Tax Automation & Innovation
Global minimum tax – Pillar Two

The introduction of the OECD Pillar Two Framework (in up to 139 countries) is the most significant tax development in recent years. Its introduction effectively reforms the global tax system through the introduction of a global minimum tax for large multinational enterprises (those with a global turnover of over €750 million). In addition to raising taxes, it will also hugely increase the compliance burden for all those above the threshold, as every multinational enterprise will need to make a submission.

Historically tax functions have turned to spreadsheet models or data analytics tools to undertake specific tax analysis. Pillar Two is too large, too broad and too complex for those effected to rely upon home grown analyses. The new rules continue to evolve, and local requirements differ in each country.

We are increasingly working with our clients to support their safe harbour analysis, develop strategies to access the data points to model the impact of the legislation on their individual profile, stay on top of the latest announcements and investigate technology solutions to support their new compliance obligation.

There is a burgeoning third party technology market developing with a significant number of vendors offering a range of solutions aimed at different parts of the market.

Our Pillar Two tax technical and tax technology specialists are unique as they are truly independent of any software solution. Your BDO team will seek to understand your data, your fact pattern and then help you explore which technology solution is right for you.

As a full-service firm, we help with the vendor selection, and we provide full implementation and support services. As approved implementation partners for all vendors, we offer a unique perspective.

Why now?

Whilst some MNEs have been taking steps to prepare, many have been considering their safe harbours and waiting for the market to mature before getting into the detail or selecting their software solution.

Even with the initial soft-landing period, there is a real need to take steps now to develop a strategy, select a route to compliance and start to build towards its implementation.

Failure to do so may impact your risk position or open you up to attention from your auditors. The interim disclosure requirements are part of that call to action.

Each software solution has developed differently, and whilst they all have the same ultimate purpose, your individual characteristics will mean that some will better support your needs than others.
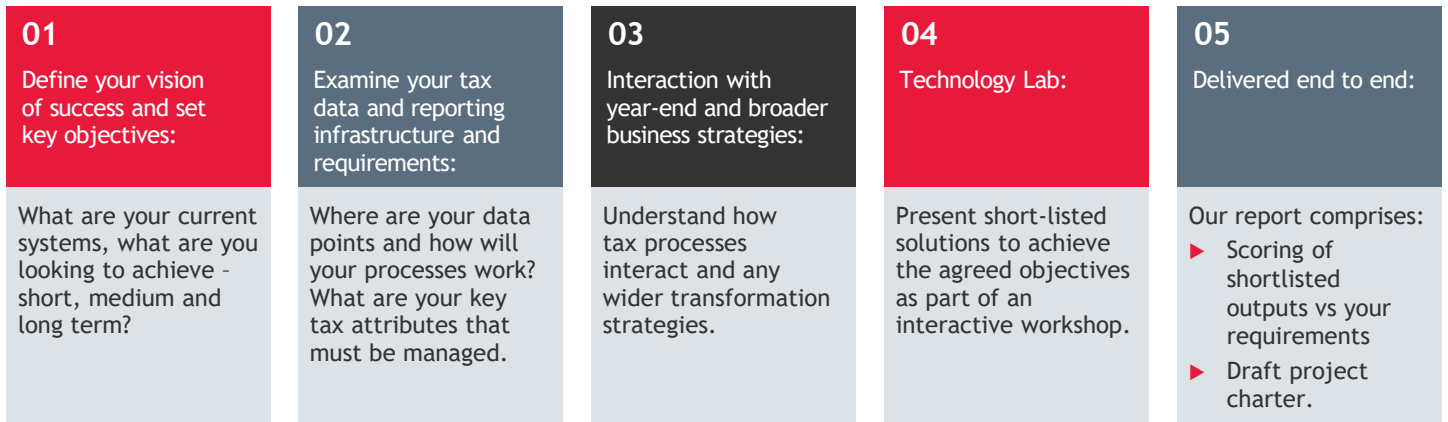
This is where BDO can help. We offer a rapid assessment process, called a 'Technology Lab', to enable you to analyse your needs, and understand the market and how it matches to your position.

Our focus is on helping you to meet your immediate requirements and building a clear roadmap to full compliance.

BDO

Tax Reporting Transformation

Process and technology review (Technology Lab)

Our team begins by seeking to understand your vision and key characteristics. Your objectives will be driven by any current limitations, meaning we will need to evaluate your existing tax attributes, process and technologies before we select a shortlist of potential technology options - our review has your needs at its centre. Key steps include:

01	02	03	04	05
Define your vision of success and set key objectives:	**Examine your tax data and reporting infrastructure and requirements:**	**Interaction with year-end and broader business strategies:**	**Technology Lab:**	**Delivered end to end:**
What are your current systems, what are you looking to achieve – short, medium and long term?	Where are your data points and how will your processes work? What are your key tax attributes that must be managed.	Understand how tax processes interact and any wider transformation strategies.	Present short-listed solutions to achieve the agreed objectives as part of an interactive workshop.	Our report comprises: ▶ Scoring of shortlisted outputs vs your requirements ▶ Draft project charter.

Selecting software to support your journey is complex, especially given recent entrants and the developing market. We know all the vendors and are approved implementors of all the solutions.

Standardisation and optimisation

Our work is focused on understanding your fact pattern and key drivers, modelling this against the abilities of the shortlisted solutions and ensuring that you can make an informed decision.

From there, we help you implement and support your chosen solution.

Vendor examples

OneStream™ ARKK Tax Systems
Wolters Kluwer ORACLE Longview from insightsoftware
THOMSON REUTERS Bloomberg Tax AUNETIC CSC corptax®

✓ Understand your existing environment
Agree your objectives

Assess options
Vs. your objectives

Process improvements	**Light touch Tech Lab**	**Full Tech Lab**
Roadmap	Tools demoed by BDO	Detailed analysis and full BDO led technology demonstrations

For more information

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