

Unifying user experience in the Tax function

The role of SAP Build through design thinking



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Introduction

With the pace of change and increasing demands of regulation, how can the Tax function stay ahead of the game?

Digital transformation is an increasingly important tool as businesses strive to help their Tax functions respond to the constantly evolving tax landscape. The 2023 EY Tax and Finance Operations survey revealed that an overwhelming majority of tax professionals believe that digital offerings would streamline processes, reduce manual inputs and improve accuracy. However, most Tax functions have yet to adopt tools that can automate repetitive tasks and improve time management by eliminating manual and spreadsheet-based procedures. Decision-makers may be reluctant to move away from the status quo, overlooking the potential benefits of digital solutions.

In a constantly changing regulatory environment, the Tax function's focus is often directed to managing current compliance obligations and responding to new ones as they arise. Taking time to explain complex processes and compliance requirements to already busy IT teams can be challenging.

The scarcity of highly skilled resources, which is expected to increase within the next decade, may be another factor in the reluctance to pursue digital solutions. It can act as a roadblock, preventing user ideas from maturing into a real application, even those with the potential to enhance the efficiency of tax processes.



Tax – design with the end goal in mind

Digitalization is not something you buy, it's something you grow.

In the 2023 EY Tax and Finance Operations Survey when asked what is the biggest barrier preventing the tax and finance function from delivering its purpose and vision, nearly half of respondents stated the lack of sustainable plan for data and technology was the biggest barrier.

What if the Tax function could empower its people to design with the end goal in mind? Imagine creating a team of citizen developers who can utilize the existing IT infrastructure and access core business data through a secure, integrated network. This would enable Tax functions to access new integrated platforms, allowing them to design, build, and respond to current and future requirements effectively.

Biggest barrier to delivering purpose and vision

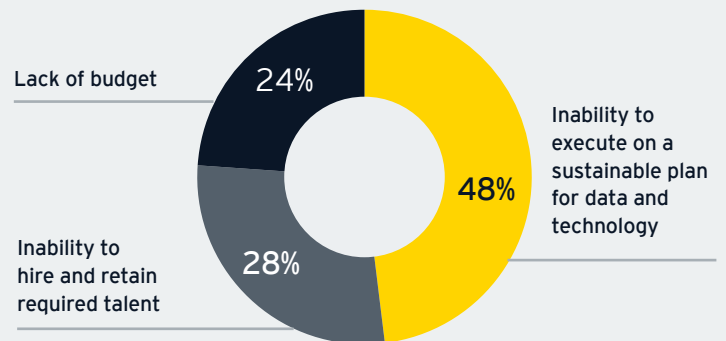


Figure 1: 2023 EY Tax and Finance Operations survey respondents state the lack of sustainable plan for data and technology as the biggest barrier to delivering purpose and vision for the tax and finance functions.

Low-code/no-code for the Tax function

Low-code/no-code (LCNC) platforms offer viable solutions, bringing the potential of adaptable tools within close reach. Low-code platforms can be built with minimal coding skill while no-code development allows applications to be built without any coding.

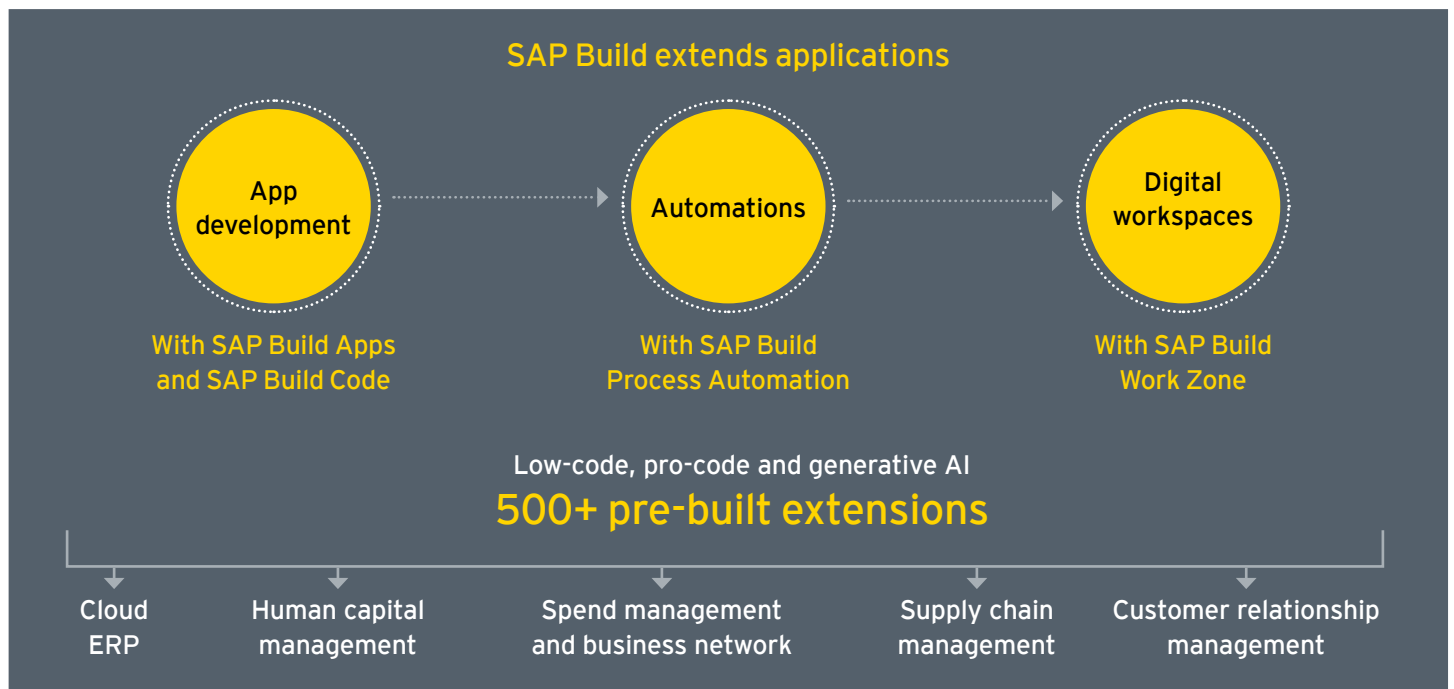
SAP® Build incorporating low-code tools simplifies software development for everyone. It enables tax personnel in an enterprise to tackle app automation of their own processes. It also provides a way for business users to design applications using pre-built templates, drag-and-drop components and other visual tools that do not require extensive coding knowledge.

What is SAP Build?

SAP Build provides extensive tools for both business experts, such as business analysts and subject-matter experts, and developers to build and extend applications and automate processes in ways that work best for their business requirements. Specifically, this gives developers the flexibility to create and extend apps, automate processes and design digital workspaces with low-code, pro-code, and generative AI tools. Its collaborative design allows diverse teams to build

solutions faster using pre-built solutions, AI assistance, and seamless integration with SAP applications.

The SAP Build portfolio comprises SAP Build Apps, SAP Build Code, SAP Build Process Automation and SAP Build Work Zone, which seamlessly enable individuals from the tax department to transform their ideas into business applications through intuitive drag-and-drop features.



SAP Build Apps

Utilizing a visual development environment that minimizes coding effort, SAP Build Apps offer all the features the user needs without requiring manual coding. The platform provides pre-designed puzzle pieces which users can arrange to achieve the desired functionality. Additional functionalities can be downloaded from the online marketplace.

SAP Build Code

Users can leverage greater developer flexibility and customization with SAP Build Code. The AI-based code development with Joule copilot is optimized for Java and JavaScript application development, providing a turn-key environment for coding, testing, integrations and application lifecycle management.

SAP Build Process Automation

Business processes in the tax domain can effortlessly be automated using built-in workflow management and Robotic Process Automation (RPA) capabilities that ensure timely

completion of tasks with streamlined step-by-step approaches. For instance, the automated reading of invoices and integration with tax engines furnish seamless tax analysis without any manual intervention required.

SAP Build Work Zone

SAP Build Work Zone can help users access business-critical applications through a single entry point. It allows users to create sites and feeds ensuring every essential tool and information is readily available in one place. By eliminating the need for time-consuming searches, Work Zone significantly enhances productivity and time management.

An integrated IT landscape

Businesses that have already implemented SAP solutions can benefit from a simple and quick addition of the SAP Build tool to their existing landscape, which includes centralized governance, security and product lifecycle management. With the SAP out-of-the-box integration support, tax teams can begin creating powerful use cases right away.

SAP Build functionality – features, capability and value

Features	Capabilities	Challenges solved
User interface (UI)	<ul style="list-style-type: none"> ▶ Drag-and-drop interface for application development ▶ Library of pre-built templates and components ▶ Graphical logic builder with a plethora of formula functions to choose from 	<ul style="list-style-type: none"> ▶ User expectations and design standards evolving over time can be met ▶ Intuitiveness of UI is subject to user preferences. Involving them in the build process and incorporating their feedback leads to increase in adoption and retention rates
Integration	<ul style="list-style-type: none"> ▶ Integration with wide range of data sources through pre-built connectors ▶ Ability to write data back to the source systems ▶ Multi-platform support 	<ul style="list-style-type: none"> ▶ The time-consuming, complex, and heavily coded integration approach for third party APIs gets simplified. ▶ Integration with tax legacy systems lacking modern integration support can be securely achieved.
Adaptability	<ul style="list-style-type: none"> ▶ What you see is what you get (WYSIWYG) helps in easy adoption of the tool ▶ Easy to learn and train enterprise users for post implementation ▶ Flexibility allows users to overcome design limitations of pro-code tools 	<ul style="list-style-type: none"> ▶ Build delivers consistent user experiences regardless of the device or platform used. ▶ With rapid development and continuous iteration, user testing and feedback tools, Tax functions can keep in pace with the changing needs.
Single access point	<ul style="list-style-type: none"> ▶ No need to search for tool or information because all centralized at one access point ▶ Improve collaboration amongst users by enabling them to build centralized websites ▶ Maximize benefits by embedding reports and dashboards from multiple tools 	<ul style="list-style-type: none"> ▶ Eliminates decentralized approach of access management across different services ▶ Managing development tasks, tracking bugs and issues, monitoring application performance in real-time and sharing feedback is easier
Automation	<ul style="list-style-type: none"> ▶ Automate repetitive tasks and enable business users to focus on core tasks ▶ Leverage RPA and workflow management to automate business process easily 	<ul style="list-style-type: none"> ▶ Built-in workflow automates data integration, user flows, email communications, and notifications, thereby saving time and minimizing human errors
Artificial Intelligence (AI)	<ul style="list-style-type: none"> ▶ Built-in AI and machine learning features reduces manual work and human errors, thereby ensuring quality. ▶ AI techniques easily integrated into SAP Build e.g., providing support for Optical Character Recognition (OCR) technique in scanning documents already available at the global EY organization 	<ul style="list-style-type: none"> ▶ Tax teams can gain critical insights into client behaviours, industry trends, and other pertinent data points, helping them to make informed business decisions. ▶ User experience can be enriched through provision of multi-language support.
Security	<ul style="list-style-type: none"> ▶ Supports different user authentication methods based on the organization's preferences. 	<ul style="list-style-type: none"> ▶ Data encryption, access control and compliance with security standards helps businesses to improve their application's security. This reduces the risk of data breaches, unauthorized access, and cyber attacks on sensitive tax data.

Utilizing SAP Build for country-by-country reporting (CbCR)



To illustrate the effectiveness of SAP Build in supporting tax processing, EY developed the CbCR Safe Harbour Test as a use case. While there are specific solutions in the SAP Portfolio designed for CbCR reporting requirements, we have chosen this case to show how useful SAP Build can be for setting up complete processes.

The CbCR compliance and adjustment

Built using the SAP Build apps, the below dashboards determine whether jurisdictions can opt out of Pillar Two model calculations based on their financial statements by meeting three specific tests:

- ▶ The de minimis test
- ▶ The simplified effective tax rate (ETR) test
- ▶ The routine profit test

The screenshot shows the SAP Build application design canvas for 'Safe Harbour Tests'. The main area displays three test components: 'De Minimis Test', 'Simplified ETR Test', and 'Routine Profit Test'. The interface includes a top navigation bar, a left sidebar with component palettes, and a right sidebar with a component properties panel. Yellow callout boxes provide details about the design process:

- UI Canvas for application design**: Points to the overall design workspace.
- Edit details of selected component and control its appearance**: Points to the right-hand properties panel.
- Select UI components for drag and drop**: Points to the left-hand component palette.
- Define logic for any component using the graphical editor**: Points to the bottom logic editor area.
- Hierarchical display of components in use**: Points to the bottom component tree view.

Leveraging SAP Build Work Zone and SAP Build Process Automation for automation

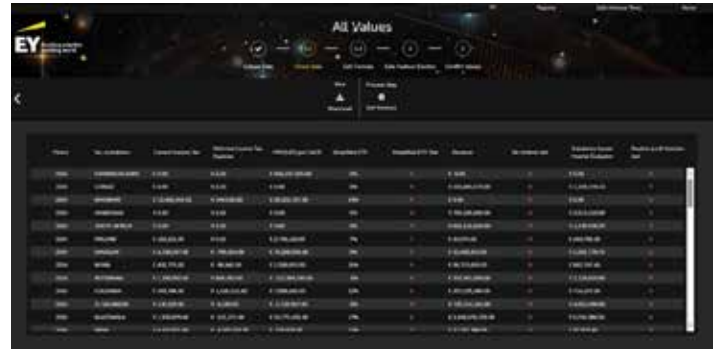
The CbCR compliance and adjustment dashboards, which is exclusively constructed in SAP Build Apps, could reap substantial benefits from the additional features introduced by SAP Build Work Zone and SAP Build Process Automation.

SAP Build Process Automation contains workflow capabilities that could be used to trigger automatic notifications and connect processes by information transfer, examples include:

- ▶ Stakeholders are promptly apprised that the Safe Harbour Tests are completed without manual intervention
- ▶ Uninterrupted information transfer and enables the start of the next process, the OECD/G20 Base Erosion and Profit Shifting (BEPS) Pillar Two calculations
- ▶ Establish workflows that dispense automated reminders if the tests are yet to be completed

By incorporating SAP Work Zone, the tax user experience can be further enhanced by integrating all Pillar Two-related applications into one centralized place.

Build app walkthrough - output of individual tests:



Entity	Country	Entity Type	Entity Status	Entity Size	Entity Type	Entity Status	Entity Size	Entity Type	Entity Status	Entity Size
USA	USA	USA	USA	USA	USA	USA	USA	USA	USA	USA
USA	USA	USA	USA	USA	USA	USA	USA	USA	USA	USA
USA	USA	USA	USA	USA	USA	USA	USA	USA	USA	USA
USA	USA	USA	USA	USA	USA	USA	USA	USA	USA	USA
USA	USA	USA	USA	USA	USA	USA	USA	USA	USA	USA
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USA	USA	USA	USA	USA	USA	USA	USA	USA	USA	USA
USA	USA	USA	USA	USA	USA	USA	USA	USA	USA	USA

Build app walkthrough - elections and final results:



Entity	Country	Entity Type	Entity Status	Entity Size	Entity Type	Entity Status	Entity Size	Entity Type	Entity Status	Entity Size
USA	USA	USA	USA	USA	USA	USA	USA	USA	USA	USA
USA	USA	USA	USA	USA	USA	USA	USA	USA	USA	USA
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USA	USA	USA	USA	USA	USA	USA	USA	USA	USA	USA
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USA	USA	USA	USA	USA	USA	USA	USA	USA	USA	USA



SAP Build for your organization

Years of training on diverse coding languages are not the only way to gain digitalization and technical skills. Instead, they can manifest from individual needs and desires and be effectively channelled into creating processes that are more efficient, given the appropriate platform and tools.

SAP Build can transform an organization's application development approach, offering advantages as listed below:

- ▶ Application development time reduced due to pre-built functions
- ▶ Decreased costs due to optional skilled resources
- ▶ Overarching perspective of business users over technical development progress
- ▶ No complex integration scenarios with pro-code solutions
- ▶ One solution compatible with web applications or mobile devices
- ▶ Easy introduction of automation

Summary

The CBCR Safe Harbour Test application built using SAP Build demonstrates that digital solutions can be leveraged by tax departments for improved tax compliance management and streamlined administrative processes.

SAP Build Portfolio, a low-code tool, can simplify the development of those solutions and enhance daily processing tasks with improved accuracy. With features like drag-and-drop functionality, AI, process automation, and integration of various data sources, SAP Build can enable users to digitize tax processes such as transfer pricing, indirect taxes, tax risk management and tax audit. Overall, the platform makes app development accessible to all and empowers tax departments to improve their operations.

Digital transformation and keeping up with the pace of change in the Tax function can be overwhelming. EY teams of local

and international tax, tax accounting and tax technology professionals can help you design the future whilst meeting complex regulatory requirements.

The EY and SAP alliance provides trusted and strong brand collaboration with the right capabilities to help large corporations respond to the challenge. By leveraging core SAP and related ecosystem SAP applications for tax, such as SAP Build, and by using EY leading knowledge and experience, the agile Tax function needed yesterday can be realized today and continue to evolve tomorrow.

EY teams have in-depth experience of designing, configuring, and helping implement SAP solutions. We leverage our experience from other tax, statutory finance and managerial finance use-cases, such as operational transfer pricing, sustainability performance management.

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About EY's Tax Technology and Transformation Services

EY's Tax Technology and Transformation (TTT) is a global practice that brings together transformation strategists and technology professionals dedicated to helping organizations redefine the Tax function to meet the demands of the digital age: from rapid business model change and global transparency, to expanding digital tax administrations, escalating reporting requirements and cloud-based solutions. Our objective is to help each client transform the traditional Tax function into a connected intelligent Tax function, with an operating model that thinks about data differently – one that's integrated and adding value across the enterprise, embraces innovation, and is open to adopting advanced and emerging technologies to fuel continuous transformation.

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EYG no. 007603-24Gbl

BMC Agency
GA 183733286

ED None

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