

EY Global Tax E-invoicing Solution (GTES)

Transforming the global tax compliance landscape



Business drivers

Global regulatory pressures have grown, with ever more stringent and onerous reporting requirements. Maintaining multiple systems and tools is not cost-effective, and the multiplicity of compliance requirements could result in commercial and punitive costs and reputational risks. The need of the hour is to provide businesses with a single, integrated, multi-country solution that works across jurisdictions. Businesses now need to address various challenges associated with e-invoicing compliance:

- ▶ Enterprise Resource Planning (ERP) and billing systems configuration
- ▶ Integration with the tax authority platform
- ▶ Impact on existing data, processes and people
- ▶ Interaction with overall VAT and tax compliance

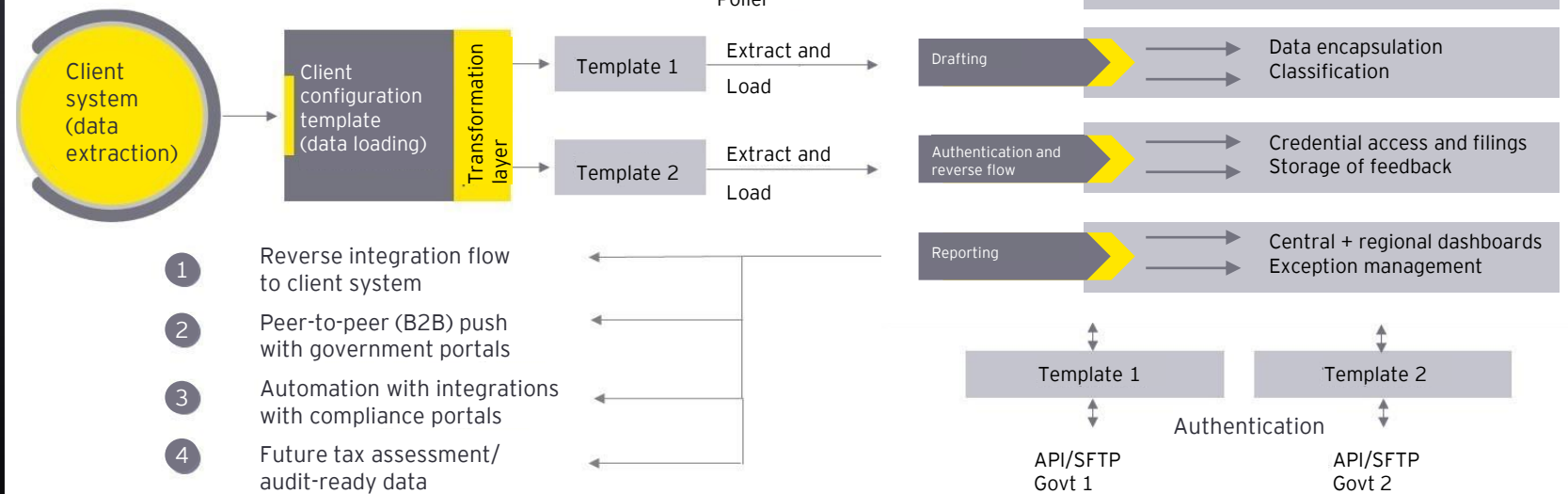
Solution overview

- ▶ In recent years, the tax landscape has undergone a substantial transformation to include the introduction of new taxes as well as steps to further digitize the tax administration.
- ▶ EY GTES is a secure, standardized way for businesses to digitally exchange tax compliant e-invoices directly via service providers and/or a platform with the tax authority for the purpose of reporting business transactions on a real-time basis. Unlike paper or PDF invoices, e-Invoices don't need to be printed or posted.
- ▶ The tool can extract, convert, test, transmit and store e-invoicing data and can seamlessly integrate with the VAT return preparation process of EY teams to deliver a broad approach to VAT compliance.

Solution benefits

- ▶ **Leverages time-tested experience:** Similar EY solutions with e-invoicing capability have been deployed across the globe and are being widely tested in mature jurisdictions with established e-invoicing systems.
- ▶ **Provides a customized solution for your business:** EY teams will formulate a customized and practical approach based on your needs, including integration with your ERP and billing environments.
- ▶ **Supports innovation without disrupting existing systems:** EY GTES is a non-disruptive tool, which is easy to deploy and keeps costs in check.
- ▶ **Hosts and processes data locally:** EY GTES is hosted on servers located in the local country, and data is not transmitted elsewhere when being processed.

EY GTES high-level solution architecture



Joint value proposition

- ▶ EY draws from the deep technical capabilities of the Microsoft Services Business Group to deliver the most complex implementations and transformation solutions.
- ▶ The Group is the first of the Big Four firms with a dedicated Microsoft practice including over 8,000 Microsoft skilled resources that have delivered 20,000+ projects globally.
- ▶ The EY-Microsoft Alliance helps clients solve their most complex issues by combining business ingenuity and industry expertise with Microsoft's innovative solutions.
- ▶ These complementary capabilities help our clients move faster and create sustainable value that drives both top and bottom-line results. Together, they provide rapid speed-to-value in support of client-specific business objectives.

Solution differentiators

- ▶ **Tax authority integration:** Seamless integration with the tax authority's platform, with several options for data transmission
- ▶ **Data validation and analytics:** Real-time validation of invoice data, applying advanced analytics and tax logic
- ▶ **Insightful reports:** Insightful and intuitive reports and dashboards, essential in proactively managing e-invoicing compliance and tax risks
- ▶ **Security credentials:** Compliant with specific International Organization for Standardization (ISO) and Security Operation Center (SOC) certificates
- ▶ **Broad approach to VAT compliance:** Broad approach to VAT compliance, by integrating e-invoicing and the VAT return preparation process
- ▶ **EY GTES and EY GVRT integrate with each other:** Part of an interconnected technology ecosystem for indirect tax from EY and Microsoft

Case study

The client is a large oil & gas company in the Gulf region who was looking to comply with the new e-invoicing regime in the Kingdom of Saudi Arabia (KSA). In the KSA, taxpayers are required to validate e-invoicing data with the Zakat, Tax and Customs Authority (ZATCA) on a real-time or near real-time basis.

Client challenge

- ▶ The client needed to generate compliant e-invoices with a QR code and have them validated by Zakat, Tax and Customs Authority (ZATCA) in the kingdom, in a short amount of time.
- ▶ The client also needed to connect with different ERPs and billing systems to facilitate overall compliance through the client supply chain.

Engagement summary

- E-Fatoorah Generator (E-FG), the local deployment of the global solution EY GTES was implemented for the client in two phases:
- ▶ Phase 1- December 04, 2021: Phase 1 requires the client to generate and store invoices electronically, eliminating the ability for taxpayers to create invoices manually.
 - ▶ Phase 2 - July 01, 2023: Phase 2 requires the client to integrate their e-invoicing solution with the client's central platform to transmit invoice data for validation under a clearance model.

Value delivered

- ▶ Full implementation was done in three months for the two phases combined.
- ▶ Ability to generate compliant e-invoices by directly connecting to the client multiple systems in real time and near real-time (batch).
- ▶ Improved efficiency of the client invoicing process without disruption to cash collection.

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Microsoft



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