KPMG Meijburg & Co Tax Lawyers

Tax Technology Bites

SAP S/4HANA Advanced Compliance Reporting (ACR)

Virtual MS Teams Session

8 July 2021

First...

Please mute your microphone and camera

Do you have a question? Ask it via chat!

Tax Technology Bites Webinar Series

Theme	Date
Tax Technology Strategy & Roadmap	11 November 2020
Tax Process & Controls	8 December 2020
ERP Tax Sensitization	4 February 2021
Tax Data Management & Intelligence	4 March 2021
Tax Compliance	30 March 2021
SAP S/4HANA & Tax	27 May 2021
S/4HANA Advanced Compliance Reporting	**8 July 2021**

Introduction presenters

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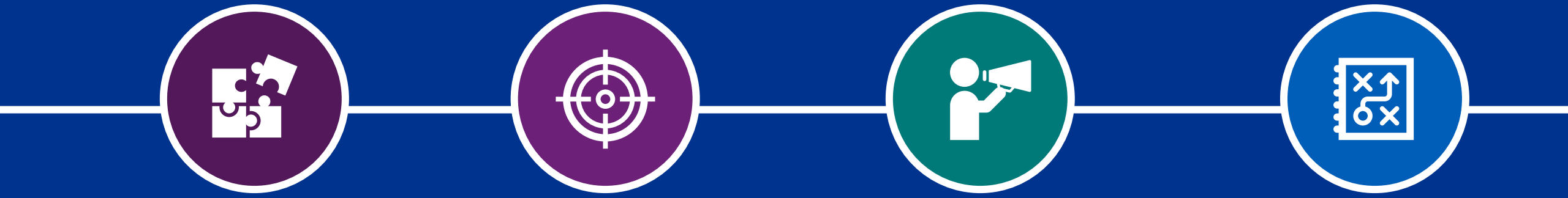
Today's Agenda



Introducing SAP ACR

ACR Live Demonstration

Interactive Q&A / panel discussion

Implementation Tips

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

Today's focus

SAP Cloud Platform

Transactions

Analytics

SAP Tax service

Tax determination /integration to partner tax engines

Internal Controls

SAP Tax Compliance

Identify, analyze and manage incorrect tax data

From our previous TT Bite session (S/4HANA)

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

19%	Central Finance (CFIN) without ACR
29%	Central Finance (CFIN) with ACR
18%	Full migration of E2E processes to S/4HANA, no ACR
34%	Full migration of E2E processes to S/4HANA, including (ACR)

SAP Advanced Compliance Reporting (ACR)

SAP Advanced Compliance Reporting is SAP's latest response to managing tax compliance

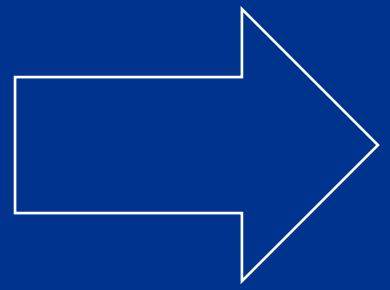
- The reports are enabled through the **SAP FIORI Launchpad**
- They have a cleaner and more user-friendly experience.
- It comes with 3 main components:
  - **Definition**
  - **Configuration**
  - **Running**
- ACR contains **country and region specific tax reports** that are pre-defined
- The number of reports available is dependent on your S/4 HANA or CFIN version, cloud or on-premise.
- SAP's prime intention for ACR is providing coverage for **indirect taxes and withholding taxes** – not corporate tax

ACR Basic versus ACR Advanced: key differences

SAP Advanced Compliance Reporting has two options listed below.

ACR Basic (Free)

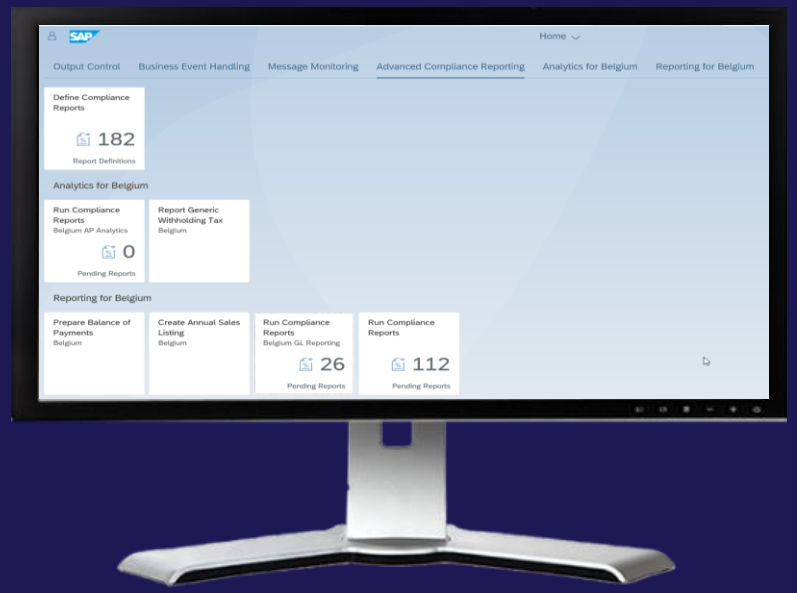
- ✓ Single framework for all statutory reporting with dashboard to monitor status
- ✓ Ability to prepare reports in different formats (XML, TXT, PDF, JSON)
- ✓ Generate correction runs
- ✓ Business Partner Correspondence
- ✓ Flexible Reporting Levels
- ✓ Ad-hoc Reporting
- ✓ Collaboration via Co-pilot integration
- ✓ Enablement of Tax Payable Postings

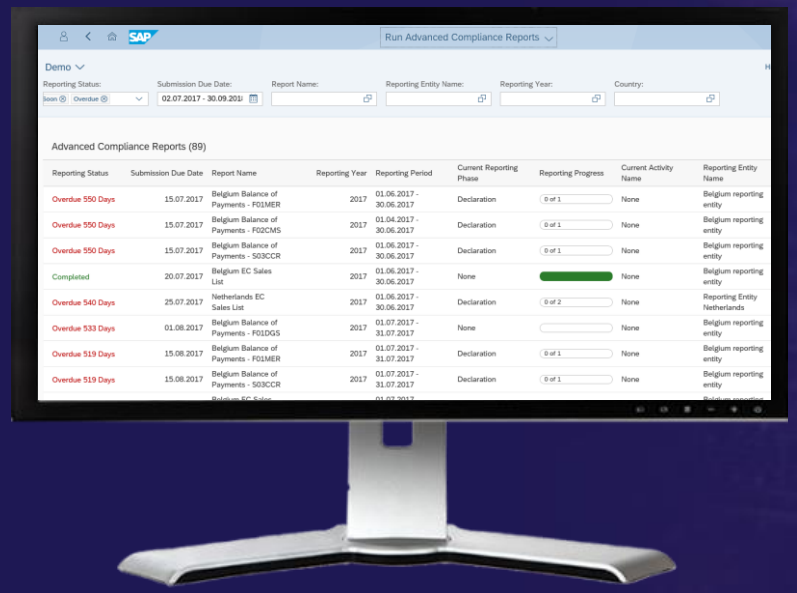


ACR Advanced (Licensed)

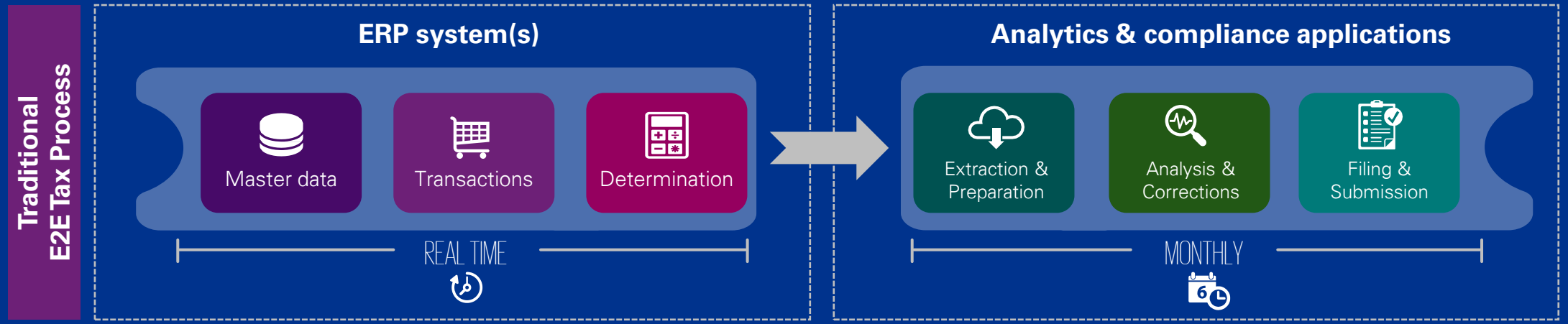
- ✓ All ACR Basic functionalities
- ✓ 'Extensibility Using Define Advanced Compliance Reports (Design time tool)
- ✓ Embedded Analytics
- ✓ End-to-End reporting process through Reporting Activities
- ✓ Manage Tax Item to adjust the data selection
- ✓ Manual Adjustments
- ✓ Global Compliance Dashboard
- ✓ Due date adjustment
- ✓ Workflow for submission
- ✓ SAP Tax Compliance integration

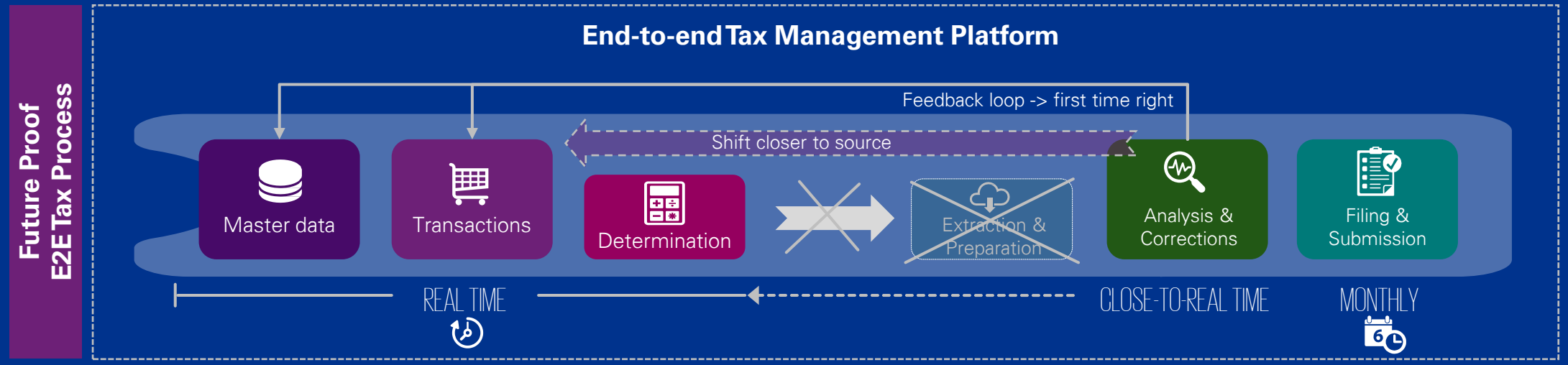
Live ACR Demonstration



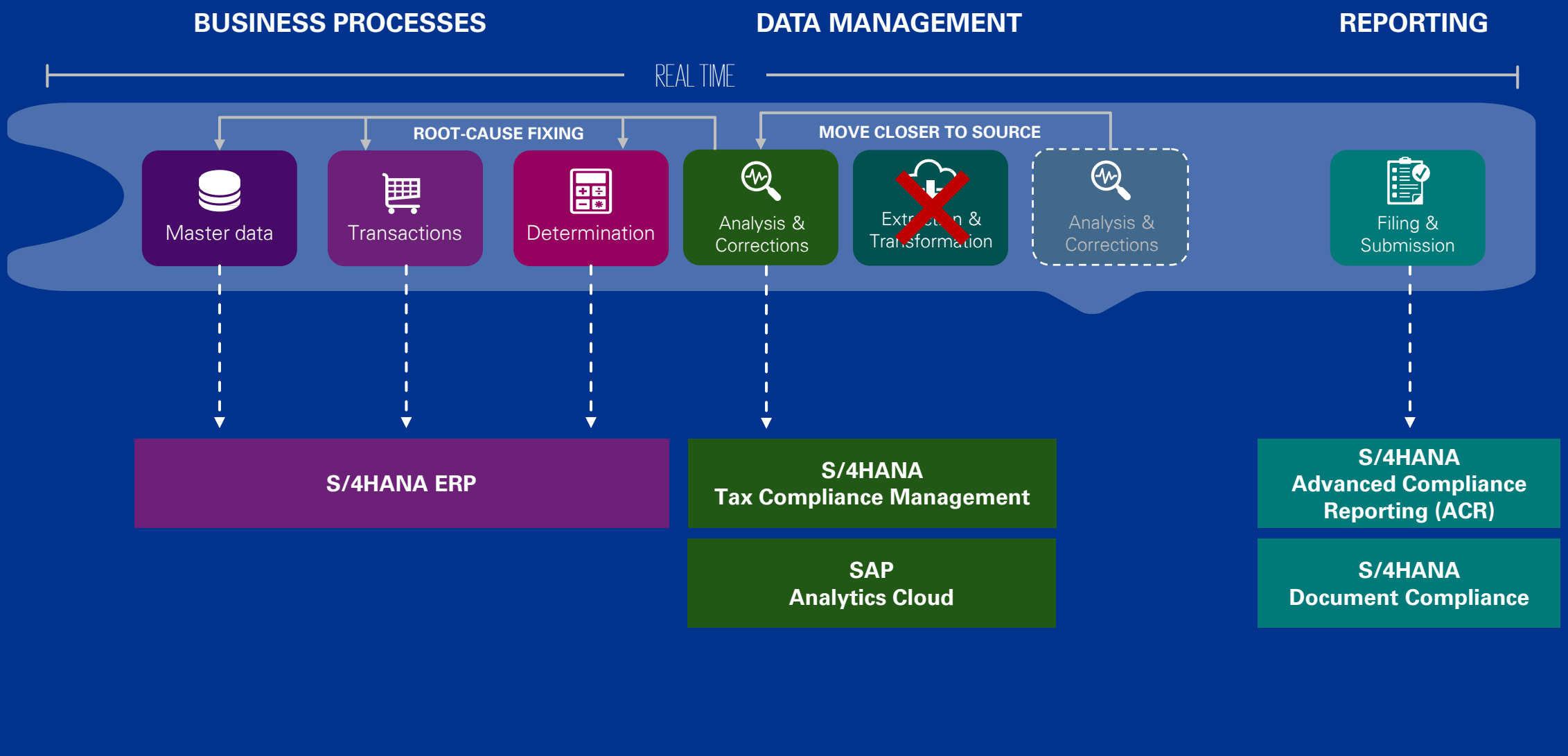


Towards Tax Compliance by Design





Positioning ACR as part of the E2E process



Interactive Q&A / Panel Discussion

Panel discussion

We have heard rumors about the pricing/costing of ACR? What is your view on this?

SAP has made numerous previous efforts with regard to tax automation services. What is your view on this with regard to SAP ACR?

What are the main benefits and downsides / considerations with regard to ACR in KPMG's view?

Panel discussion

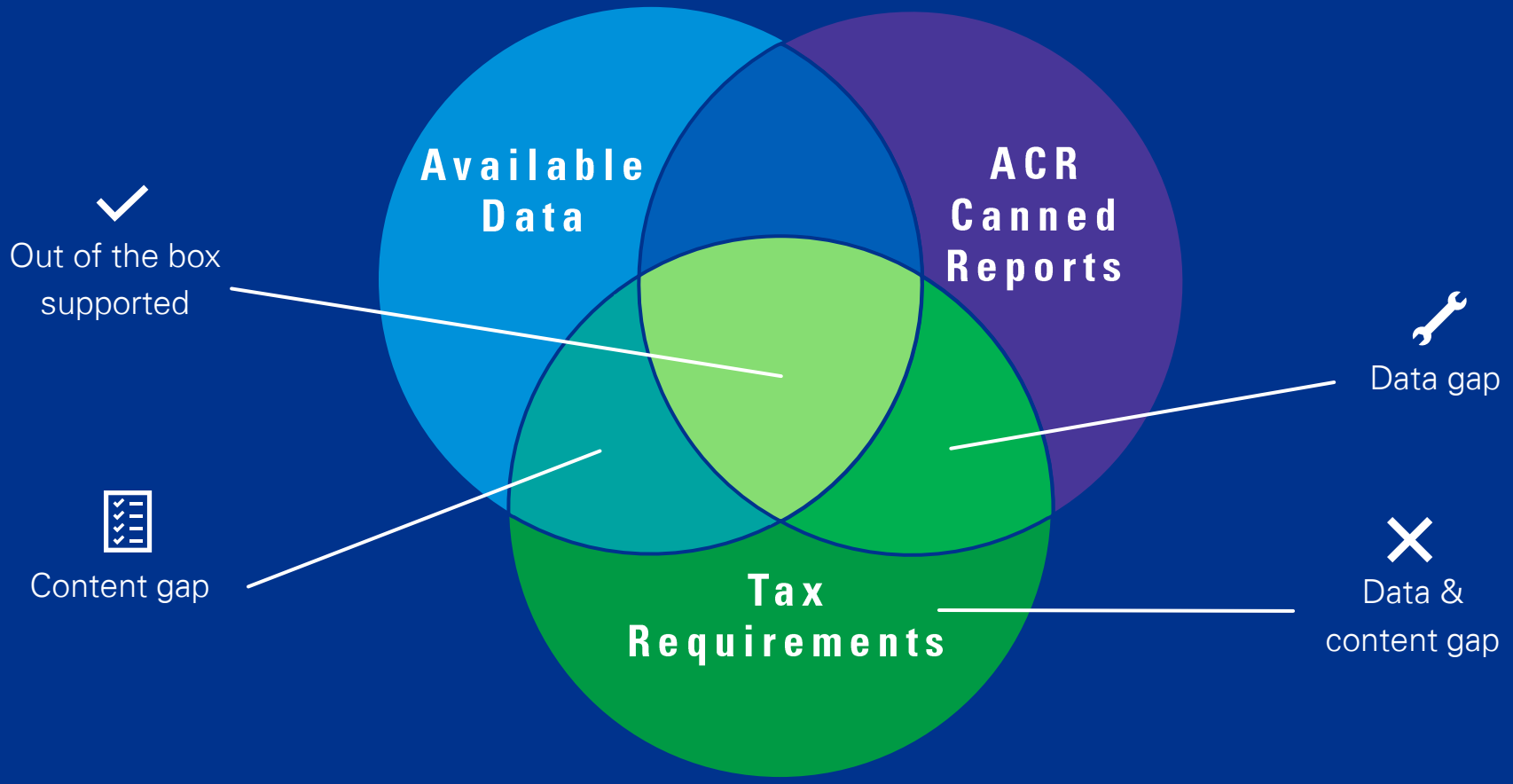
Are there differences when we implement SAP Central Finance instead of SAP S/4?

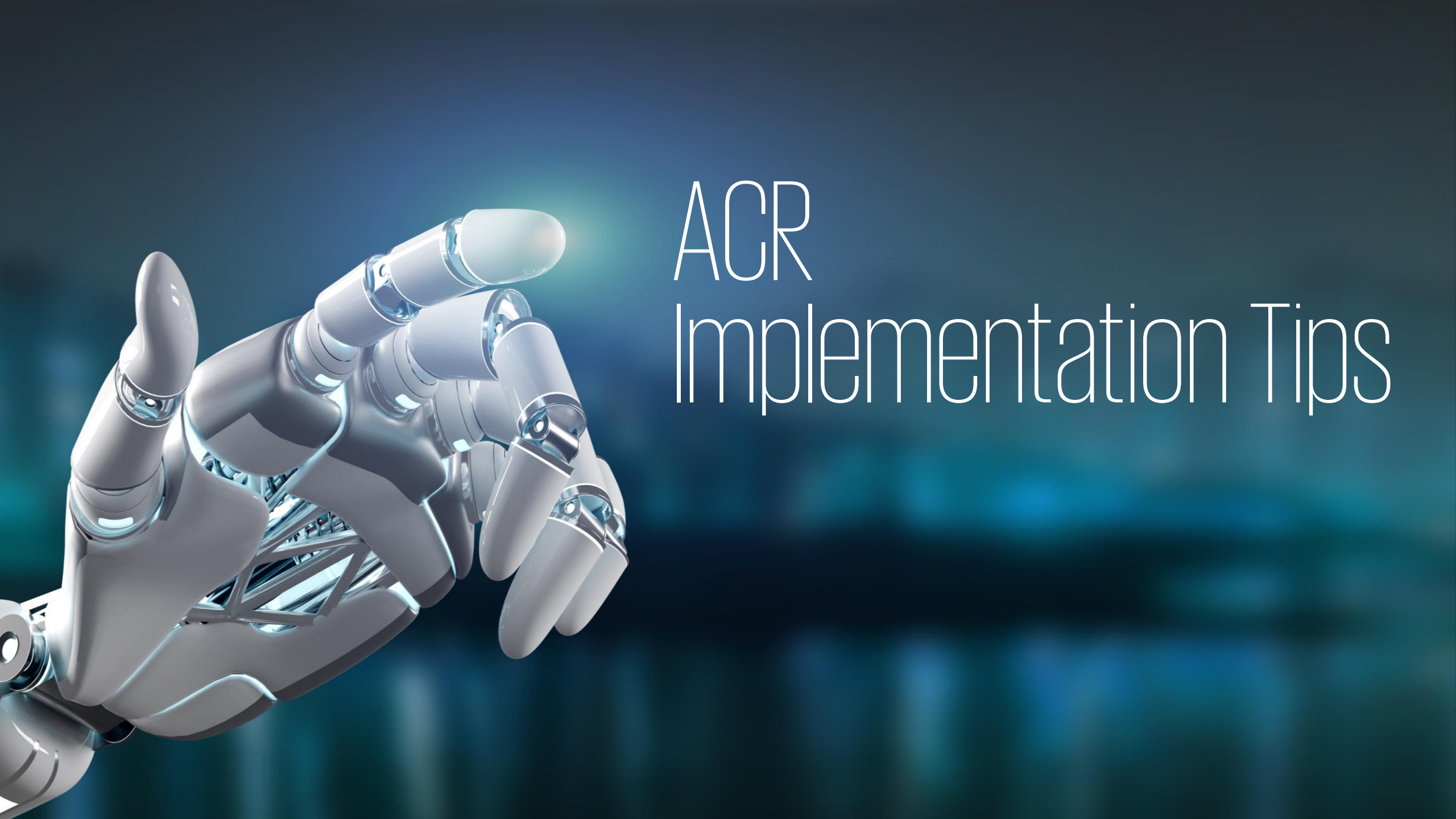
What are key elements that we should keep in mind when we are making a business case for ACR?

How does ACR compare to the current market leading compliance solution technology vendors?

What expertise should we onboard when conducting an ACR implementation?
What are best practices and pitfalls in such an implementation?

SAP ACR & Data Management





ACR Implementation Tips

A recipe for a successful implementation

Make sure there's a **strong business case**

It's essential to have a complete understanding the **tax reporting requirements**

An ACR implementation is not solely about technology but primarily about **data management and compliance processes**

Setup a **dedicated Tax workstream** which takes ownership of defining the tax requirements and ensuring that these requirements are properly built

Leverage **global tax & reporting knowledge** or **pre-built tax data assets** for reporting gaps, rather than building new reporting inhouse

What's next – Tax Compliance Management Stay tuned!

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S/4HANA Tax Compliance Management	**September/October**

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Thank you

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