



Transformational technologies

A selection of tools transforming tax, transaction and legal functions today.

Presented at KPMG Technology Catalyst LIVE in Sydney & Melbourne, in May 2018.



Transforming through tech



Technology is changing the shape of business. More than ever, business leaders need to recognise how to make the right decisions across transactions, finance, tax and legal, to prepare them for what the future holds. From finding new ways to identify and drive value, to bringing previously siloed thinking into a new solution environment, technology is enabling organisations to transform and achieve more, with less.

This document details the technology solutions that were launched and presented at the KPMG Technology Catalyst held in Sydney and Melbourne, in May 2018.

It offers a selection of some of the technology solutions available in our local market. These technologies have been developed by KPMG tax, deal advisory, legal and technology professionals here in Australia and KPMG member firms around the world.

Each technology is designed to help you and your organisations take on the business realities faced today, so you can confidently identify opportunities for growth, tackle regulatory change, facilitate streamlined processes, enhance reporting, simplify data management and enable effective collaboration within the business and beyond.

I hope the recent Technology Catalyst helped to illuminate the various opportunities for growth that technology enables. The solutions we are delivering today and the innovations we are creating for tomorrow, become even better with your feedback and insights into the business issues you face. I look forward to continuing to collaborate with you as, together, we pave the way in harnessing the power of innovation.

A handwritten signature in black ink, appearing to read 'Matt Herring', written in a cursive style.

Matt Herring
Partner and Head of Technology & Innovation

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Tax Technology

1. Payroll Tax Automator

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KPMG has developed a market-leading application which calculates and electronically lodges payroll tax returns, simplifying the complex process of managing the individual requirements of multiple state revenue offices. Payroll Tax Automator factors in the complexity of your organisations internal payroll system, state lodgements and scale and demographic of your employee population.

Customisable to the needs of your organisation, KPMG's application can enable a self-service solution scaling up to a fully outsourced model delivered by KPMG's Employment Tax team offering the benefit of KPMG assurance.

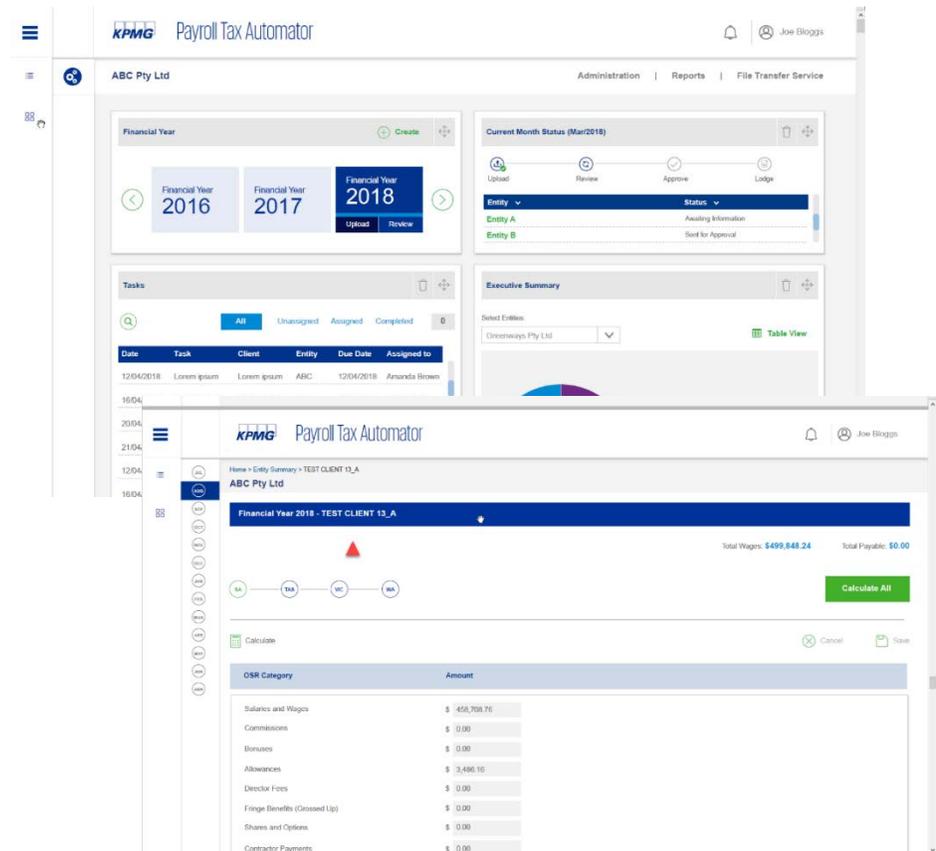
The cloud-based application is powered by the secure foundation of Microsoft Azure, delivering the security and accessibility your organisation requires.

Data
Collection

Calculation

Lodgement

Insights



2. Fuel Tax Credits Technology

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The Fuel Tax Credit (FTC) enables organisations to mitigate some of the financial strain that comes from the excise embedded in the price of fuel. However, the complex and time-intensive process of claiming credits can be a burden on in-house resources and often results in under-claimed entitlements.

Our advanced FTC technology platform helps our clients create detailed and robust FTC claims.

The solution combines the knowledge and expertise of our FTC specialists with market-leading GPS technology, advanced data science and automation to provide:

- accurate claims and refund outcomes
- cost and time savings thanks to a digital, streamlined approach
- data-driven support to substantiate claims as required by the Australian Tax Office
- valuable insights on fleet performance and operations to create broader business value.

Connects and sources data from fleet vehicle's GPS system or alternative data sources.

Uses comprehensive proprietary mapping to pinpoint road usage.

Tracks granular vehicle usage.

Produces detailed analysis and documentation for ATO substantiation.



3.

Tax Data Analytics

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KPMG is helping organisations delve into their tax data, revealing both untapped opportunities and hidden risks. Early detection of such opportunities and risks can lead to financial return and support the tax function to become a key value add resource at the center of business decision making.

KPMG's End-to-End solutions encompass data extraction, data transformation and data insights in areas such as:

- Corporate income tax - fixed asset registers, analysing GL transactions, industry specific analytics for Managed Funds, Super Funds and Property Trusts
- Employment Taxes looking at PAYGW, Superannuation, Payroll tax and Workcover.
- Fringe Benefit Tax – All expenses
- GST
- Trade & Customs – Import and Export
- Research & Development
- Transfer Pricing

Capital Allowance Data Analytics (CADA)



GL Investigator Data Analytics (GLIDA)



Fund Analytics



Corporate Tax Insights



Employment Tax Data Analytics



FBT Data Analytics



GST Data Analytics



Customs Data Analytics



4.

Tax Automation

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KPMG's Tax Automation services are designed to alleviate the demanding time pressures surrounding tax compliance which can take a toll on resources as well as the organisation's competing priorities.

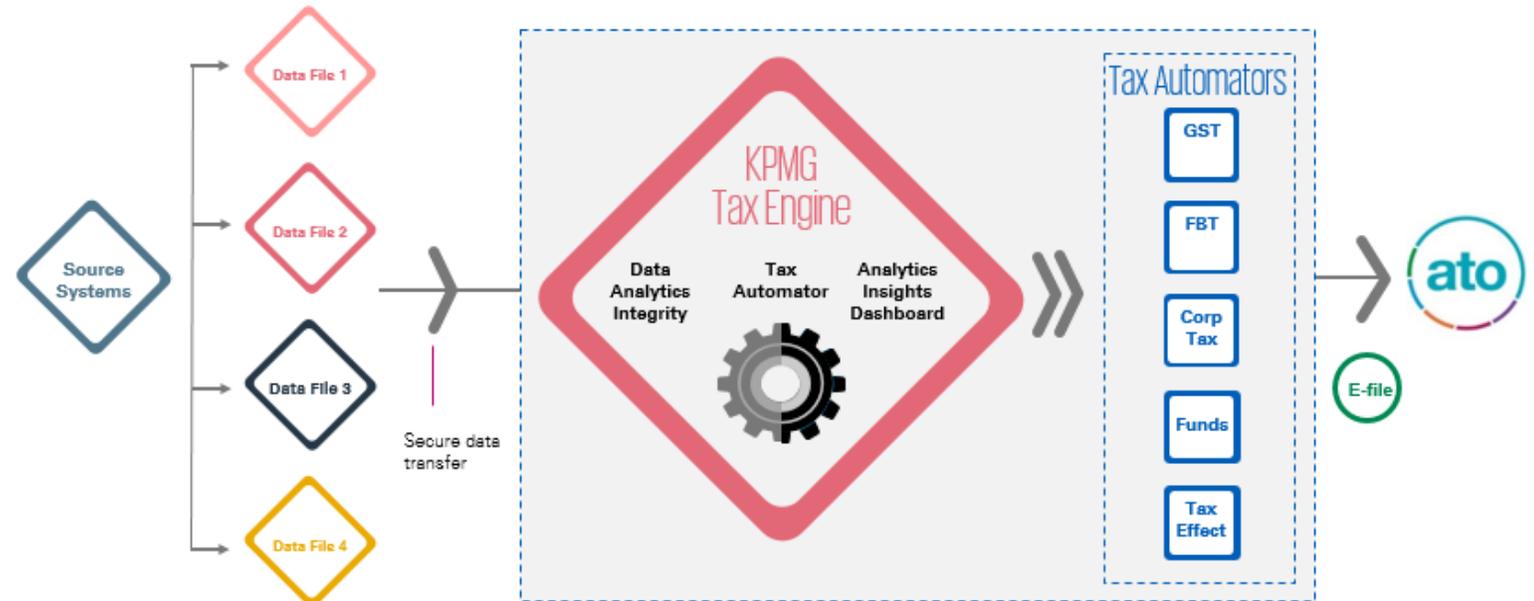
It enables tax teams to focus on high value tasks such as reviewing and investigating the output of tax analytics, trending and variance analysis leveraging their tax technical expertise.

By combining:

- secure file transfer
- desktop automation
- data workflow automation
- tax return lodgement software and
- logic engine technologies.

KPMG can help tax functions become more effective and efficient by automating the manual and time consuming elements of regular tax compliance.

Tax automation and robotics has been deployed across all areas of the tax function.



5.

Employer Share Scheme Reporter 3.0

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The management of ESS can be incredibly complex especially with the burden on, in-house resources continuing to rise with regular legislative changes, leading to an increase importance placed on employer reporting.

The ESS Reporter 3.0 is an industry-leading solution that automates the complex calculation of ESS income, sourcing data direct from share plan administrators, to:

- minimise the time required of in-house teams
- reduce the risk of error
- provide the assurance of KPMG Tax sign-off on employee and employer ATO reporting
- generate reports that provide clarity to employees regarding their tax obligations and providing assurance.



Complete automation of the calculation of reportable income



Caters to internationally mobile participants



Manages employee communication



Calculates relevant payroll tax



Cash incentive arrangements



Flexible to your needs



Transactions Technology

6.

Target Value Platform

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KPMG's Target Value Platform is designed to enable you to identify the full value and long term potential of a business, the relevant value levers to pull and the operational implementation considerations of a deal process or transformation – which can be used at any time in an investment lifecycle.

Mergers & acquisition processes are having to innovate, as the ability to generate value from financial restructuring reduces and asset values decline. Key innovation techniques include focusing more heavily on due diligence and to rigorously assess operational upsides of an asset.

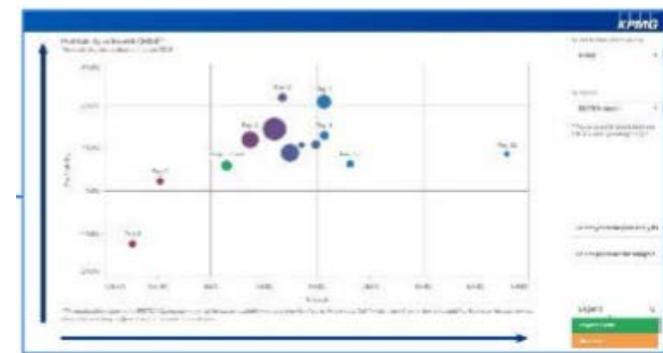
Our Target Value Platform includes a rapid value scan - an interactive control panel that helps identify and quantify potential value of an asset or business unit. It allows the user to consider a 1000 day planning tool, sensitivity analysis in real time and to quantify key areas of opportunity.

Increased ability to focus and prioritise value areas at the start of the deal process

Enhanced ability to demonstrate and prove value opportunities to the next investor

Greater visibility on where potential value resides in investments

Realistic implementation plans, clarity and momentum to achieve better results.



7. Strategic Profitable Insights

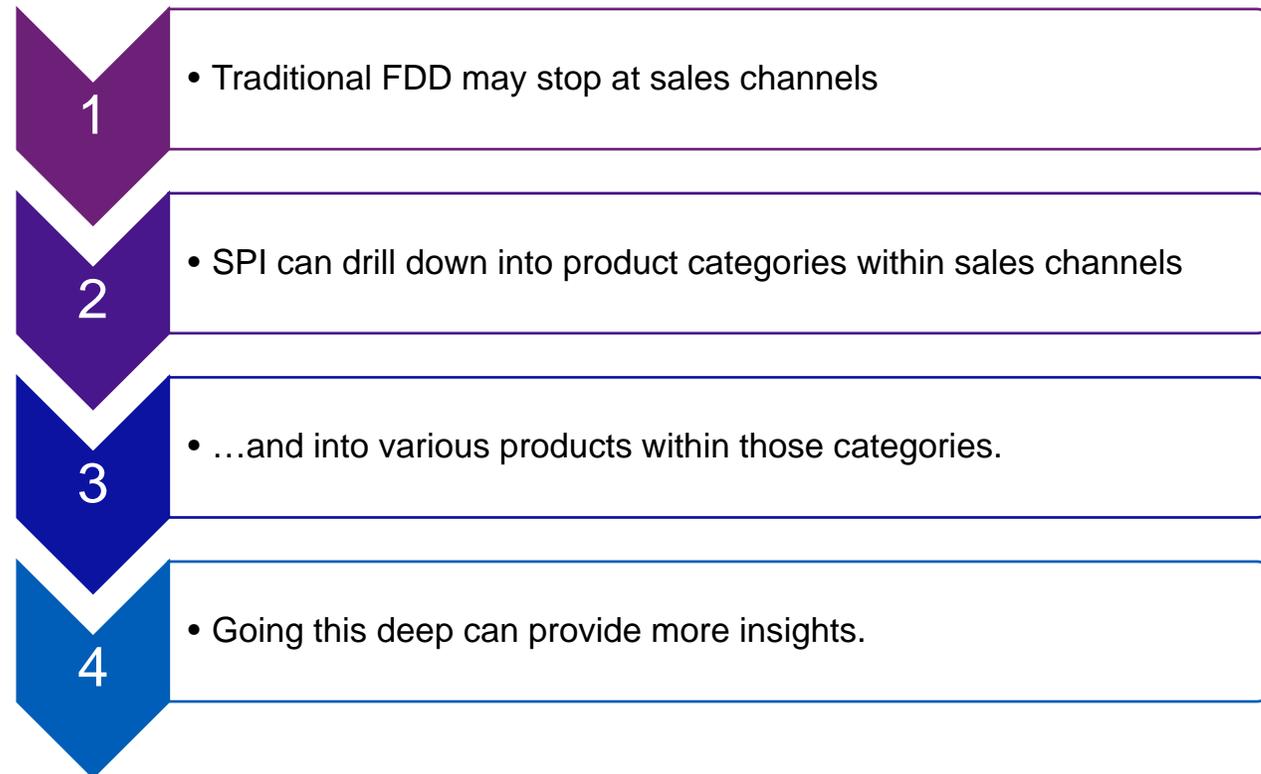
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KPMG's proprietary Strategic Profitability Insights (SPI) process works to produce uniquely powerful insights on a business' revenue and margin performance, all based on a download of raw transaction level data. SPI rapidly produces detailed standardised reporting and enables bespoke analysis to better understand the business.

Using SPI enables buyers to have a more detailed understanding of the many layers behind revenue and sales performance. The tool was developed with the private equity investment community as an early adopter, but we are now seeing corporates adopt the technology at an increasing pace, and across multiple different industry segments.

If you're looking at a potential acquisition or transaction, you have limited time to discern its real strengths and weaknesses. KPMG's SPI platform helps extract key financial data that may not be accessible by other means—helping to provide deeper insights faster.

SPI is designed to drill down and give you deeper insights into the value of a deal.



8.

Footprint 360

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Footprint 360 blends organisational data with public, proprietary and geospatial data then applies state-of-the-art data mining and machine learning algorithms to extract patterns and deliver actionable business insights.

KPMG Footprint 360 offers valuable insights for businesses of all sizes, across all industries. Examples of strategic questions it helps answer include:

- Who are my customers and what are the key patterns in their purchasing behavior?
- What is the best way to cluster my various stores/sites based on performance?
- Where is the optimal location to build or open a new store?
- How can I predict the key factors that influence punctual customer payments?

Footprint 360 is already in use at a large Australian retailer and answering the strategic questions above and more. Managing a network of stores across the continent, Footprint 360 is used to provide insights and guidance to help the business expand its retail footprint.

Customer Segmentation

Store Performance

Revenue Deep Dive

Target Market Selection





Legal Technology

The Rulebook is a technology developed by C2S2, a tool that brings in design thinking to challenge the old way of applying written policies, digitises the content and executes on a permission basis, rather than prohibition basis.

Policies are often not known within organisations, various policies address similar matters and often even contradict each other. Therefore, they do not ensure compliance with all the potential consequences.

The Rulebook contains only the relevant content of those policies, digitises it and executes on a permission basis, rather than prohibition basis.

The tool is not managing policies but it is managing the behavior of people, the behavior changing technology. The tool makes responsibility sustainable across an organisation. It is available on any device whether stationary or mobile.

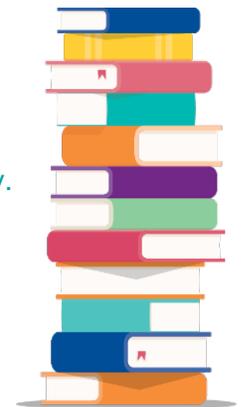
Make compliance sustainable



Globally available	✓
On-premise hosting option	✓
Cloud hosting option	✓
Web-based	✓
Integration with other systems	✓

Shift from pull to push policy compliance through permission-based rather than prohibition based policy.

Intuitive digital assistant in policy implementation across an organization.



10. Legal compliance

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Legal Monitoring is a service that keeps track of changes in regulation. It provides a constant overview over new legislation, court rulings, statements by regulatory authorities, industry standards etc. – every relevant source is included.

Changes are examined on potential impact on the client’s business even before they come into effect. A regular report gives structured and detailed information on every update that might possibly have consequences.

All reports can be filtered for jurisdictions or laws, and they not only list issues, but also put them into context. Included are hints to whether an action is required and which measures should be taken. Legal Monitoring provides customised information, ensures up-to-dateness and allows for continuous regulatory compliance.



Perceive legal changes early on, evaluate their impact and receive guidance

-  Finds every change in regulation
-  Gives a customized report
-  Filter and search function

Globally available	✓
On-premise hosting option	✓
Cloud hosting option	✓
Web-based	✓
Integration with other systems	✓

11.

Cloud Legal

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Cloud Legal is a technology tool designed for legal professionals by legal professionals. The tool captures and digitalises all data to on one platform.

It is a program management tool that keeps all working documents in one place so there is a single point of truth.

Both clients and KPMG have access to the tool and there is as much transparency as you would like. The tool also acts as a centralised point of communication.



Globally available	✓
On-premise hosting option	x
Cloud hosting option	✓
Web-based	✓
Integration with other systems	✓



Easily customized



Great user experience
across devices

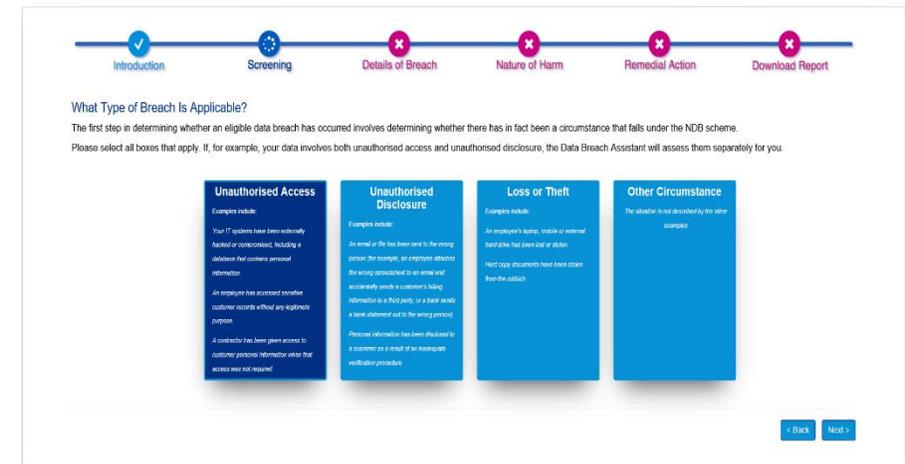
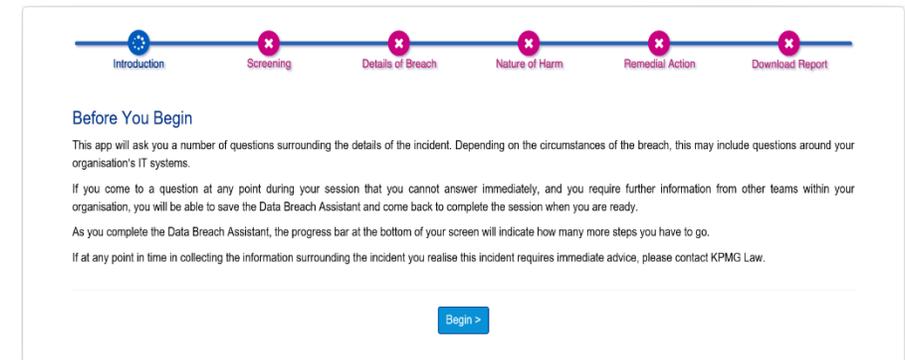
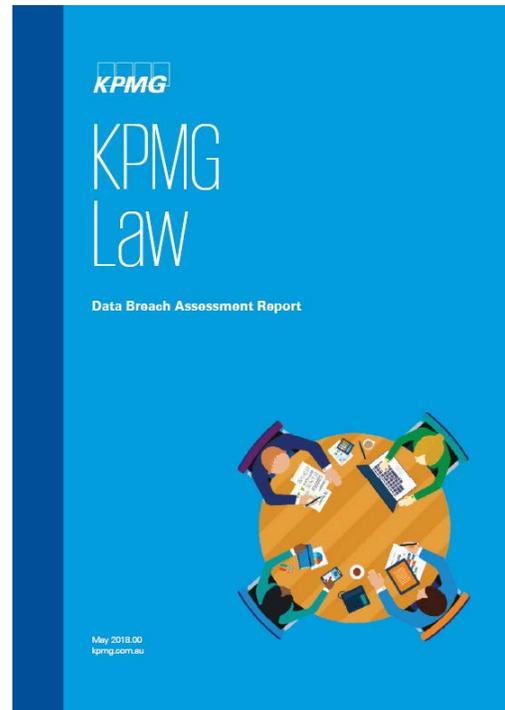


Data transparency

From 22 February 2018, the Notifiable Data Breach (NDB) scheme requires organisations who are subject to the Privacy Act to notify individuals and the Australian Information Commissioner where there has been an eligible data breach involving personal information in certain circumstances.

We have developed a tool to carry out an initial assessment as to whether an eligible data breach has occurred within an organisation which will trigger the NDB notification obligations.

It will also document the assessment process and outcomes, as recommended by the Australian Information Commissioner.





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