

International tax technology: A world of solutions for common problems

October 19th, 2021

With you today



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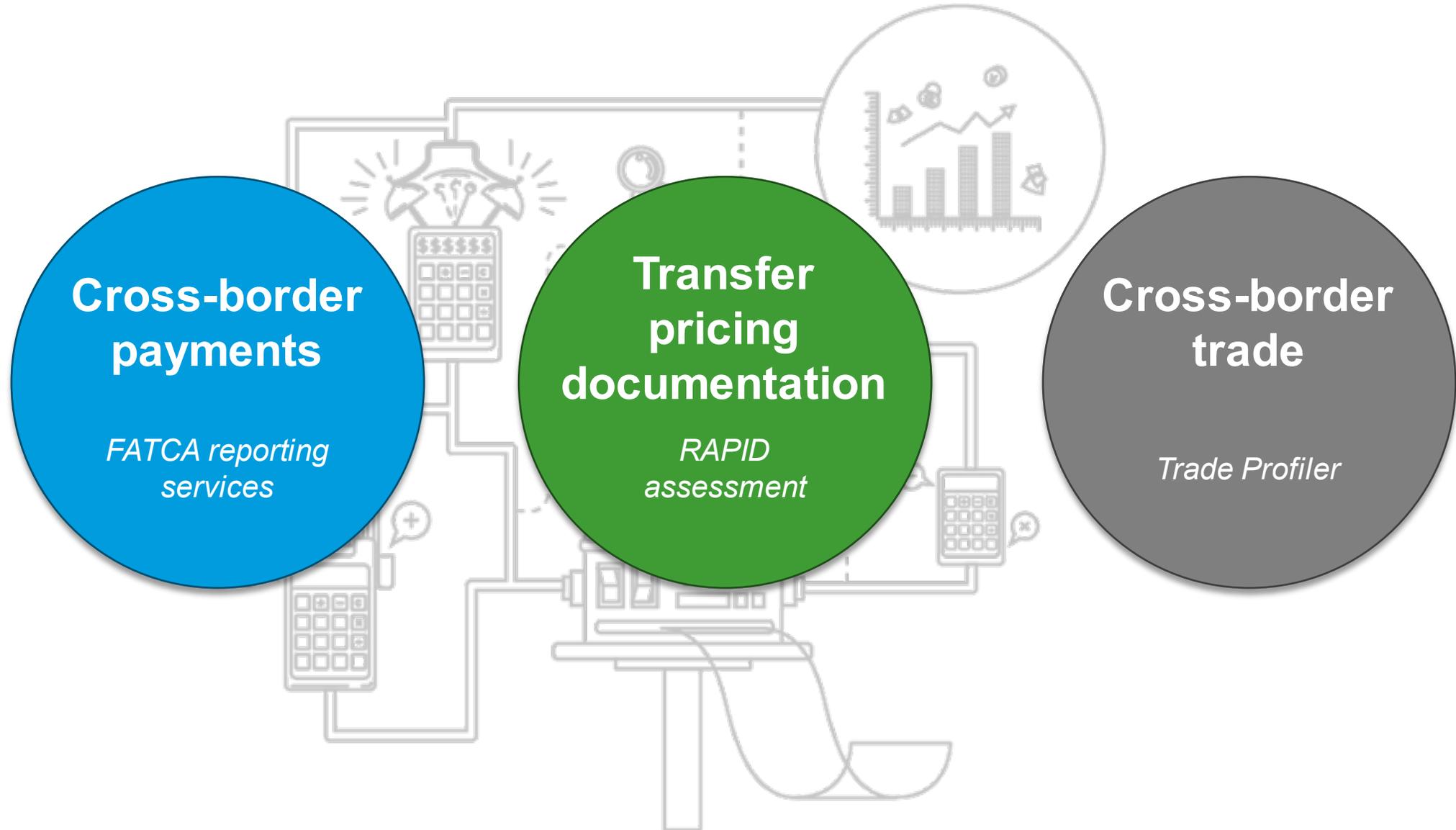
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What brings us here
today?

Today's focus: International tax technology



Cross-border payments

Tax information reporting

Foreign Account Tax Compliance Act (FATCA)

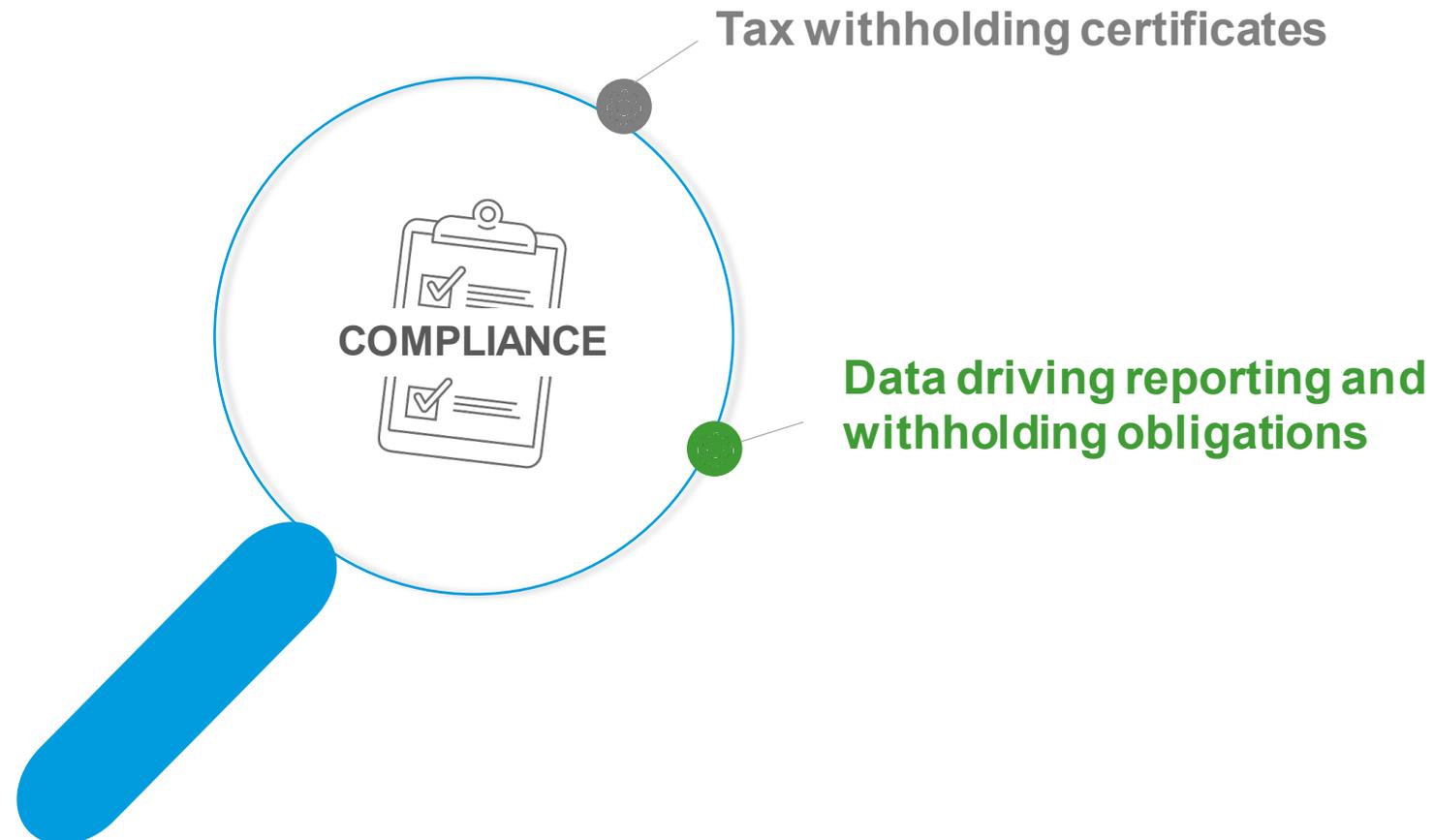
- Requires non-U.S. financial institutions to perform due diligence on investors and accountholders and to report information on their financial accounts (including debt and equity interests)
- Noncompliant entities are subject to **30 percent FATCA withholding**

H.R. 3684 Infrastructure bill

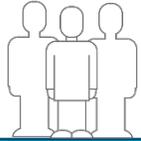
- President Biden's proposed tax plan and the pending infrastructure bill include significant revenue raising provisions based on increased tax information reporting
- Includes comprehensive measures focused on closing a \$166 billion tax gap

Tax information reporting

Gaps in an organizations' systems and manual processes for capturing reportable data may result in potential exposure, and ultimately risk to your organization.



FATCA tech-enabled review services overview



Who?

Ideal candidates are U.S. or non-U.S. financial institutions as well as any company **that makes cross-border payments** derived from U.S. sources



What?

The FATCA tech-enabled review services leverages technology to ensure **risk reduction, opportunity identification**, and enables **value creation** within the tax function



How?

Leverages **OCR** and **workflow technology** to enhance the **review of series W-8 forms**

This interactive dashboard allows for quick digestion of results to target areas of risk and opportunity, enabling **actionable results**



FATCA reporting services demo

Transfer pricing

Role of technology in the evolving transfer pricing landscape



What hasn't changed?

The landscape is:

- Complex
- High-impact (financial close, effective tax rate, customs, VAT)
- Disconnected across functions
- Leverages manual processes (spreadsheet risk)

What's new?

- Base erosion and profit sharing (BEPS)
 - BEPS 1.0 (Actions 1-15)
 - BEPS 2.0 (Pillars 1 & 2)
- Transfer pricing scrutiny and pressure on data quality
- Pandemic impacts
- Wider range of technology options

What's coming next?

- Transparency mandate
- Digital transformation
- Further technology improvements



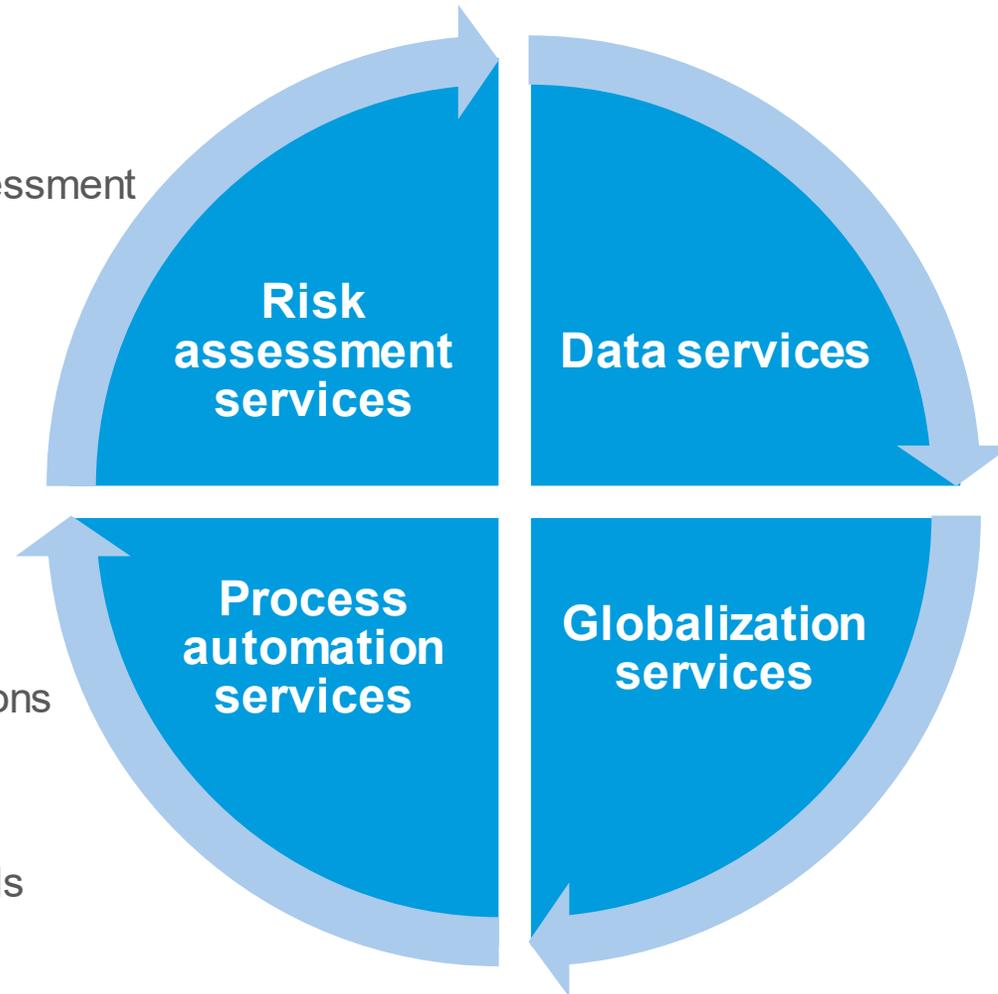
Leading to new focus on operations and automation, and

Operational transfer pricing

Operational transfer pricing solutions

- “As-is” vs. “To-Be” gap analysis
- TP quality risks and controls assessment
- TP scenario planning
- Audit support

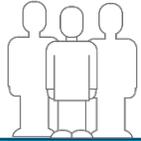
- Bespoke solutions for profitability reviews & shared service allocations
- Integrate TP solutions with international tax compliance
- Visualization tools and dashboards



- Financial systems configuration & support
- Data completeness and accuracy
- Audit trail

- Organizational change - M&A, restructuring
- Business model change
- Supply chain optimization
- TP & trade alignment

Transfer pricing technology: Rapid assessment overview



Who?

Multinational companies with:

- Large, **complex** global footprints
- Complex **local transfer pricing compliance** requirements
- Potential **transfer pricing audits**



What?

Using **state of the art** technology to create dashboards that organize and simplify data to generate **actionable insights**



Why?

Enhance the perspective of both transfer pricing consultants and clients to identify transfer pricing **areas of exposure** and **real-time scenario planning opportunities**



Rapid assessment demo

Cross-border trade

Trade advisory services core offerings

FTZs • Bonded operations • Drawback • Reclassification • Conditional use • FTAs

- Process mapping
- Procedure review
- Internal controls review
- Capability assessment
- Benchmarking

- Program design
- Training & manuals
- Vendor selection
- Automation
- Reconciliation

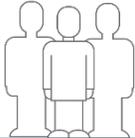


- Classification databases
- Certificates of origin
- Origin status calculation
- Post-entry testing
- Staffing

- Supply & landed cost analysis
- Valuation assessment
- Import and export Requirements
- Binding rulings
- Exclusion requests

Self assessments • Inquiries • Audits • Voluntary disclosures

Trade Profiler solution overview



Who?

Ideal candidates are companies **engaged in cross-border trade** (>\$5M/yr.) seeking greater insight, duty savings and improved visibility



What?

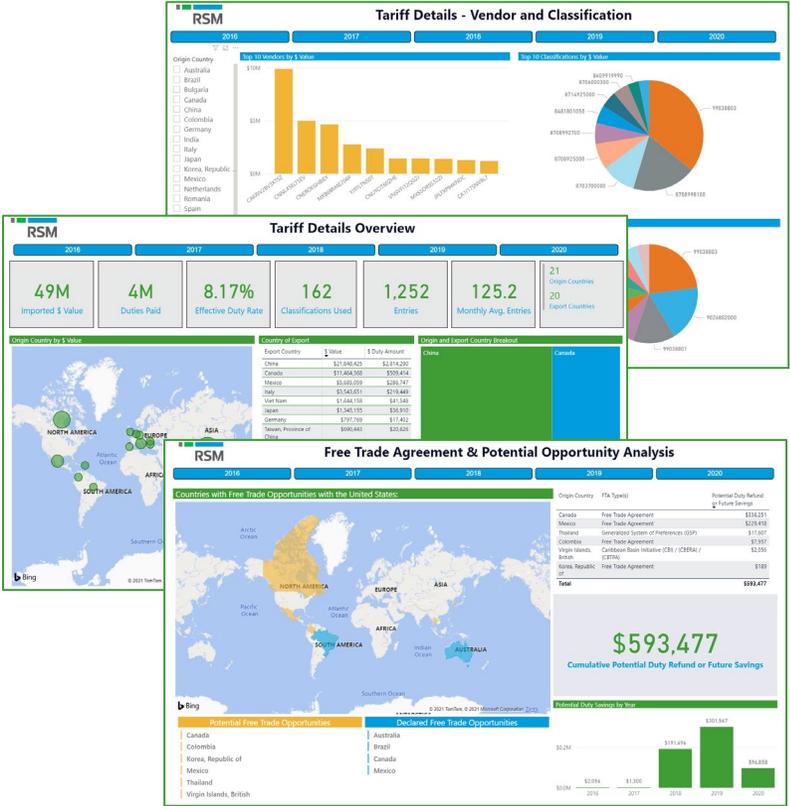
Leveraging import quantities, origin, classification, value and many other details directly from the company's declarations to customs to create interactive PowerBI dashboards, converting thousands of data points into actionable intelligence



Why?

Many companies lack visibility into their global trading activities, resulting in higher supply chain costs, risks and inefficiencies

Trade Profiler supports **lower costs, increased margins, and improved compliance** by enabling greater control of customs and trade operations



Trade Profiler demo

Wrap-up

What's next:

Tax innovation webcast series

Save the date:

Tax summit week 2021



Dec. 2 / 2 p.m.

Tax technology for family office



Nov. 2 / 10 a.m. to 3:30 p.m.

Tax technology track



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Appendix

FATCA tech-enabled review services

Benefits to you

Targeted risk reduction

Quickly identify areas with invalid forms to bring them back into compliance and reduce risk upon audit by the IRS

Opportunity and savings identification

Quickly identify areas where beneficial tax treaty rates should be used to drive tax savings

Business process improvements

Improve the systems and processes that are in place for FATCA reporting to ensure continued compliance

Accurate and timely reporting

Ensure that FATCA reporting is accurate, timely, and in compliance with the internal revenue code



Get in touch

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Our FATCA tech-enabled review service **ensures risk reduction, opportunity identification, and enables value creation within the tax function.** A clean dashboard enables tax departments to easily identify insights and take those into action with business system and process improvements and audit-ready documentation.

- Tech-enabled review of series W-8 forms**
 Use OCR and workflow technology to enhance review of series W-8 forms
- Customizable dashboard reporting**
 Interactive dashboard allows for quick digestion of results to target areas of risk and opportunity and take insights and turn those into actions
- System and process improvements discovery**
 System and process improvements Discovery for FATCA reporting ensures continued compliance with IRS regulations
- Audit-ready documentation**
 Our audit-ready documentation ensures compliance in potential IRS examinations



Ideal candidates for this service

This service is for any financial institution or multinational company with non-US investors, vendors, or account holders or who make cross border payments derived from U.S. sources.

Use case

Challenge

The RSM iTax team was approached by a large, multinational client to review FATCA reporting forms (W-8BEN-E). The client had roughly 1,800 forms and needed them reviewed quickly to ensure compliance and to remediate any issues. With this amount of volume, it seemed like a tough task.

Solution

The RSM team used optical character recognition (OCR) to read the forms into excel spreadsheets. The excel files were then run through Alteryx workflows. The python code in Alteryx dataflow automatically verified GIIN numbers on IRS website. Forms already expired or otherwise invalid were listed in a separate output, the treaty claim completeness was checked, and the foreign TIN number format was verified. The engagement team could take a targeted approach to review specific areas marked by the Alteryx workflow, saving the engagement team countless hours on manual review.

Result

The client team was able to review thousands of forms very quickly and completed the engagement in record time. Additionally, the various outputs from the workflow allowed for a more targeted review approach and automated certain items that would otherwise be manual. Integration of python code in Alteryx also allowed the team to further automate the process and leverage cutting edge technology. The PowerBI dashboard enhanced client deliverable and provided insights using intuitive visualizations.