Orbitax Change Reports
Orbitax Change Reports: A must-have tool for navigating the world of international tax

With an unprecedented amount of change occurring across the global tax landscape, it’s becoming increasingly more difficult for international tax professionals to track and comply with changing regulations in the countries in which they do business. However, the latest advances in technology can help ease this burden, while also creating strategic tax opportunities.

In this report, we will assess the current international tax environment, identify the challenges multinational enterprises face, and show you how technology can help you stay one step ahead.

Navigating a complex landscape

As domestic businesses and multinational companies become more bullish about global expansion, compliance with an increasing number of tax rules poses significant challenges for multinational enterprises (MNEs). From the complexity of international tax research to keeping up with ever-evolving country-specific tax legislation, MNEs require real-time knowledge about all the tax laws relevant to their global footprint. These various regulations have made tax—which could average 25% to 30% of cash flows—a key concern of MNEs.

With so much at stake, it’s imperative that international tax professionals stay informed about changing domestic, bilateral, or multilateral rules—whether immediate or future, enacted or proposed—and disseminate relevant information to all stakeholders, not just those working in the tax department.

When we look across the world, more than 120 countries have enacted legislation in accordance with the OECD’s Base Erosion and Profit Shifting (BEPS) Action Plan. Apart from the BEPS guidelines, anti-avoidance initiatives are also being implemented by the EU and individual countries around the world. Additionally, some countries are changing domestic international tax rules to attract MNEs as demonstrated by the recent US tax reform overhaul, with more countries expected to follow suit.

Needless to say, the disruptive world of international taxation means MNEs can no longer rely on the status quo to achieve the same tax results year-over-year. In today’s tax environment, international tax departments must constantly monitor and apply tax law changes in a timely and strategic manner.

By the numbers

65 A recent Baker Tilly survey that involved multinational clients in over 65 territories deemed that some of the key issues international tax professionals are dealing with revolve around global trends and managing key tax risks to ensure that there are no surprises for multinational businesses in such a complex landscape.

32 It has been 32 years since the last large-scale tax reform. In a recent article from Chief Executive, authors John Ranke and Deniz Caglar discuss the uncertainty that has been created around the global economy and how it is at an all-time high, leaving many companies questioning how to react to these changes and what they mean for their current global footprint.
Understanding the challenges and risks

Most international tax professionals spend hours upon hours compiling information in Excel to create a basepoint for their organization or client’s global footprint. Updating this file manually is frustrating and time-consuming due to constantly changing tax regulations.

Many international tax professionals also use multiple email subscriptions to keep track of these changing tax laws. But what happens if a country changes their rules on net operating losses or proposes changes to the rule on interest deductions? This may take hours of searching, after which you still may not find the information you are looking for.

The consequences of not keeping up with changing tax laws are real. From missing a filing deadline to delivering the wrong information to stakeholders, the constant change presents an ever-increasing amount of risk. It can also result in missed opportunities. For example, if you know now that Nigeria and Singapore are going to enter into a treaty that will take effect from 2019, you may choose to delay distributing dividends from Nigeria to take advantage of a reduced withholding tax. Or, if you know Argentina will increase their withholding tax rate from 7% to 13% in 2020, you may choose to accelerate the distribution of dividends. But, how do you keep track of these changes and allow yourself enough time to act on them in such a complex global landscape?

How technology can help

The latest advances in technology enable international tax professionals to create an interactive analysis of their global tax footprint. Imagine a solution that tracks tax law changes daily, pushes alerts regarding when enacted future laws become effective, and is completely customizable based on interests, entities, cross-border transactions.

Ideally, this solution would:

• Centralize information in one, easy-to-access location instead of managing multiple subscriptions;
• Constantly update, so you don’t have to worry about missing the latest regulation changes;
• Be easy to navigate, so you can get the information you need and get back to your day-to-day work; and
• Offer customizable reports, so you receive only the information you need.

Introducing Orbitax Change Reports

Orbitax Change Reports is the only solution that can truly emulate your client or organization’s global tax footprint and allow for important tax changes to be shared automatically with key contacts and stakeholders.

By considering the footprint of an MNE and presenting relevant information and changes in tax regulations, Orbitax Change Reports enables international tax professionals to stay abreast of the current taxation trends of the specific countries in which they operate. With targeted, real-time results delivered well in advance of the actual rules becoming law, Orbitax Change Reports enables you to act strategically and create opportunities to optimize taxation as opposed to constantly worrying about compliance, interest and penalties. There is no other offering on the market that provides a singular report with information on laws relevant to the global footprint you create.

How it works

Orbitax Change Reports allows users to set up multiple projects within the program and set specific parameters for each one, so that your key stakeholders are being notified with the right information at the appropriate time. The user interface is intuitive, and the product provides a step-by-step process of how to create your global footprint, taking into consideration key topics, calculation data points, corporate tax rates, specific country coverage, analysis and much more. You can then tailor your notification settings and determine who should be receiving each notification. Setting up contacts is seamless as they can be added manually or imported through other API applications, like MS Outlook.
Within Orbitax Change Reports, there is also filter functionality designed to greatly enhance quarterly change reports and weekly alerts. All stakeholders can receive scheduled reports to their inbox that include all the changes for the topics, entities and transactions included in their settings.

**Exclusive benefits**

- **A customizable global footprint** to track laws, whether enacted (current or future) or proposed.
- **An intuitive user interface** to easily create global footprints based on entities, cross border transactions, and interests for organizations and key stakeholders.
- **Reports** that allow you to see what the tax law changes are, what their effective date is, and any associated references for all countries and topics.
- **Automatic distribution** of quarterly change reports and alerts to users before a series of law becomes effective. You can also tailor the frequency with which these reports are sent.
- **Import entity data** templates from existing Orbitax solutions like Orbitax Essentials, ONESOURCE International Tax Calculator and ONESOURCE BEPS Action Manager. You can also import a template with data that is downloaded from the Change Reports product too.
- **Reference.** Includes a discussion of the existing laws and links to related news articles.

For example, if a project has to do with distributing accumulated cash from offshore, the Orbitax Change Reports user can run a filter in the tool to see if there are any new treaties or other changes in domestic withholding tax rates among the countries involved that might dictate whether the distribution should be accelerated, deferred, etc.

With one-of-a-kind benefits, Orbitax Change Reports enables international tax professionals to not only keep track of tax laws relative to their business but optimize their global tax footprint in a way that positively impact the bottom line.

**Orbitax Change Reports** was created by international tax professionals with actual practical experience in response to a long-desired wish list of a must-have solution that can automatically track tax law changes tied to an MNE’s global footprint and automatically distribute custom reports to all stakeholders.

The quote below, from a senior tax director at the US headquarters of a major MNE, illustrates the demand now delivered by Orbitax Change Reports.

“Perhaps someday we will have access to an international research tool that can allow us to pick a date range, countries, type(s) of tax and date(s) the rate changes became effective. We would like to save the search criteria and then have the research platform email the updated results to users every week, month, quarter or some other desired frequency.”

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