

TAX TECHNOLOGY-TAX PRACTICE TRANSFORMATION & DISRUPTION

BDO IN INDIA
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TAX FUNCTION

HISTORIC

- Historically a support function
- Compliance driven
- Spreadsheet driven
- Manual data collection and reconciliation
- Negligible use of technology
- Time utilised in more routine activities
- Rear-view mirror approach for tax reporting, compliance & assessments
- Assessments and litigations

FUTURE

- Tax functions more as a Strategic contributor
- Focus on higher value activities
- Importance of subjective judgement
- Strategic decision making
- Unlock value of data
- World-wide magnitude of regulatory changes
- Advance use of technology by and data analytics by tax authorities
- Use predictive forecasting with exponential rise in data & better algorithms





TAX FUNCTION ENABLED WITH TECHNOLOGY

Tax Technology Road Map

- ▶ To manage compliance & tax reporting
- ▶ Enable integration with source business systems
- ▶ Automatic exchange of information among tax jurisdictions
- ▶ Fraud detection
- ▶ Provide analytics
- ▶ Forecasting and dashboard for decision making
- ▶ Process information on real time
- ▶ Producing and forward looking what-if analysis
- ▶ Studying trends and predicting results
- ▶ Artificial intelligence to detect inconsistencies
- ▶ Automate routine and time consuming tasks of tax function
- ▶ Use of RPA to eliminate manual tasks associated with data collection



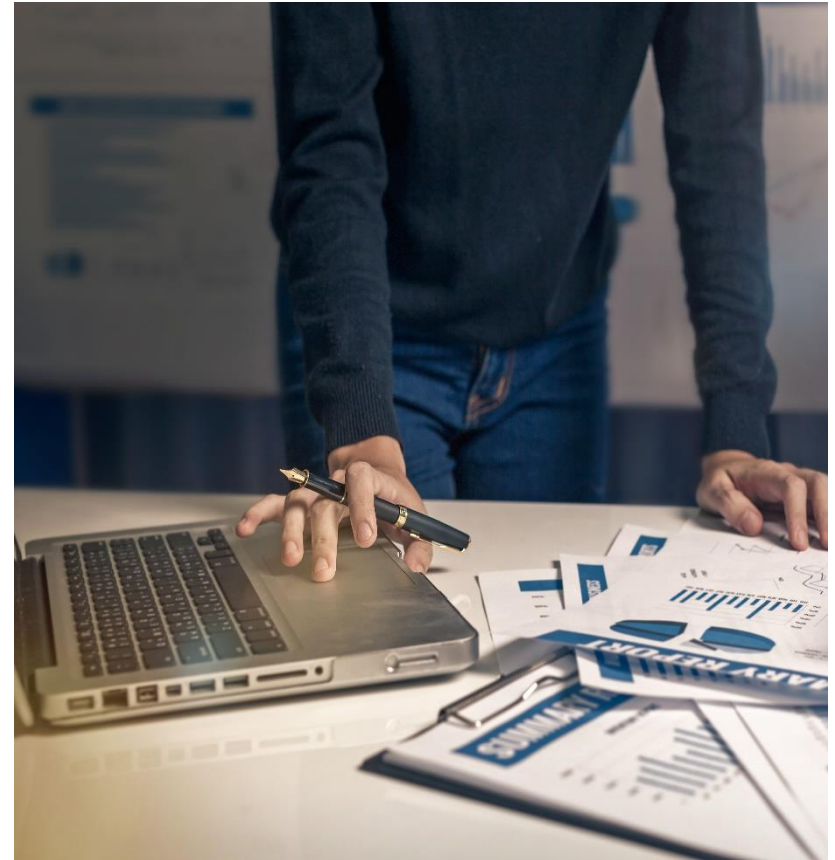
GST IN INDIA - THE CATALYST

Tax Technology a reality

- ▶ GSTN the technology backbone for GST system
- ▶ Digital filing for returns and assessments
- ▶ Plug & play ASP/GSP solutions authorised by GSTN
- ▶ Communication between tax authorities and tax payer through GST system
- ▶ Real-time matching of transactions
- ▶ Data collation & validation automated from ERP systems for GST filings
- ▶ Data with tax officers for fraud detection, example:
 - Tax liability in GSTR 1 vs GSTR 3B
 - ITC in 2A vs 3B
 - E-way bill matching with GST returns
- ▶ Compliance ratings for Tax payers
- ▶ Scrutiny based on artificial intelligence and machine learning algorithms
- ▶ Numerous possibilities with data analytics

WHAT WILL BE THE NEXT REALITY?

- ▶ Company wide decision making process will be assisted by shaping the Tax function for increased compliance fulfilment coupled with greater analytics need
- ▶ Information sharing a commonplace among tax jurisdictions'
- ▶ Tax control framework for risk management and governance
- ▶ Tax data hubs - data flow into the tax function, data security
- ▶ Technology automation for tax function analytical tasks
- ▶ Shared service model for Tax function
- ▶ Global tax information systems (e.g. CbCr (country-by-country reporting under BEPS, FATCA)



BDO INDIA - TAX TECHNOLOGY SERVICES

BDO Enable GSP
GSTN License Solution

BDO Enable GST
Technology Enabled
Compliance Services

BDO Enable EWB
E-Way bill Automation

BDO Enable Analytics
Tax Analytics

CONNECTORS
Connect ERP with BDO
Enable products

LEARNING SOLUTIONS
Upgrade your Tax
Knowledge

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