How to automate the tax data into your country-by-country reporting?

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Cygnet Infotech
IT is about you

Where are you now? Where are you going?

Today

1. The first 'building block' will be the **R7VAT** tool by Cygnet, which extracts the tax relevant data pool for CbCr, VAT and your intercompany transactional matrix etc. This way you need to only extract data once, instead of organizing data extraction for each tax workflow separately.

2. Through R7VAT and a connector with another piece of software for transfer pricing, named **TP Genie**, the first excel spreadsheet - out of 3 - of the CbCr is being completed, bringing more benefits on top of this.
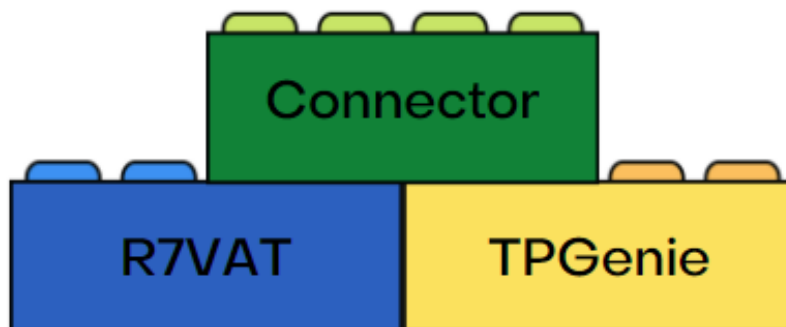
R7VAT Connectors for Data Extraction

- R7VAT Connectors extract data from each source.

- Internal data sources such as ERPs and Payroll Engines provide data for Table 1.

- External data sources such as Company Registers provide data for Table 2.

- Data warehouse approach uses an adaptive data store to aggregate the entire data load.

- The warehouse is flexible and loosely structured to allow for easy changes.

- Parallel processing enables easy consolidation and aggregation of large data volumes.

- Shared completeness and validation engine prevents duplication of development efforts.

- Big data technology is generally used to build the central data warehouse.

- This approach is optimal for consolidation and reporting end uses.

Source	R7VAT Connector
Source	R7VAT Connector
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R7VAT Warehouse → Data Validation Engine → TP Genie → Final Output
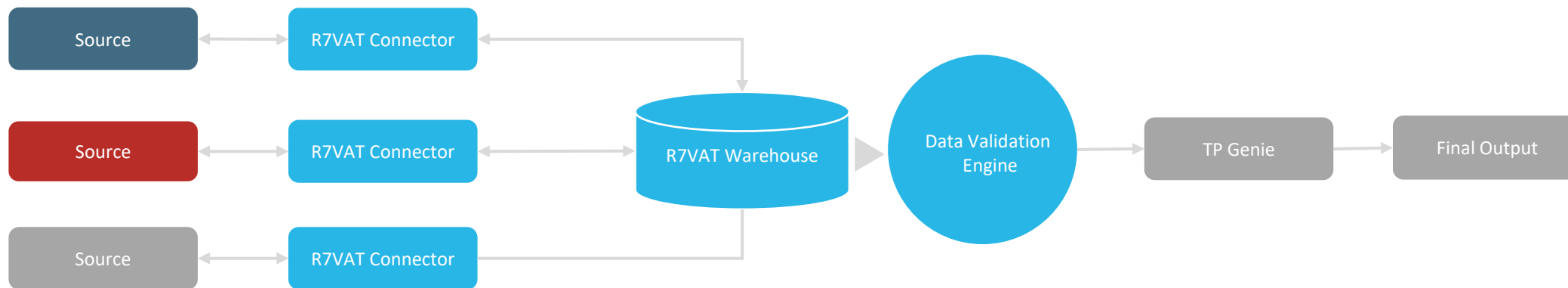
R7VAT

R7VAT is an end to end automated solution for the management of compliance reporting for MNEs. It helps in preparation and filing of tax returns as per country specific tax regulations.

Robotic processing for data retrieval from source data systems using pre-built or custom-built connectors. Supports data extraction from multiple ERP systems such as SAP, Oracle, flat files, csv and data warehouses
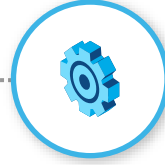
Remodeling of data for reporting compliant formats using rule-based data processing and conversion

Validation of data as per EU and country regulation, error discovery and checker system

Various data reconciliations to assist tax professionals to correct and update the data before filing

Preparation and filing of the tax/returns and generation of evidence trail for reporting

Dashboards, reports, analytics, audit trail and records archival and maintenance

View present and past obligations, liabilities and payment details

Automated Data Sources for CbCr

Table 1

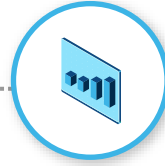| Field	Source	Internal/External
Revenue Unrelated Party	ERP	Internal
Revenue Related Party	ERP	Internal
Revenue Total	ERP	Internal
Profit (Loss) Before Income Tax	ERP	Internal
Income Tax Paid (on cash basis)	ERP, Tax Engine, Tax Authority Portal	Internal, Internal, External
Income Tax Accrued FY	ERP, Tax Engine	Internal, Internal
Stated Capital	ERP, Company Register	Internal, External
Accumulated Earnings	ERP	Internal
Number of Employees	Payroll System	Internal
Tangible Assets (other then Cash and Cash Equivalents)	ERP	Internal

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Poll: How many IT systems are used to source data for CbCr reporting?

- None
- 1-3
- 4-6
- 7+

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Poll: How many tables are pre-filled using internal and external data sources?

- None
- 1
- 2
- 3

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Demo R7VAT using actual but anonymized data

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Poll: How do you convert your CbC to XML now?

- By external consultant
- Through external IT solution
- Through In-house IT solution

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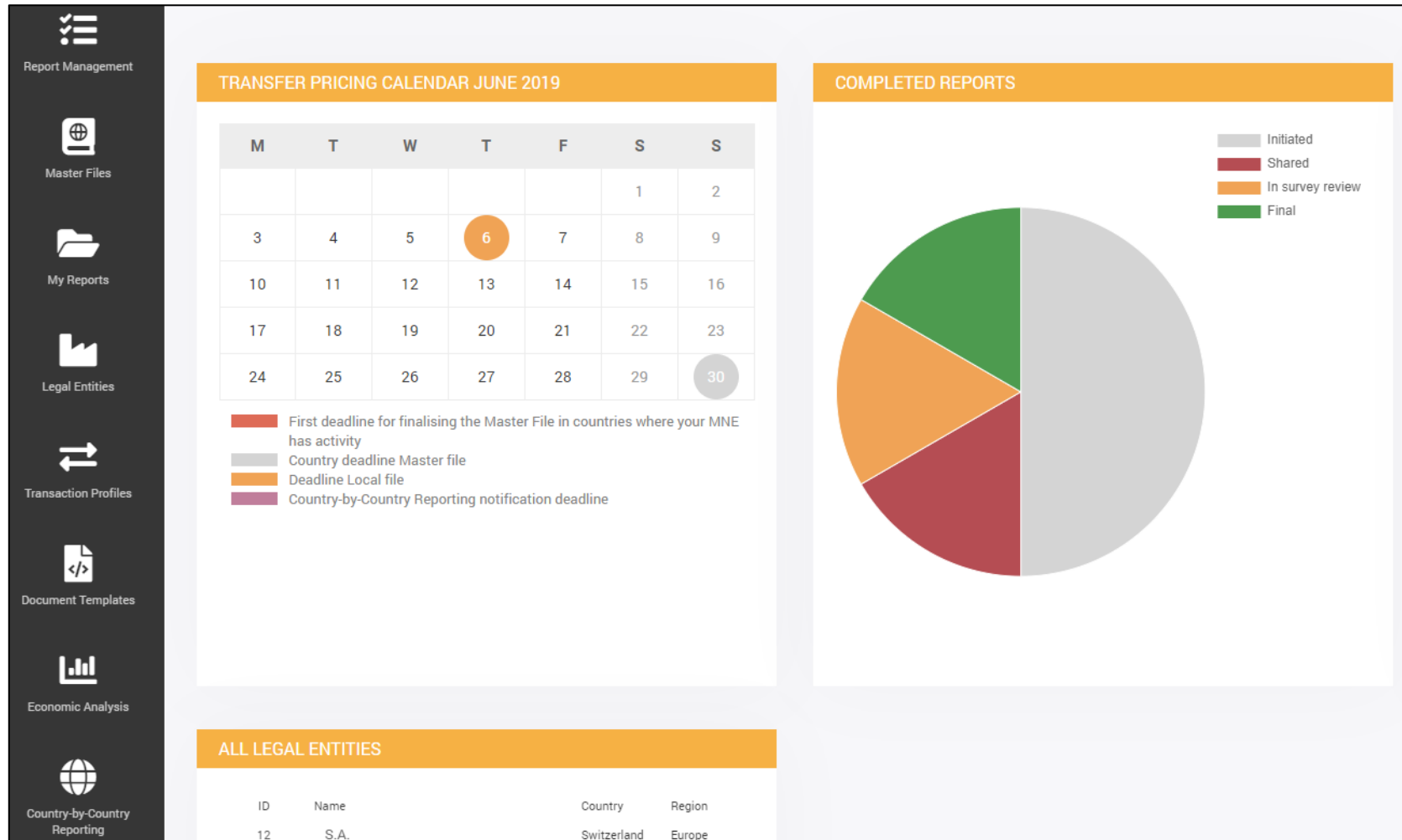
TP Genie

- TPGenie helps you to efficiently **create, update and manage** your transfer pricing documentation:
  - Master file
  - Local files
  - Intercompany Agreements
  - Benchmarks
  - Country-by-Country Reporting

- TPGenie assists you with TP planning, risk management and control.

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Demo TP genie using actual but anonymized data

Poll: How do you perform CbC ratio analysis?

- Through external IT solution
- Through In-house IT solution
- Through Excel file
- I do not perform this analysis

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Key takeaways

- Extensive automation can be applied to country by country reporting.

- CBCR data can be collected from your existing financial reporting systems.

- How do you ensure the quality of country by country data?

- How do you ensure compliance with the country or with the local XML format?

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Thank you! Please contact Krithika Sivakumar , head of Tax Technology at TPA Global, if you want to have a personal discussion about your digital transformation Roadmap or anything else related!

K.Sivakumar@tpa-global.com

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TP Genie CbC tool

- Information on Tables 1, 2 and 3 can be imported in the form Excel format;

- System performs a check of information according to OECD (or country specific) CbCr XML template;

- System performs an outlier analysis on various ratios. By having the analysis available before sending potential risks can be identified and additional explanation in Table 3 or risks reduction and control measures can be taken.

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About Cygnet

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900+ Employees Delivered 2000+ Projects

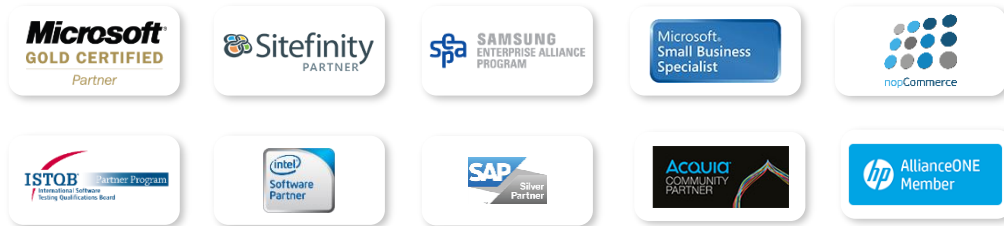18 Years of Experience Serving 750+ clients in 35 countries

95% Client Retention

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Sitefinity PARTNER

SAMSUNG ENTERPRISE ALLIANCE PROGRAM

Microsoft Small Business Specialist

nopCommerce

ISTQB Partner Program International Software Testing Qualifications Board

intel Software Partner

SAP Silver Partner

ACQUIA COMMUNITY PARTNER

hp AllianceONE Member

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EU GDPR COMPLIANT

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