

Tinvento



TAX TECHNOLOGIES AND TINVENTO

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Modern Tax World

Tax world is constantly changing as a result of recent local and international tax changes. Tax Authorities around the world have also developed many projects covering tax related technologies. This initially began with the idea of increasing tax compliance and then spread into many areas including e-invoice, e-booking and XML formatted VAT reporting.

Nowadays, most of tax authorities are considering how to benefit from technology in a more efficient way and currently, many tax authorities are making risk assessments through their existing technological infra-structure when they decide on auditing taxpayers. Tax audits in some countries are based on the peer reviews and results derived from the analysis developed for tax audit purposes.

Tax authorities are also working on the more advanced technologies, including artificial intelligent and robotics. This is because our modern business world is becoming more and more complex and new sorts of industries (e.g. digital economy) have already been reality. Such technology-oriented industries are expected to hold %60 of world's economy in the next 10 years. This means our tax world will be fully digitalise earlier than we expect.

Companies are also developing even their in-house tax technologies. It is more often that large multinational enterprises (MNEs) need technological tools to monitor and control their subsidiaries spreading in many countries. However, they are not alone anymore as we observe that even MNEs may easily become multinationals, especially the digital economy companies. Thus, they also need certain tools to manage their multi-country operations.

Since the compliance requirements of tax authorities have dramatically increased in last decade, any companies operating in any industry is in need of certain technologies. We observe this in practice and many tax executives need new technologies to carry out their daily work. Even if they have large tax teams and other sources. It is also not difficult to predict that future of tax work will be highly dependent on the technologies for both tax authorities and companies.

Evolving Tax Technologies

One thing is quite clear: we need tax technologies. In the modern tax world, tax executives are seeking real solutions for their daily tax work. Actually, it is not only about tax work but also transfer pricing, CbCR and other compliance issues. Furthermore, tax function of MNEs has considerably changed and converted itself from the support function to one of the main

functions. This is a reality now and in the post-BEPS world, tax issues of MNEs will be even at the top of board members' agenda. For tax function in MNEs, analysis of tax data will play a key role.

As we consider current compliance practices of MNEs in many countries, it is not difficult to say that data produced by each subsidiary for its local authorities is indeed great source. In this regard, tax analytics are emerging topic for MNEs and their executives. Tax analytics covers collection of raw data, the conversion of such data and show processed data in a smart way. The point is to collection, conversion and demonstration of available data and more importantly use and report them in a more efficient way.

New tax developments, such as the OECD's BEPS Project and Country-By-Country Reporting (CbCR) obligations, are also requiring increased needs for cross-border information collection and analyses. For that reason, modern tax tools providing better data and processes, analytics and better internal controls will be highly requested by MNEs. Under these conditions, it seems tax technologies will be evolving around the tax analytics and respected technologies. We believe this trend will be followed by robotics whereas blockchain technology could be also influential in the tax technologies.

Platform for Multinationals: Tinvento

As discussed, most of tax executives are interested in new technologies, which makes their work smarter. Thus, we developed a platform for multinationals, Tinvento. Tinvento provides a holistic solution for tax issues through the software platform. The modules built in Tinvento contain significant solutions for tax issues, including transfer pricing, CbCR and intra-group services.

Tinvento means for us "reinvention of tax management" and represents a unique collaboration between senior international tax and transfer pricing professionals as well as experienced software developers. With our tax software platform, we offer solutions for tax, finance, transfer pricing, CbCR, intra-group services and documentation to help the business of MNEs.

Compliance is a rising issue for all multinationals. With the help of technology brought by Tinvento Platform, your multinational group will stay compliant in all countries. This will also help you not to face with severe tax penalties. Transfer pricing and CbCR compliance could be also managed by Tinvento Platform where smart tools are ready to use for your entities.

Technology of Tinvento Platform provides multinational companies and their executives with innovations and advantages in the following aspects:

- Data ready to use
- Control Risks
- Cost Effective
- Monitor global operations
- Automating manual processes and minimizing errors
- Assistant for taking management decisions
- Compliance management
- Measure company performances
- Library of Your Business

Once you define, it is easy to track, monitor and navigate each group entity in your group. You can enter your target ratios and actual ratios and manage and control your group's tax and transfer pricing risk. It is also possible to navigate your group's operations with the maps integrated into Tinvento Platform. Data entry and sharing are also made easy.

Transfer pricing real time adjustment ratios and amounts are constantly calculated by considering transfer pricing policy of your group. You can also create and manage fully compliant OECD CbCR XML Files. Another sophisticated capability of Tinvento Platform is to uncomplicatedly calculate the cost allocations of intra-group services provided by the headquarter to the country entities.

Tinvento Platform has great data visualization tools. It helps you to create powerful reports, compare your entities financial information over years with graphical representation. Within our tools, you can easily choose which ratios you want to calculate and visualize. It includes map views, scatter diagrams with trendlines, bar charts and pie charts. Choose ratios, countries, regions, years, entities from drop-down menus and checkboxes, click "Show Results" button, and Tinvento Platform will do the rest! Even you can see all possible calculations together with full report option.

We certainly believe that Tinvento Platform will also evolve in time and will continue meeting the new tax requirements of MNEs with the ongoing developments in the system.