



Meijburg & Co
Tax Lawyers

Tax Technology Bites

SAP S/4HANA & Tax

Virtual MS Teams Session

27 May 2021



First...



**Please mute your
microphone and camera**



**Do you have a question?
Ask it via chat!**

Tax Technology Bites Webinar Series

Theme

Tax Technology Strategy & Roadmap

Tax Process & Controls

ERP Tax Sensitization

Tax Data Management & Intelligence

Tax Compliance

SAP S/4HANA & Tax

Client session

11 November 2020

8 December 2020

4 February 2021

4 March 2021

30 March 2021

27 May 2021



Introduction presenters



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Today's Agenda



**Introducing
S/4HANA for tax**



**What does S/4HANA
offer for Tax?**



**Interactive Q&A /
panel discussion**



**Our 5 key
takeaways**

Polling question #1

Is your company considering to implement SAP S/4HANA?

- A** No / no view on this **(12%)**
- B** We are exploring multiple options **(8%)**
- C** Yes, within 2 – 6 years **(66%)**
- D** Yes, however no concrete plans **(12%)**



Polling question #2

Is your tax department involved in the S/4HANA implementation?

A

Yes, we are proactively developing a dedicated tax strategy around S/4HANA and have a dedicated tax technology team to maximize our opportunities **(19%)**

B

Yes, tax is set-up as a dedicated work stream and we are involved in relevant workshops (30%)

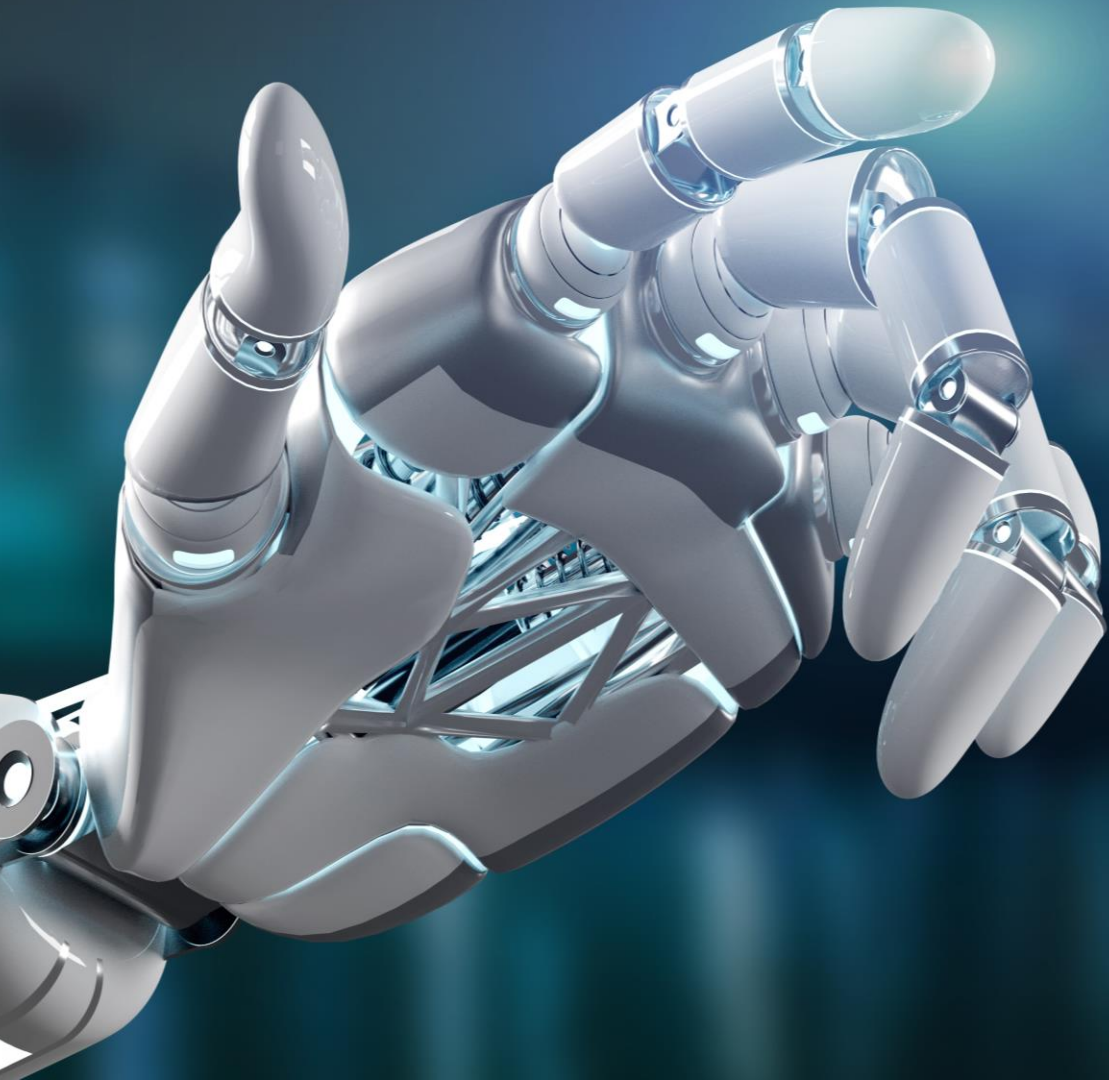
C

To a limited extent, we are being asked to provide our tax reporting requirements **(19%)**

D

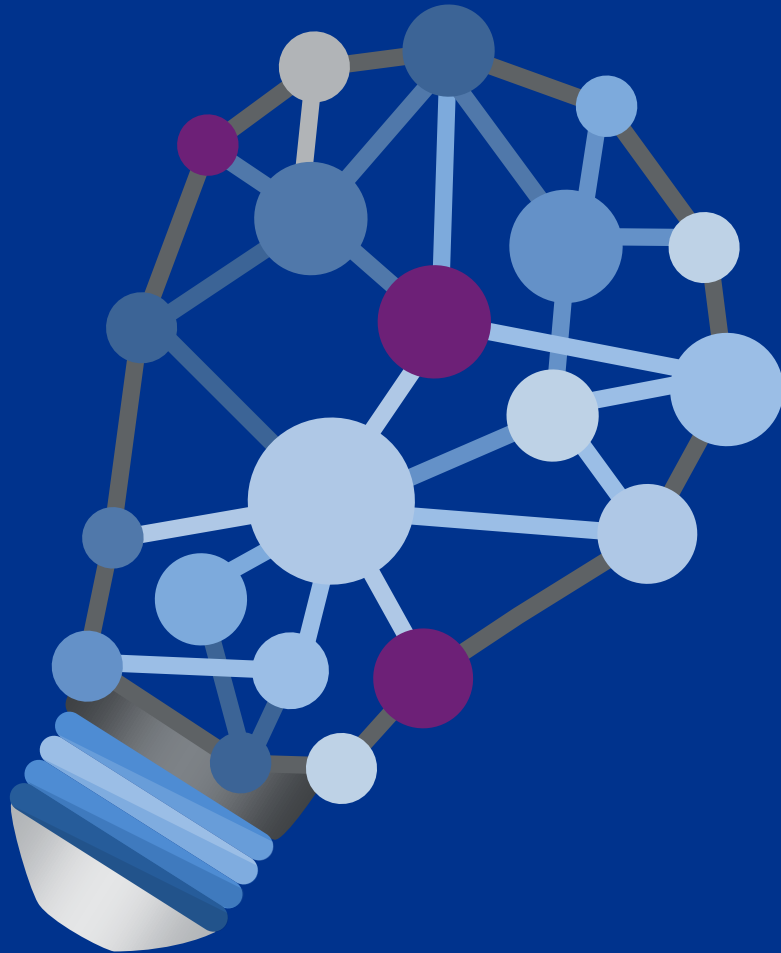
No, not involved (30%)





Introduction SAP S/4 HANA for Tax

SAP S/4 HANA - where are companies today?



- S/4HANA is a new product that is positioned as the platform for the digital transformation of companies.
- It is SAP's answer for current technology megatrends like Cloud Computing, Mobile Solutions, User Experience, Internet of Things, Big Data, Real Time reporting etc.
- By 2028 the current SAP version (e.g. ECC60) will not be supported anymore. Sounds like a long time to go, but do not forget, it often takes years to complete.
- Currently around 20% of the SAP DE and US user groups have already migrated to SAP S/4 HANA.
Over 95% of the SAP user groups are migrating within the next 3 – 5 years.

What are the most common S/4HANA implementation scenarios?



Business Suite on HANA



S/4HANA - Greenfield Approach

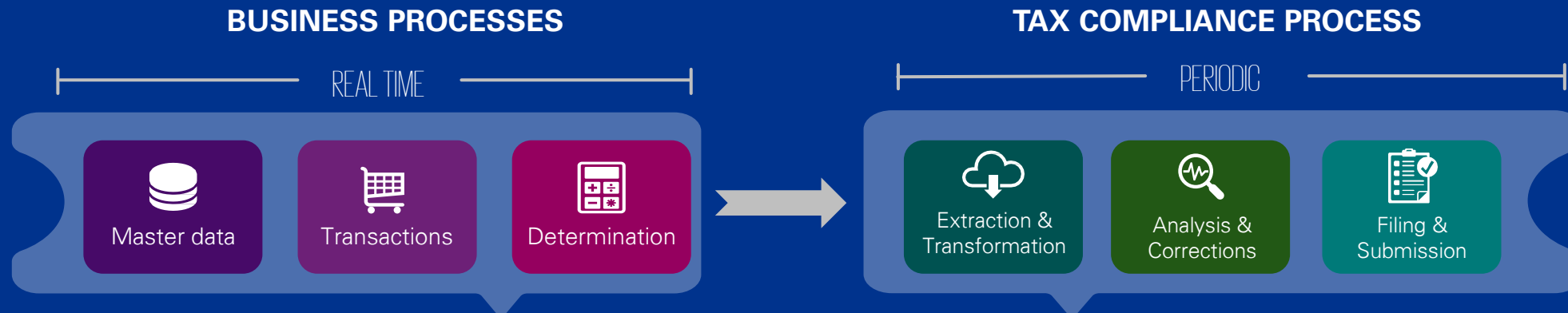


S/4HANA - Brownfield Approach



SAP Central Finance (CFIN)

A Typical end-2-end Tax Process



SAP S/4HANA Dedicated Tax Modules



Document Compliance

Comply with local reporting obligations of exchange of electronic invoices



Communication to (Tax) Authorities



Advanced Compliance Reporting

Manage worldwide statutory reporting obligations

SAP Cloud Platform



Transactions

Analytics



SAP Tax service

Tax determination /integration to partner tax engines



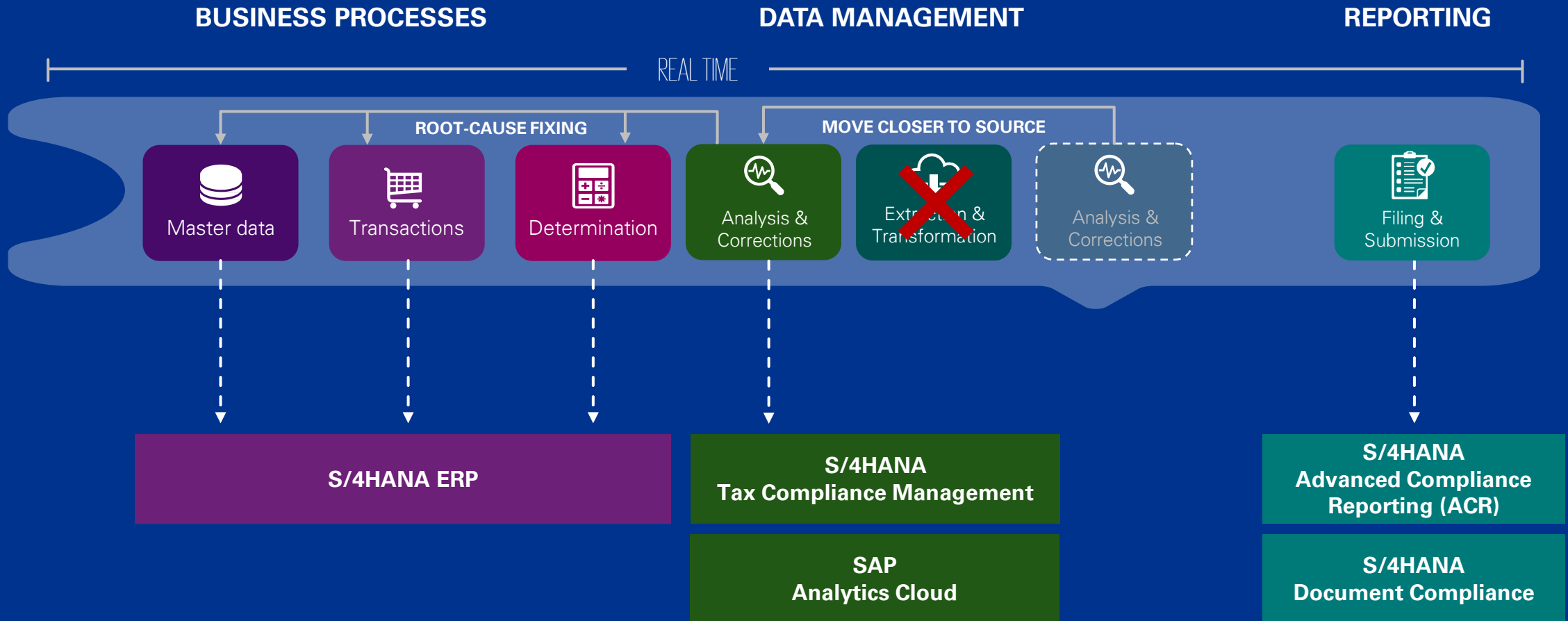
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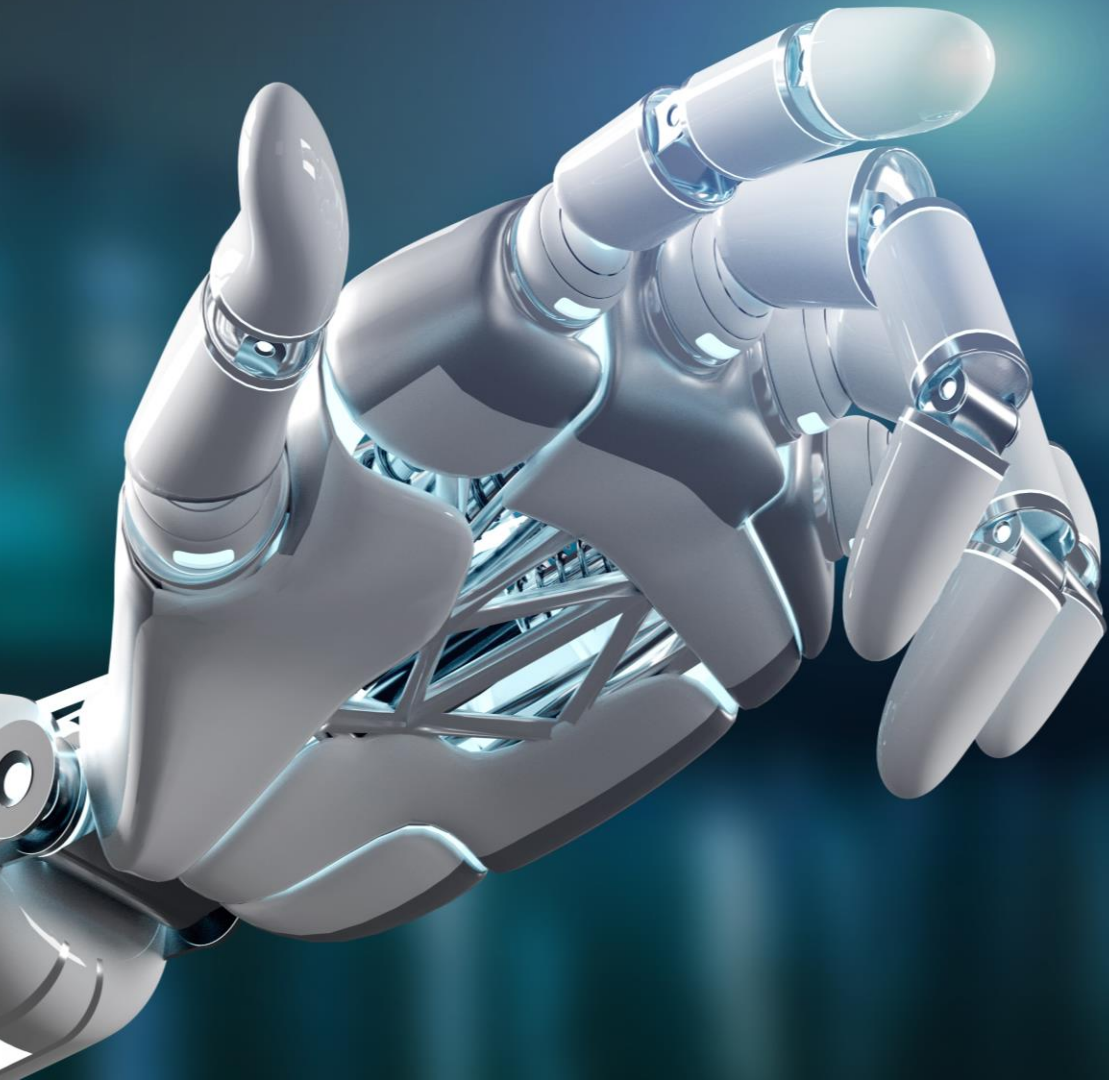


SAP Tax Compliance

Identify, analyze and manage incorrect tax data

Plotting these components on the tax end-to-end process





Interactive Q&A /
panel discussion

Polling question #3

What is the (envisaged) scope of your current S/4HANA implementation for Tax?

A

Central Finance (CFIN) without specific Tax Modules
(11%)

B

Central Finance (CFIN) with (some) specific Tax Modules (e.g. ACR or TCM) **(35%)**

C

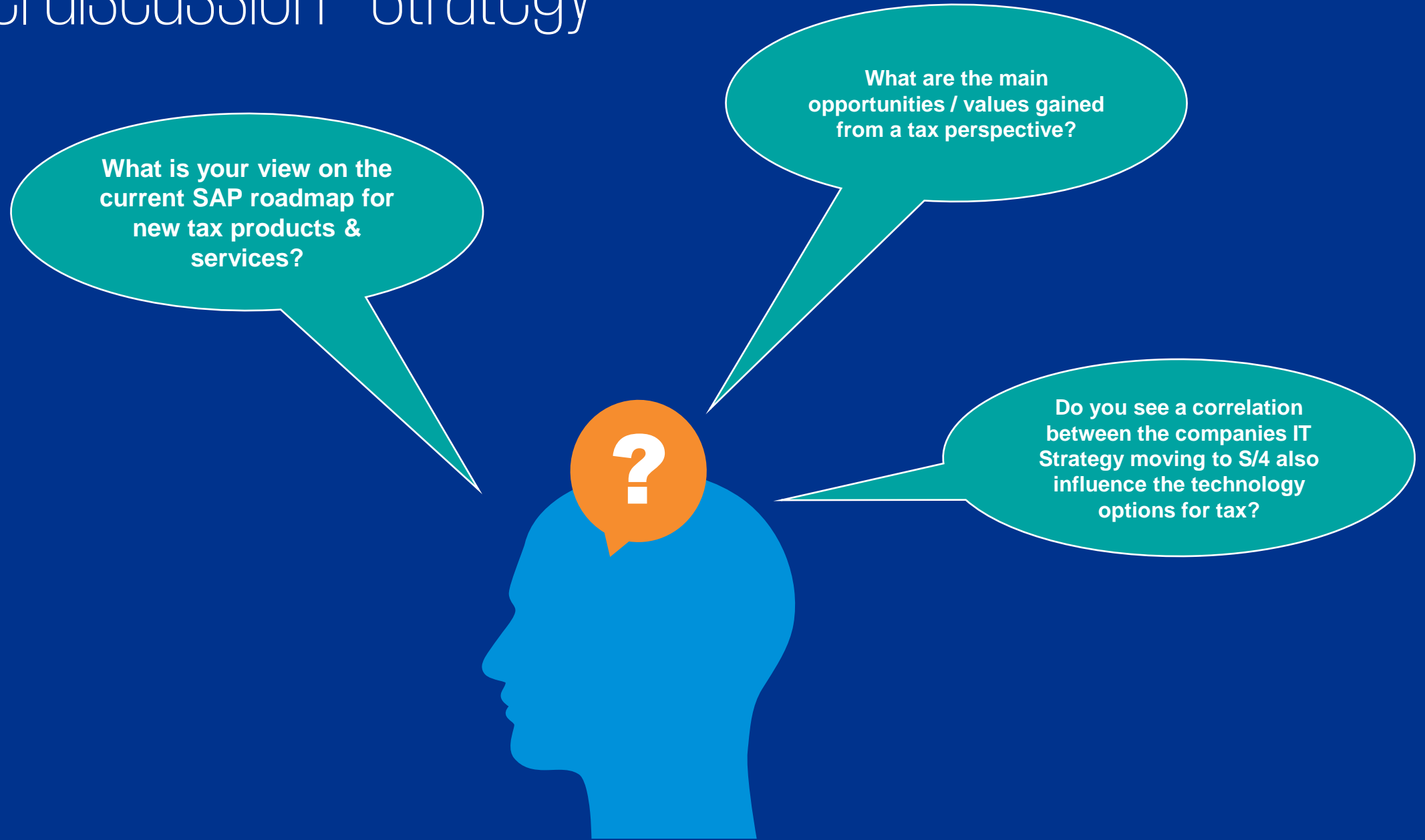
Full migration of E2E processes to S/4HANA but no specific Tax Modules **(23%)**

D

Full migration of E2E processes to S/4HANA, including (some) specific Tax Modules **(29%)**



Panel discussion - Strategy



Panel discussion - Implementation



What would be a good moment in time to step in the S/4HANA project for tax?

And what can be done upfront if for example you know you are starting the S/4HANA project in January 2022

What are typical pitfalls / challenges you observe when starting an S/4HANA implementation for tax?

Panel discussion - Governance & audit

Can you elaborate in more detail how S/4HANA can support statutory accounts reconciliation and completeness?

How do you see S/4HANA can help to facilitate (tax) system audits?

Demo?

Can you outline tax controls to be embedded in S/4HANA for E2E tax process (CIT, TP, C&E, VAT)?

How is the audit trail created in case of e.g. correct tax code? Is there an option for bulk correction that would still comply with e-doc / reporting requirements?



Panel discussion - Tax compliance

How does the S/4HANA implementation or migration strategy fit on the tax compliance sourcing strategy?

What is your position with regard to the current status of the Advanced Compliance Reporting module; is it worth the investment?

Does S/4HANA support automatic uploads of VAT returns to the (Dutch) Tax Authorities?



Panel discussion – Practical questions

Is there a best practice for connecting a tax engine? E.g. via Tax Services API or direct to S4, Ariba, Concur.

What is your view on implementing S/4HANA in the public sector?

?

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Polling question #4

Which S/4HANA topic would you like to dive into in more detail in a next session?

- A** S/4HANA Tax strategy
- B** S/4HANA implementation possibilities
- C** SAP Document Compliance / Advance Compliance reporting
- D** SAP Tax compliance
- E** Other than mentioned above

SAP Document Compliance
Comply with local reporting obligations of exchange of electronic invoices



SAP Advanced Compliance reporting
Manage worldwide statutory reporting obligations

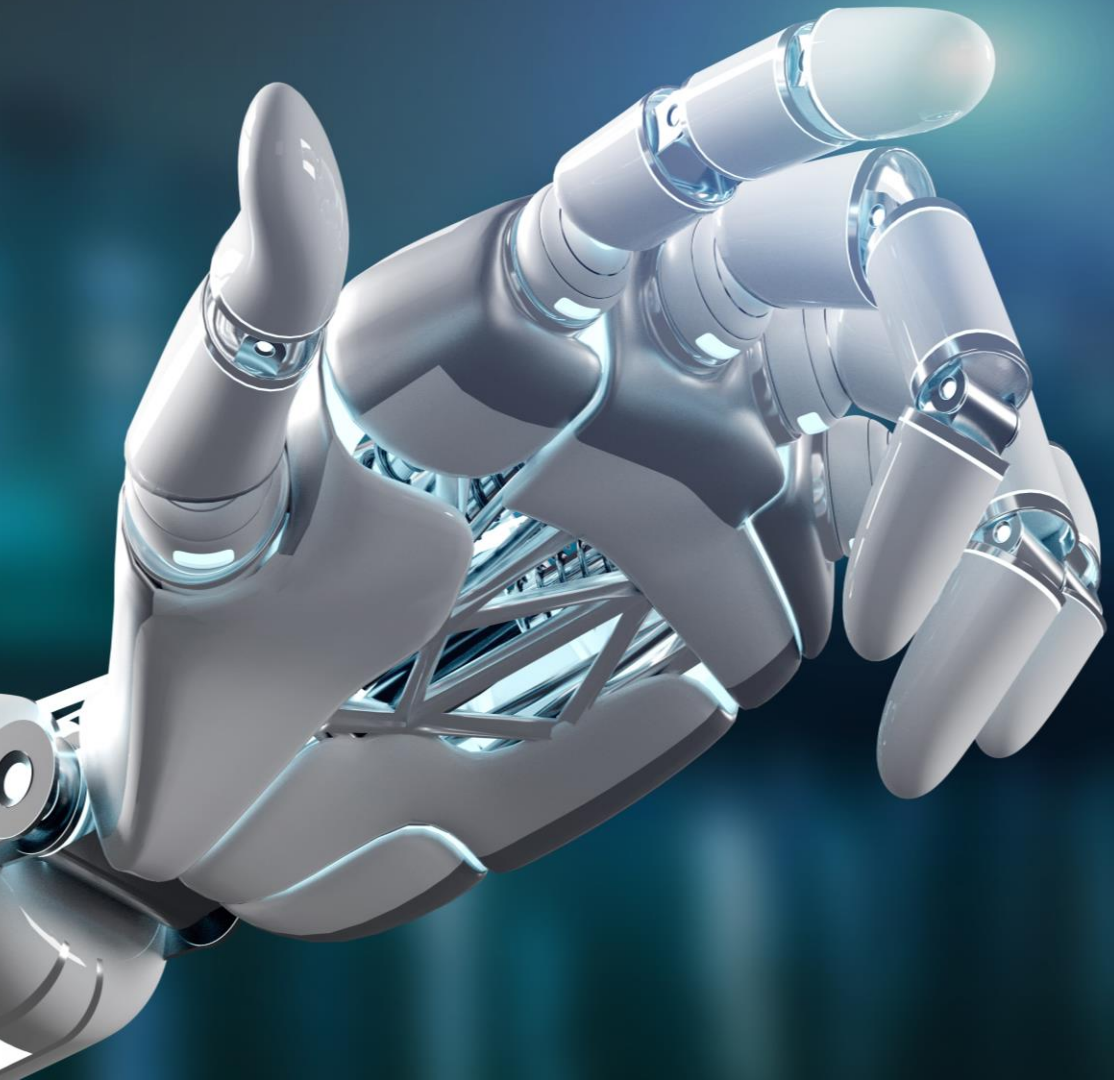


SAP Tax service
Tax determination /integration to partner tax engines



SAP Tax Compliance
Identify, analyze and manage incorrect tax data





Top of mind

Top of mind

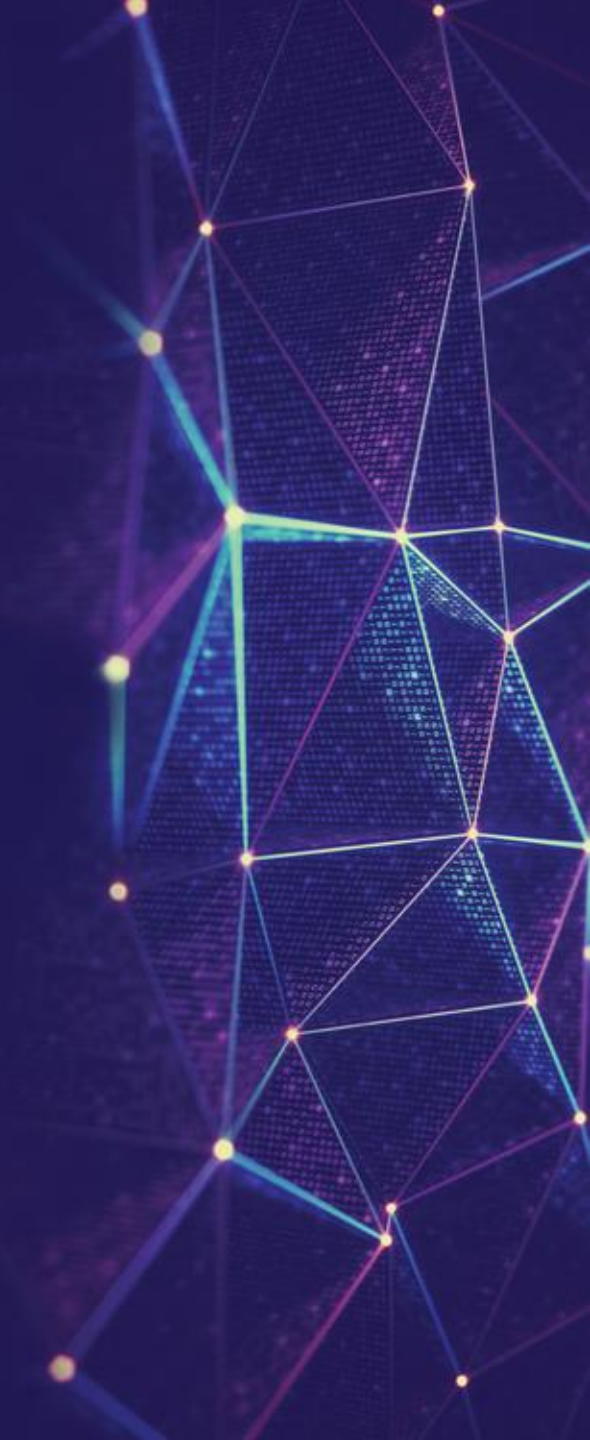
- 1 A migration to S/4HANA is a unique (once in a decade) opportunity to future proof your Tax Function to prepare for the digital tax reality
- 2 Limited Tax content comes 'out-of-the-box' – specific Tax Technology expertise is required to ensure that you gain maximum value from the S/4HANA capabilities
- 3 Setup a dedicated Tax work stream which takes ownership of defining the tax requirements and ensuring that these requirements are properly built
- 4 Make sure there's a strong business case which includes both hard (cost of compliance reduction) and soft benefits (increased control)
- 5 Leverage global tax & reporting knowledge or pre-built tax data assets for reporting gaps, rather than building new reporting inhouse





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Thank you





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