

EY Global VAT Reporting Tool (GVRT)

Indirect tax compliance in the cloud

Helping organizations future-proof their business for tomorrow while maintaining acceptable compliance levels for today

- As increasing numbers of tax authorities around the world introduce new reporting obligations, businesses are under growing pressure to stay compliant with the complex requirements and changes.
- The introduction of transaction level reporting makes this even more challenging, removing the ability and the time to manually interact with data before its submission to governments.
- Businesses are striving to centralize elements of their finance functions and achieve greater synergies. Hence, sharing taxpayers' data across different taxes to accomplish data visibility and consistency can be a daunting task.
- Advancements in technology and data solutions have accelerated disruptive technological change, greatly impacting tax. This could compel companies to modernize their IT setup.

EY GVRT solution benefits:

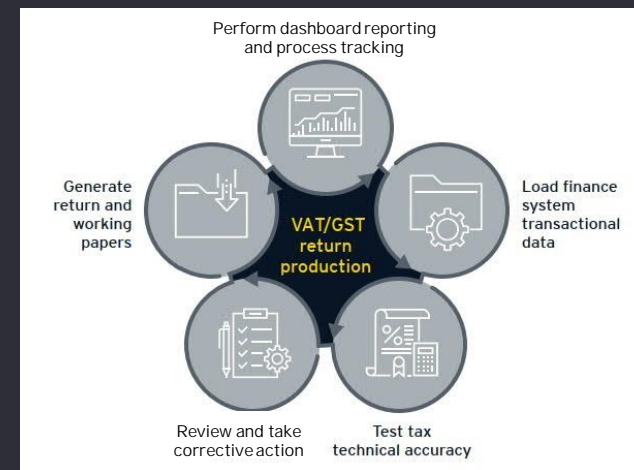
- **Reduce compliance process time through:**
 - Standardized VAT compliance process
 - Automated return preparation
 - Automated data consolidation and manipulation
 - Automated checks to confirm correct VAT/GST liability
- **Improve controls and governance through:**
 - Centrally agreed set of controls
 - Inability to bypass key controls
 - Clear process and audit trail
 - Standardized VAT return process
 - Standardized workflow tracking and role segregation
- **Manage VAT risk through:**
 - Increased exception reporting and analysis
 - Analytics routines to flag anomalies and transactions requiring review
 - Improved visibility and identification of overall VAT risk
 - Status tracking of indirect tax filings
- **Improve data accuracy and access through:**
 - Consolidation of multiple data sources
 - Automated exception reporting
 - Quick access to transactional data
 - Identification of cash savings and other opportunities

Solution description

EY GVRT is a cloud hosted broad global value-added tax (VAT) and, goods and services tax (GST) reporting solution that redefines and globally standardizes the preparation, production and reporting process. It is an EY cloud-hosted global compliance solution which automates the preparation of indirect tax returns in over 70 countries globally.

Integrated within GVRT is a powerful tax technical testing engine capable of identifying anomalies by reviewing the VAT treatment applied to transactions against highly customizable parameters that cover general VAT checks and business-specific scenarios. The returns are mapped automatically and are reviewed and finalized within a defined control framework, supported by a well-documented broad digital audit trail.

Key functionality



The EY GVRT is focused on but not restricted to five crucial process steps:

| | |
|--|--|
| Load finance system transactional data | Transactional data is uploaded from multiple accounting and finance systems directly into the tool. |
| Test tax technical accuracy | Defined data checks are applied to confirm correct VAT/GST liability (including customized checks to deal with local country variations and business-specific trade profiles). |
| Review and take corrective action | Detailed audit packs are created to support reviewers to revalue transactions with alternative VAT/GST codes, track changes and repost schedules for corrections to be made at source. |
| Generate VAT/GST returns | Return and working papers are generated, covering all types, all formats, with full-line reconciliation between different types of tax returns such as VAT, Intrastat and balance sheet VAT accounts. |
| Perform dashboard reporting and process tracking | Dashboards display big data analysis of transactional-level data, including monitoring of submissions and payments/refunds, including, visual trend analysis that highlights potential savings and facilitates management decision-making. |

EY GVRT solution in action

The client is a UK multinational (MNC) that operates in the freight and leasing industry with a global turnover of more than GB£90m and operates across Europe. They provide passenger and freight train operators with custom-designed leasing offerings. A major driver for the client was ensuring their five legal entities across Europe were prepared in meeting the digital tax requirements of the respective tax authorities.

As a result, EY teams implemented the EY GVRT solution to the client's various legal entities to redefine and globally standardize the preparation, production and reporting process. With EY teams working closely with the client's internal indirect tax team, we were able to get the business comfortable with the solution and assist them in unlocking EY GVRT's full functionality using the data from Microsoft Dynamics 365. With the creation of a new report that included additional fields for data accuracy and precision, we were able to avoid manual checks as GVRT has the information to automate the processes.

Client challenges

- The client was struggling to cope with accurate and real-time reporting of data flow from systems to reports.
- The client's teams wanted to use emerging technology to future-proof their digital tax reporting requirements but weren't successful.
- Additionally, they were also challenged to provide global visibility on their multi-country entity returns.

Client benefits

- EY GVRT has helped the client to use one platform to automate the VAT return process, while fulfilling the requirement to digitalize the tax reporting requirements.
- EY GVRT has also helped the client automate their complete reporting process, halving the amount of manual intervention initially required.

EY and Microsoft: Work Better. Achieve More.

Every day, throughout the world, businesses, governments, and capital markets rely on EY business ingenuity and the power of Microsoft technology to solve the most challenging global issues.

EY and Microsoft bring a compelling formula to spark the potential of the cloud and unlock the power of data. We solve our clients' most challenging issues by blending trusted industry expertise with innovative cloud technology. Our strategic relationship draws on decades of success developing visionary solutions that provide lasting value.

Together, we empower organizations to create exceptional experiences that help the world work better and achieve more.

For more information, visit: ey.com/Microsoft.

EY Microsoft Confidential- Not for external use

For more information, please contact:

EY contact:



Pierre Arman
Partner
Ernst & Young - United Kingdom
pierre.arman@uk.ey.com

Microsoft contact:



Jodi Lustgarten
Microsoft Alliance Director
Microsoft Corporation
jodise@microsoft.com

EY | Building a better working world

EY exists to build a better working world, helping to create long-term value for clients, people and society and build trust in the capital markets.

Enabled by data and technology, diverse EY teams in over 150 countries provide trust through assurance and help clients grow, transform and operate.

Working across assurance, consulting, law, strategy, tax and transactions, EY teams ask better questions to find new answers for the complex issues facing our world today.



EY refers to the global organization, and may refer to one or more, of the member firms of Ernst & Young Global Limited, each of which is a separate legal entity. Ernst & Young Global Limited, a UK company limited by guarantee, does not provide services to clients. Information about how EY collects and uses personal data, and a description of the rights individuals have under data protection legislation are available via ey.com/privacy. EY member firms do not practice law where prohibited by local laws. For more information about our organization, please visit ey.com.

Ernst & Young LLP is a client-serving member firm of Ernst & Young Global Limited operating in the US.

© 2022 EYGM.
All Rights Reserved.

US SCORE no.
Document reference no.

EYG no. 010506-22Gb1
ED None

This material has been prepared for general informational purposes only and is not intended to be relied upon as accounting, tax, legal or other professional advice. Please refer to your advisors for specific advice.

ey.com