax research materials and tools on one easy-to-use platform.

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

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Resources to Learn More

White Papers

• The Tricky Intersection of E-Commerce and State Corporate Income Taxes
• BEPS Action Item 13: The Importance of intercompany agreements in a post-BEPS era
• 2017 Global BEPS Survey Report

Brochures

• International Tax Research and Planning

Visit Our Product Sites

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• 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, 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.