

BKMS GROUP

VATassure™

Identify and manage VAT
compliance risk
in a complex, high
transaction volume
environment.



www.bkmsgroup.com



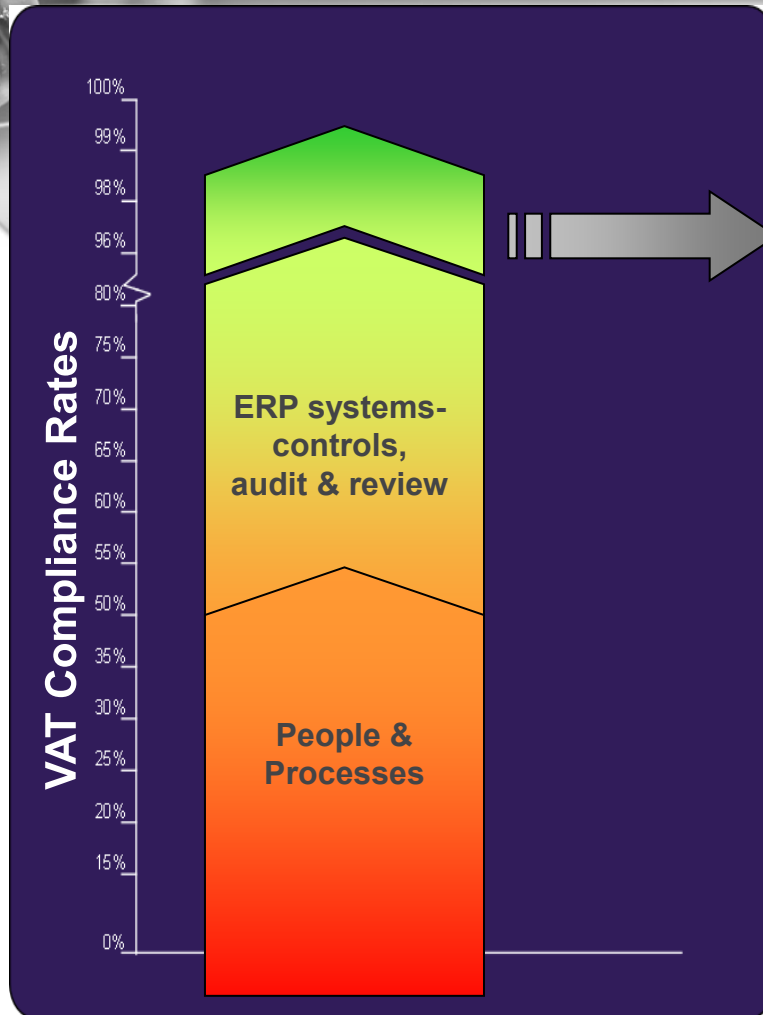
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WHAT IS VATASSURE?

VATassure™

- ✓ Increase compliance rates
- ✓ Electronic data review
- ✓ Up to 100% checking
- ✓ 'Smart' consultative approach
- ✓ Identify errors
- ✓ Correct errors
- ✓ Prevent errors





WHAT IS VATASSURE?

The world's first fully comprehensive
VAT transactions testing solution, designed to work alongside your
existing systems.

In high volume transaction environments,
VATassure helps you manage the VAT risk
associated with complex sales and purchasing streams.



SERVICE COMPONENTS

Identify and correct over claimed and under claimed input VAT associated with errors on accounts payable transactions.

VAT^{accounts payable}assure™

Detailed review and analysis of VAT accounting, posting and declaration errors on accounts receivable transactions

VAT^{accounts receivable}assure™

Thorough review of VAT configuration and tax code set up, against best practice and business flows within ERP systems

VAT^{erp configuration}assure™



SERVICE COMPONENTS

- ✓ Unclaimed input VAT
- ✓ Over-claimed input VAT relating to incorrect application of VAT deduction rules
- ✓ Over-claimed input VAT associated with duplicate invoices
- ✓ Incorrect VAT coding
- ✓ Check source documents
- ✓ Assist prepare VAT declarations
- ✓ System and documents audit trail

VATassureTM
accounts payable

VATassureTM
accounts receivable

VATassureTM
erp configuration



SERVICE COMPONENTS

- ✓ Under/over declaration of output VAT associated with incorrect application of intra-EC or export exemptions
- ✓ Incorrect VAT rate applied to classes of product / services
- ✓ Distance selling thresholds
- ✓ Incorrect application of the reverse-charge
- ✓ Incorrect classification of tax codes
- ✓ Incorrect disclosure on VAT return

VAT^{accounts payable}AssureTM

VAT^{accounts receivable}AssureTM

VAT^{crp configuration}AssureTM



SERVICE COMPONENTS

- ✓ Review tax calculation procedures
- ✓ Thorough review of tax codes
- ✓ Map tax codes to purchase and sale flows and scenarios
- ✓ Review against 'best practice'
- ✓ Review VAT condition records
- ✓ VAT return 'pointing'
- ✓ VAT report configuration

VATassureTM
accounts payable

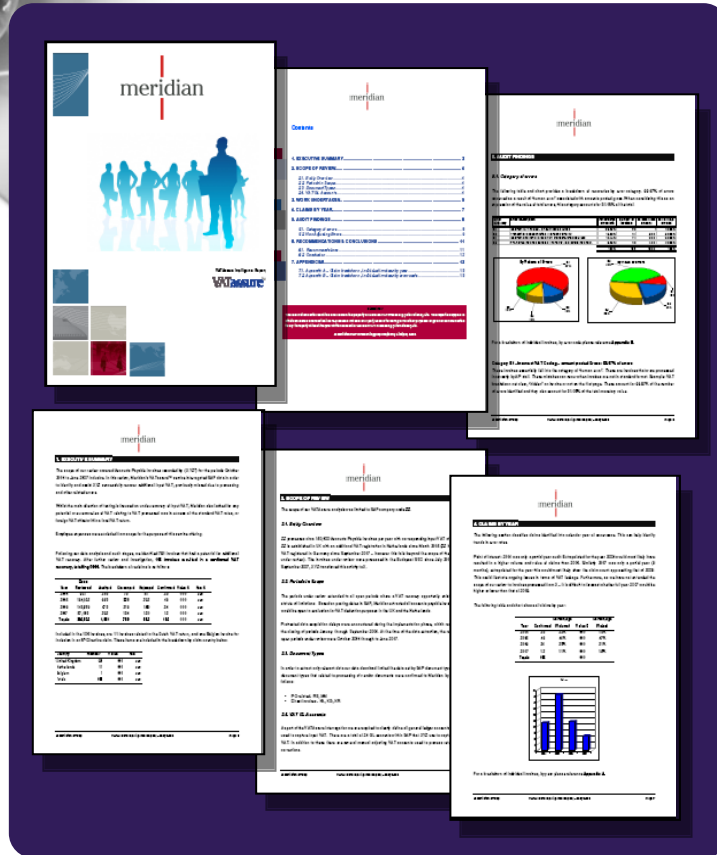
VATassureTM
accounts receivable

VATassureTM
erp configuration

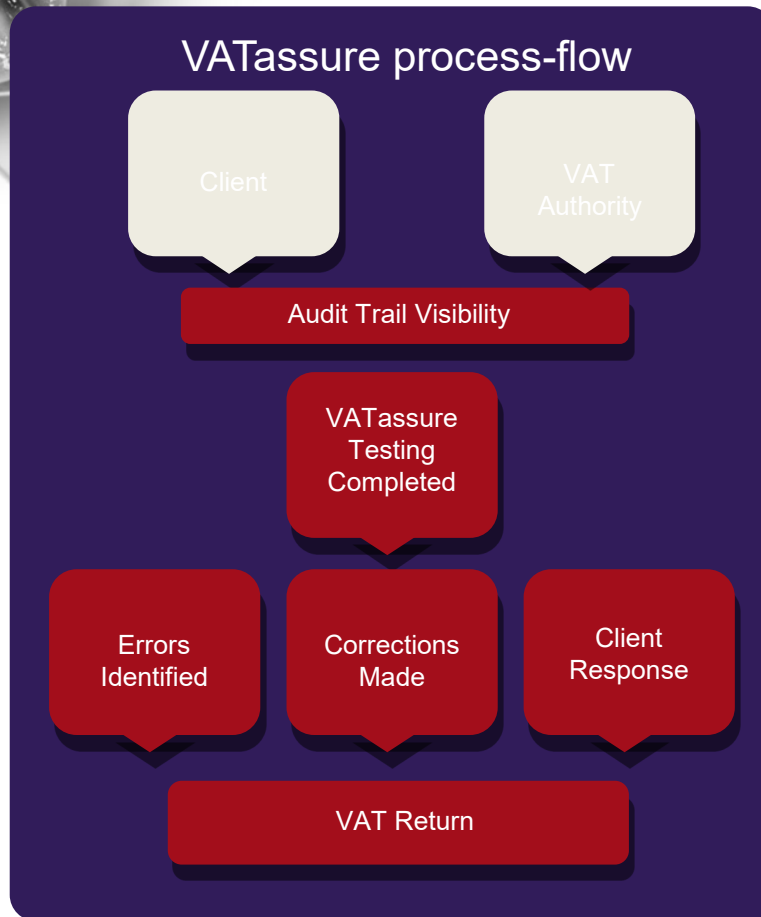
REPORTING CAPABILITIES

COMPREHENSIVE 'BUSINESS INTELLIGENCE' REPORT

- ✓ Independent management report
- ✓ Detailed and structured content
- ✓ Detailed & relevant conclusions and recommendations
- ✓ Graphical illustrations
- ✓ Schedules and appendices



IMPLEMENTATION METHODOLOGY



STEP 1:

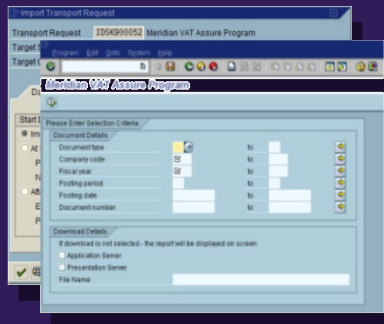
Planning & Project Initiation

- ✓ Agree approach & project plan
- ✓ Deliver data acquisition pack
- ✓ Document entity structure
- ✓ Map VAT codes to GL accounts
- ✓ Structure of VAT registrations
- ✓ Document AP / AR process flows
- ✓ Location of invoices

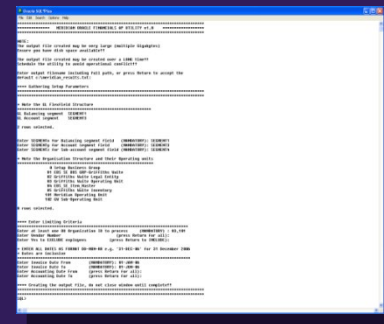
IMPLEMENTATION METHODOLOGY

STEP 2: Data Acquisition

- ✓ Deliver extraction utility
- ✓ Receive and confirm test data
- ✓ Agree execution parameters
- ✓ Generate full data-set
- ✓ Test and validate
- ✓ Upload to production servers



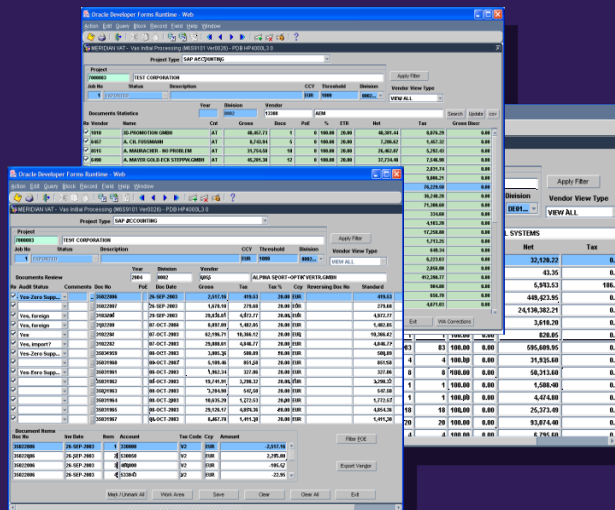
SAP™ data
utility - ABAP



Oracle™ data
utility - SQL

IMPLEMENTATION METHODOLOGY

Data analysis screenshots



Doc No	Doc Date	Doc Type	Doc Status	Doc Amount	Doc Tax
1000	2008-01-01	ALPHA SECT-OP FIC VESTIGIA	0	100.00	0.00
1001	2008-01-01	ALPHA SECT-OP FIC VESTIGIA	0	100.00	0.00
1002	2008-01-01	ALPHA SECT-OP FIC VESTIGIA	0	100.00	0.00
1003	2008-01-01	ALPHA SECT-OP FIC VESTIGIA	0	100.00	0.00
1004	2008-01-01	ALPHA SECT-OP FIC VESTIGIA	0	100.00	0.00
1005	2008-01-01	ALPHA SECT-OP FIC VESTIGIA	0	100.00	0.00
1006	2008-01-01	ALPHA SECT-OP FIC VESTIGIA	0	100.00	0.00
1007	2008-01-01	ALPHA SECT-OP FIC VESTIGIA	0	100.00	0.00
1008	2008-01-01	ALPHA SECT-OP FIC VESTIGIA	0	100.00	0.00
1009	2008-01-01	ALPHA SECT-OP FIC VESTIGIA	0	100.00	0.00
1010	2008-01-01	ALPHA SECT-OP FIC VESTIGIA	0	100.00	0.00

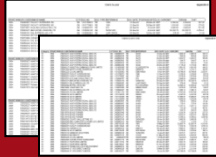
STEP 3:

Data Analysis & Audit Fieldwork

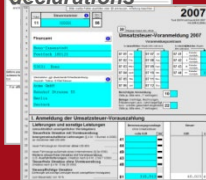
- ✓ Execute proprietary data tests
- ✓ Identify potential errors
- ✓ On-site audit to review results
- ✓ Identify items posted in error
- ✓ Ascertain and document reasons for such error
- ✓ Gather documents to support conclusions

IMPLEMENTATION METHODOLOGY

Confirmation of results



Adjusting
declarations



Reporting &
Finalization



STEP 4:

Confirmation & Reporting

- ✓ Detailed review of results against source transactions
- ✓ Identify whether transactions have been posted in error
- ✓ Ascertain and document reasons for error
- ✓ Gather supporting documentation to support conclusions and present to client



VATASSURE - BENEFITS

Improved VAT Compliance

- ✓ 100% transactions testing
- ✓ Quick identification of VAT issue across complex transaction flows, within large volumes of data
- ✓ Correction and prevention capabilities

Simple implementation

- ✓ No IT development required
- ✓ No changes to IT systems and processes required
- ✓ Non-intrusive to business operations

Reduction in compliance costs

- ✓ Modular service components
- ✓ No change to existing IT / ERP processes
- ✓ Flexible, competitive pricing options

Global visibility and control

- ✓ Dashboard view at corporate level
- ✓ Powerful business intelligence reporting



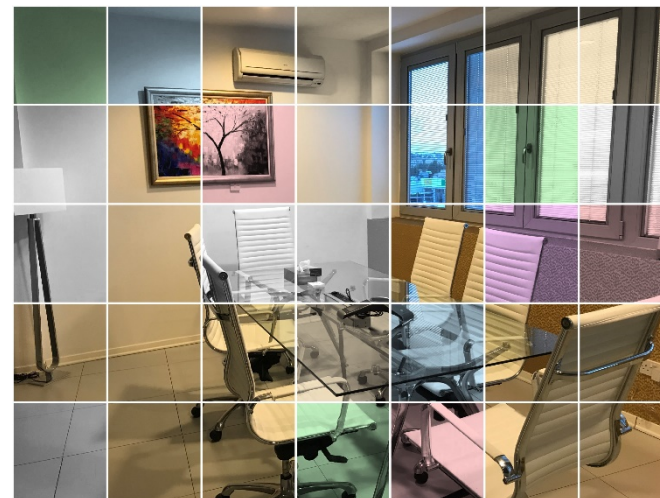
SUMMARY

- Meridian VAT*assure* can help improve VAT compliance rates by reviewing complex transactions in ERP systems
- Modular service offering allows you to select which components you want
- The approach requires no IT investment and no headcount
- The implementation approach is simple
- Pricing is simple and flexible



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