



Today's Tax Challenges Demand an Integrated Approach

**Ensuring compliance and boosting efficiency
with a centralised tax engine**

White paper

Evolving compliance requirements, growing markets, and e-commerce opportunities are expanding at an unprecedented rate, making it challenging for tax departments to remain compliant. An end-to-end process for indirect tax management is fast becoming the only way to attain and maintain compliance in today's business environment. One centralised system can enable an organisation to take the complications out of tax compliance — allowing your people to spend more time on the activities that bring value to your business.

Being compliant and working to deadlines are challenging for tax teams. And with compliance requirements evolving, markets growing, and e-commerce opportunities expanding at an unprecedented rate, those challenges are only increasing. An integrated, automated and end-to-end process for indirect tax management is fast becoming the only way to attain and maintain compliance in today's business environment.

Position your company to stay ahead of indirect tax compliance issues by teaming up with the right partner to deploy a centralised, fully integrated indirect tax solution.

In this white paper, you will learn why it is important and how you can choose the solution that's right for your business.

The growing challenges of compliance requirements



Doing business across domestic and European borders compounds the challenges faced by your indirect tax and finance teams.

Indirect tax compliance is a serious business. Being non-compliant can result in financial penalties as well as risk reputational damage. If you conduct business in multiple or complex territories, then meeting your obligations keeps getting more complex and demanding, because you must know and follow the rules and regulations in every tax jurisdiction.

Each time an indirect tax rate changes, it needs to be integrated into your tax system across your organisation, as well as other systems such as ERP and expense/procurement management. Adapting to seemingly simple tax rates changes or reporting obligations such as SAF-T, supplementary declarations or real-time reporting, all add multiple layers of complexity for your business and for compliance reporting.

For example, consider what could happen if one of your customers places an order and then decides to return a portion of it one month later. Without an integrated system, if the tax rate changes in the interim, you may risk overpaying or underpaying the customer during the refund process. To complete this transaction accurately — and meet compliance requirements — your system must compute the indirect tax paid at the time of sale rather than the rate at the time of the return.

If your billing and procurement systems are working with different data, these kinds of frequently occurring commercial issues can rapidly multiply and impact the business's reporting obligations. Small and medium-sized businesses with limited resources handling tax calculation and returns can be even more vulnerable to these changes, as they have smaller teams to track and apply the necessary system changes. Updating multiple points in each system separately also creates bottlenecks in the business's day-to-day operations and potentially leads to inaccurate results.

To stay in control, you need to be able to centralise and automate tax changes. You need an intelligent and dynamic indirect tax technology platform that updates tax rates as soon as they are effective — and ensures it has been done correctly.

You also need to know that transactions such as refunds and returns are being processed using the tax rate in effect at the time of purchase. To attain a "single source of truth" for accurate tax calculation and reporting that can be easily and automatically shared across all your business systems. You need an integrated tax engine.



An integrated tax engine is simply smarter

Imagine what it would be like if you could make one change to your tax system and have it automatically flow to all of your systems, accurately aligning them to your organisation's global compliance and business requirements. From a single centralised point of control, you could configure all your systems to calculate your indirect taxes in a particular tax jurisdiction according to your specific needs.

With an integrated tax engine, scaling and modifying the system to add new jurisdictions or support new requirements could be handled in minutes rather than days or months. You could make the necessary changes once, and they would be automatically applied throughout the systems integrated with your tax engine. The result would be a better, more compliant indirect tax solution that can adapt and move at the speed of your business.

With an automated centralised system, you can look across your entire business and gather and report the required information with ease. Such fully integrated, cloud-based indirect tax management solutions exist — and they can position you to take advantage of a wealth of benefits, from improved agility and performance to better availability.

The benefits of an integrated tax engine include:

- **Enhanced business agility**

A tax technology platform enables you not only to flexibly adjust to meet new compliance needs, but also to scale for changes in your company's size, structure, or location — without time-consuming manual software updates. Whether you're expanding into a new market or ensuring compliance with changes in tax law, you'll have access to the information you need the moment you need it.

- **Faster, more dependable performance**

A cloud-based tax management solution keeps you up to date on current tax rules by acquiring the latest content from thousands of tax authorities. Designed to work on a global scale, it gives a response for tax calculations in milliseconds, keeping pace with the speed of your business.



Our cloud-based indirect tax management solutions can position you to take advantage of a wealth of benefits, from improved agility and performance to better availability.

- **Real-time updates**

In today's information age, everyone expects the latest information to be available and accessible immediately. Modern business needs demand an always-ready solution that is updated in real time, without the burden of local software updates and IT dependencies.

- **Non stop availability everywhere**

People are working in more places than ever — in the office, on the road, and at home — and they require a tax solution that is as mobile as they are. A cloud-based offering can deliver tax answers where and when you need them, regardless of where you do business or where its systems are located.

Choosing the right tax engine takes careful consideration

Traditionally, on-premise indirect tax calculation solutions have been the accepted norm for most businesses. However, cumbersome manual updates, hidden costs and an inability to keep up with the increasing pace of business mean cloud-based options have become much more attractive.

When you're investing in an indirect tax calculation solution, it is important to look beyond the purchase price to understand the full costs involved. Many on-premise solutions require implementation costs, as well as IT and operations maintenance expenses that can quickly add up over time. These ongoing costs will likely include change control, performance tuning, solution customisation, in addition to ongoing hardware, network, security upgrades and maintenance. Scaling the solution up and down can also require IT resources.

Unlike on-premise tax solutions, cloud-based offerings involve very low implementation and training costs. They also require no internal maintenance and very few ongoing costs. A simple, predictable subscription fee and occasional change control are the only recurring costs needed to keep a cloud solution fully aligned with your business.

Be sure to consider ease of integration

In addition to fast implementation and lower ongoing costs, cloud solutions are designed for ease of integration. What good would a robust indirect tax solution be if you can't integrate it with your core business systems? Look for a cloud solution that is easy to implement, from a trusted and proven partner that can provide the support needed to get the full value from your investment.



When you're investing in a tax calculation solution, it's important to look beyond the purchase price to understand the full cost of the solution.



The right partner — one with years of experience implementing cloud tax solutions for businesses around the globe — will make it easier for you to fully integrate your solution with your existing processes. Your partner should provide a robust integration programme that provides support whether you choose to handle the integration in-house or through a third party. To further minimise risk and ensure that the solution is aligned to your needs, they should also help you fully test and verify each integration before it goes live.

Take a proactive step forward in compliance



ONESOURCE is an end-to-end indirect tax solution designed to easily address the needs of organisations with a global reach.

Thomson Reuters **ONESOURCE™ Indirect Tax Determination** empowers you to automate transactions in the cloud without all the time and headaches of managing and maintaining an in-house indirect tax engine or reporting system. This on-demand cloud solution, built on the same patented global tax technology that Fortune 500 customers have relied on for nearly two decades, is available to companies of all sizes.

ONESOURCE is an end-to-end indirect tax solution designed to easily address the needs of organisations with a global reach. Its engine determines the rates for 193 countries and territories, smoothly handling any tax calculation.

Built to accommodate constant change, it can easily adapt to new rates and requirements, so there's never any need to spend time and money manually updating multiple systems. The solution integrates with all your systems and operates seamlessly with those systems. Because it's cloud-based, our tax automation software can scale quickly to the size of your company, for less cost.

The solution offers:

- **A unique patented process**
ONESOURCE provides the only patented, end-to-end automated solution on the market for VAT, GST, sales, use and excise taxes.
- **Powerful integration**
Connect to ERP, financial, billing, and e-commerce systems through prebuilt and custom integrations.
- **Trusted tax information**
Stay up to date on global tax changes through in-house expertise backed by SSAE 18–certified and ISAE 3402–certified processes.
- **Powerful personalisation**
Ensure that all your tax liability needs are met with our patented process that handles corporations of every size and geographic reach.

Learn more about ONESOURCE Determination and other tax compliance solutions at
tax.thomsonreuters.co.uk/onesource/indirect-tax/vat-determination