



# Tax Intelligence Solution (TIS) for GST

Transform your ERP data into valuable insights on GST

## Effectively manage GST compliance to determine risks, identify savings opportunities and gain transparency on operating metrics

The importance of data, which could be used to provide valuable information to a business as a means of increasing revenue, finding savings, and detecting errors and anomalies in data is underscored in the GST environment. Solutions that can transform this data into insights to facilitate informed decision-making for business operations are required.

KPMG has developed the Tax Intelligence Solution (TIS) for India, which provides an integrated suite of GST analytical tools, methodologies and insights.

The India-ready version contains analytics tests specifically designed for India GST. It comes in a ready to use state in combination with Enterprise Resource Planning (ERP) systems commonly used in India. Data security is at the forefront of our service offering.

### Ask yourself these questions...

- Can data be transformed into valuable information to identify potential opportunities to reduce GST exposures / identify GST savings?
- Do you have visibility over how much GST the company is paying, or overpaying, or under-claiming, GST credits?
- Does the company have real-time dashboard reporting and a snapshot view of your GST position?
- Is the GST logic applied to the data correctly? Repetitive errors can occur and remain undetected, which may lead to substantial costs to business

## So, what is KPMG's Tax Intelligence Solution and how does it work? What are the key benefits for your business?

### What is data and analytics?

#### Data extraction



#### Data cubing



#### Actionable insights



## KPMG's Tax Intelligence Solution for India

### Key features at a glance

#### Is it GST ready?

KPMG's solution for India is built for India GST. This means that the analytics tests work for industries that have transitioned to GST

#### How do you manage data security?

KPMG in India has customised this solution for India, and data is stored on a secure platform with applicable security control in place

#### Does it work with our ERP system?

KPMG's Tax Intelligence Solution for India has been developed using a 'common dataset', which ensures that the data can be extracted from most ERP systems used in India



### What are the potential benefits for business?

Gain control and visibility over GST related transactions

Transform data into value

Increase efficiency

Focus on your core business

Improve risk management

#### Gain control and visibility over GST in India

- The enterprise-based IT solution uses transaction-level data and bespoke analytical tests to populate a dashboard with relevant exception data
- Leverages existing IT platforms, and is scalable and flexible
- Provides fact-based insights on GST implementation

#### Transform data into value

- Gain insight into potential cash savings
- Identify system opportunities in configuration improvement
- Recognise the gaps in business processes to support optimisation efforts

#### Increase efficiency

- Drive improvements by identifying reporting errors and inefficiencies
- Identify invoice inputting efficiencies
- Reduce the level of effort typically required during the GST return preparation cycle

#### Improve risk management

- Gain access to sophisticated GST exception monitoring based on over 40 standard exception analytic tests – customised to a business' specific situation
- Get insights into accounts receivable and accounts payable procedures, and the associated GST risk
- Track master data management procedures to monitor compliance with internal controls

## Global case studies

**Case study:** Review of unrecoverable input VAT credits. A multinational company was concerned that it was incurring VAT on its expenses, which was irrecoverable because some of its suppliers either did not provide special VAT invoices (fapiaos) or they were small-scale VAT taxpayers. KPMG China used its Tax Intelligence Solution to identify the amount of irrecoverable input VAT being incurred, and the major suppliers from which it was being incurred.

This provided the company's global tax team with a snapshot of the areas for improvement, and the ability to set targets for reducing irrecoverable VAT. It also provided a ready means for identifying the major suppliers contributing to this problem, leading to the renegotiation of their commercial arrangements.

**Case study:** Review of invoices to foreign customers with VAT. A major Chinese logistics firm provides services to domestic customers, as well as foreign customers, which potentially qualify for VAT exemption. However, an analysis of their data using KPMG China's Tax Intelligence Solution highlighted that the company had been incorrectly coding some of their transactions, resulting in output VAT being paid unnecessarily at six per cent on services provided to foreign customers.

In addition to reminding finance staff about the correct coding to be used, regular analysis performed using KPMG's Tax Intelligence Solution can identify these errors and enable the relevant output VAT amounts to be corrected. It can also transfer out the related input VAT.

## Why KPMG in India?

KPMG has developed an integrated suite of GST technology analytical tools, methodologies and insights, specifically adapted for India, which can add value to your tax and finance departments. It has helped our clients gain quantitative and qualitative insights and visibility into the status of compliance, procedure efficiencies and savings opportunities, which can drive real financial value for the tax department and the wider business.

### Key features of our approach include the following:

- Built with data security measures
- Standardised tools to analyse tax-relevant data from all major ERP systems
- Sophisticated technology to analyse transactional data, and identify risks, opportunities and areas for system and procedural improvement
- The ability to 'enrich' finance and tax data with other key information, including authorisation data, corporate expense data and ERP master data
- Over 40 standardised indirect tax analytical tests to examine the information gathered
- Data visualisation and reporting tools to allow easy refinement of output
- Access to the collective insight of KPMG's Global Indirect Tax practice in driving savings for global businesses



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