

Integrated Solution for Tax & Revenue Management



July 2009

THE BEST-RUN BUSINESSES RUN SAP™

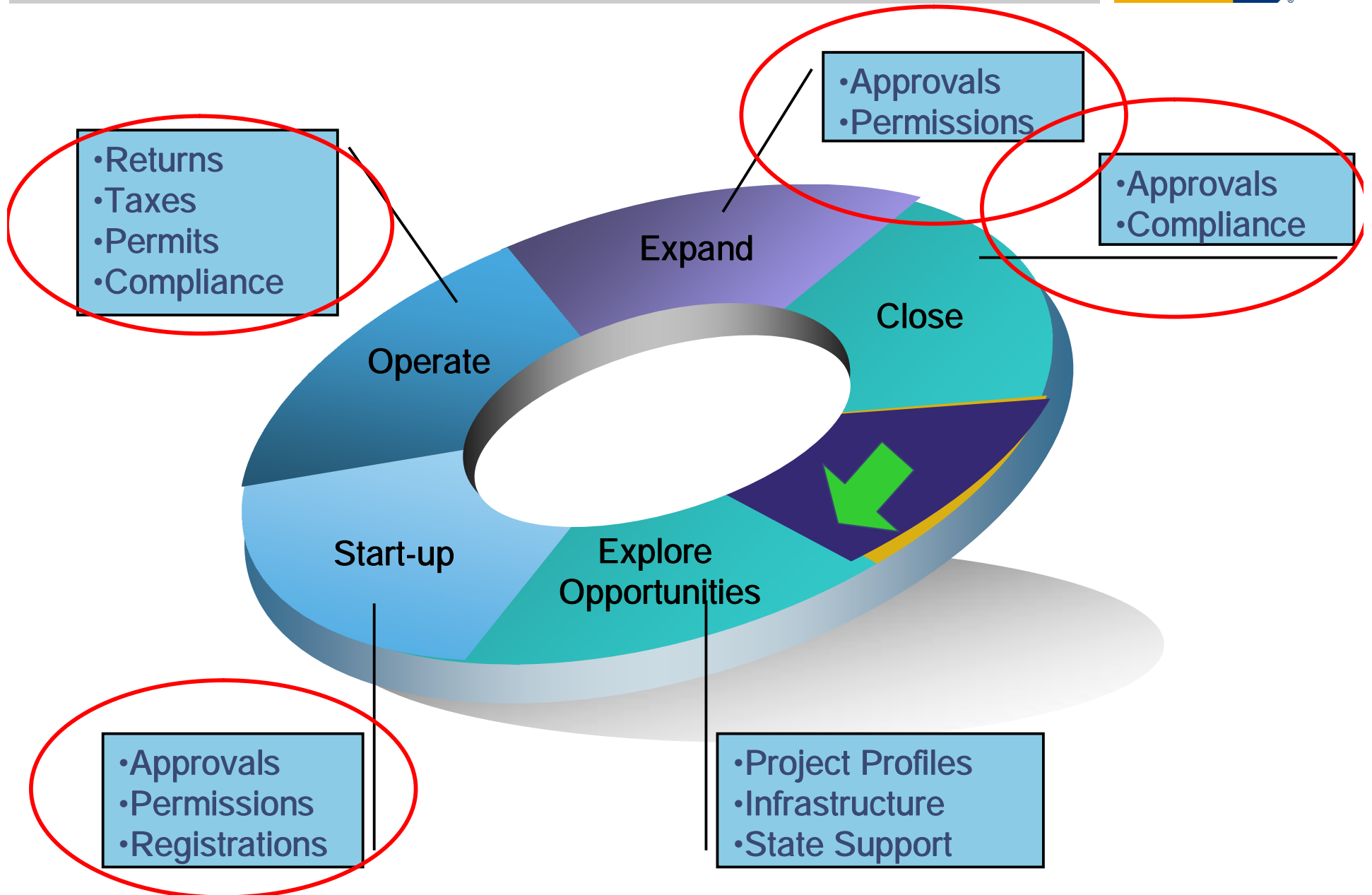


Agenda



- 1 Need for Government Transformation
- 2 eTransformation of Revenue & Tax Departments
- 3 SAP TRM Solution Demo
- 4 About PwC & SAP

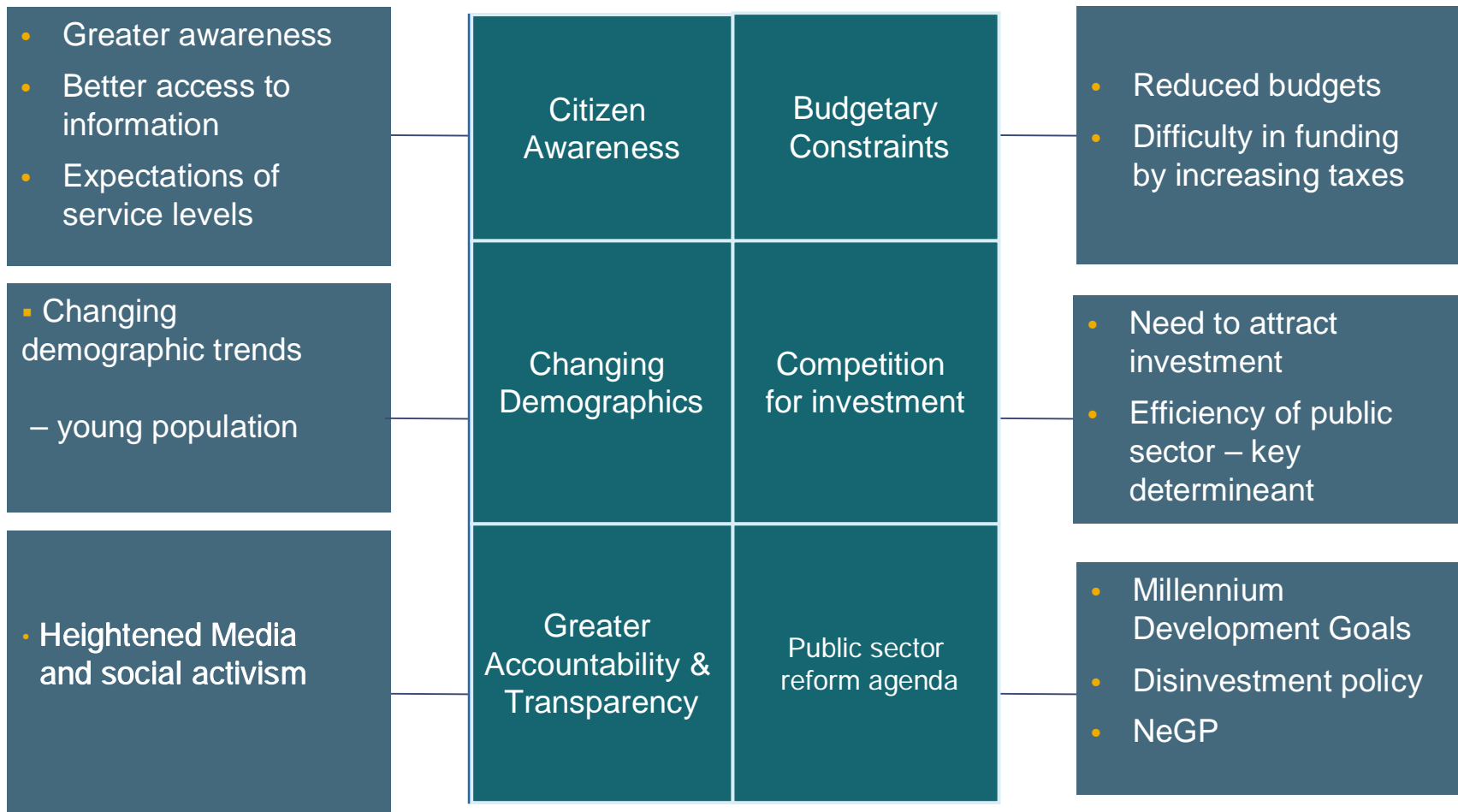
Businesses Operations Lifecycle



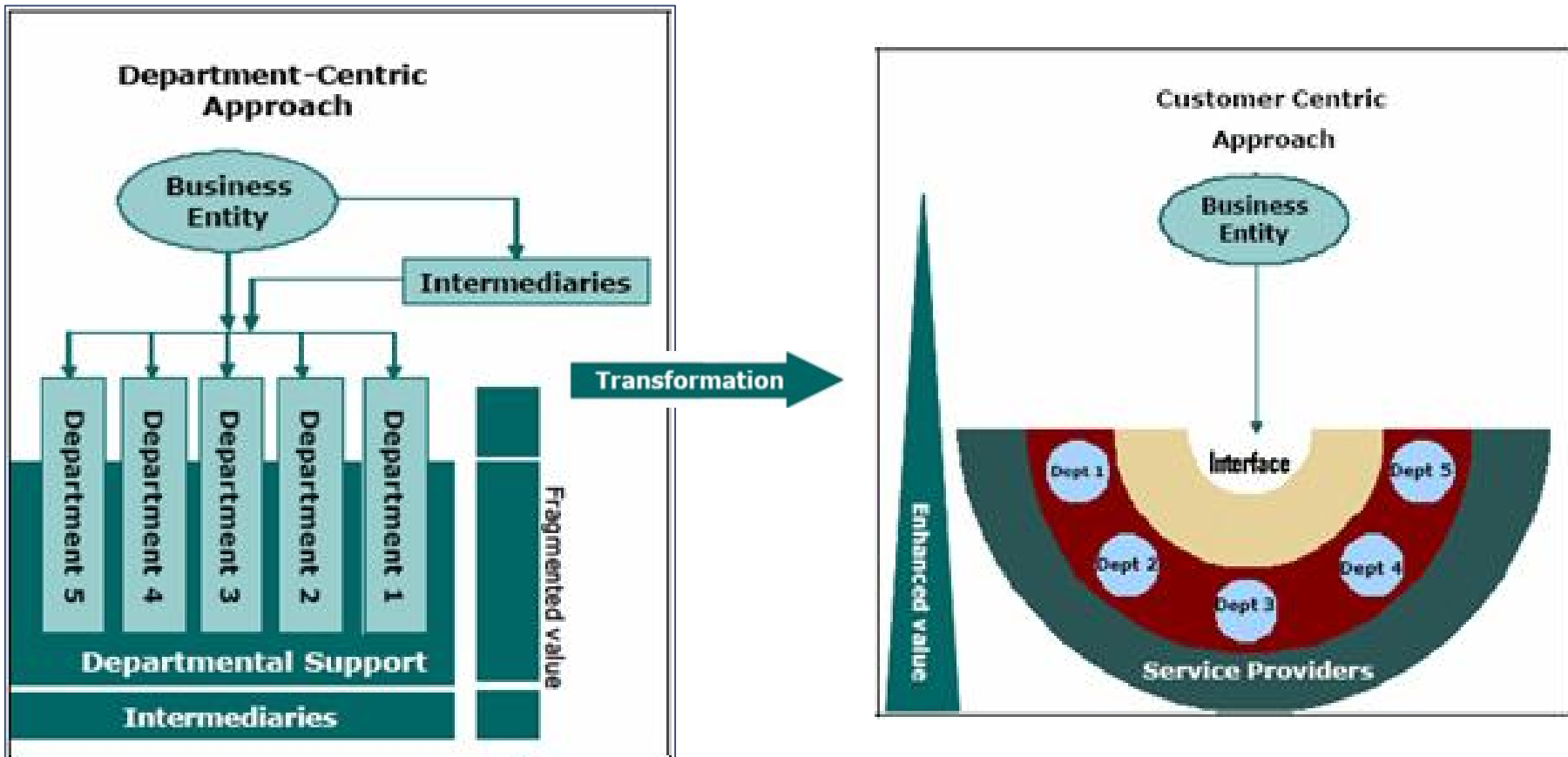
Citizen Lifecycle



Need for Government Transformation?



Pull down the walls: agency silos



Source: Adapted from PricewaterhouseCoopers study for a G2B business portal in India

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High-Performance Tax & Revenue Departments



Key Objectives

Maximize revenue & taxes

Assess and collect tax due equitably and fairly under the law

Maximize compliance

Maximize the ratio of taxpayers who file and pay voluntarily and correctly

Minimize the burden on tax/ Revenue payers

Minimize the amount of time and degree of difficulty involved for tax/revenue payers in meeting their obligations

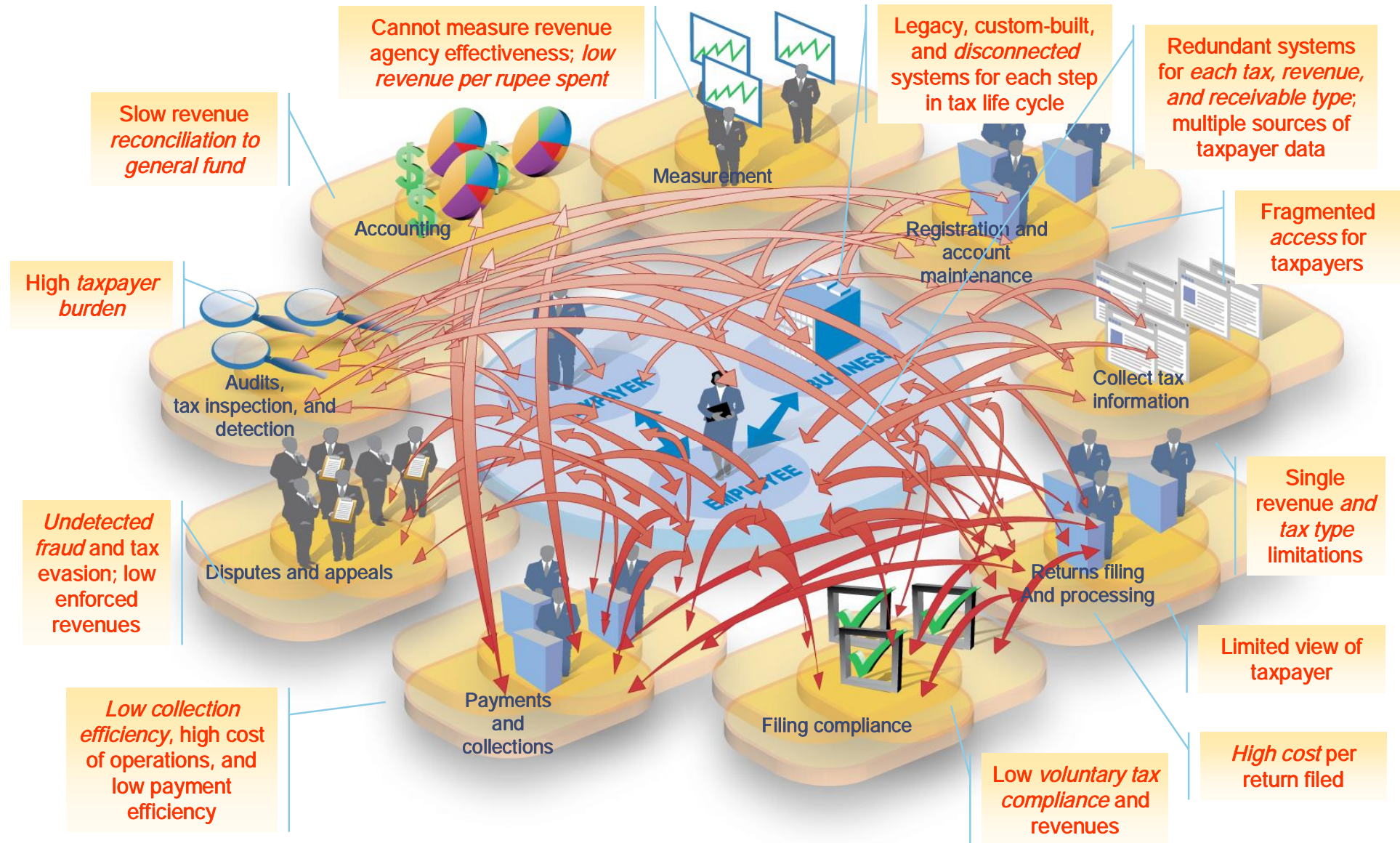
Maximize responsiveness

Maximize the quality of assistance provided to taxpayers to comply with their obligations

Improve cost effectiveness

Optimize productivity by balancing the outcomes listed above with cost

Reduced Revenue and Low Compliance Manual Processes and Limited Taxpayer Visibility



Need of an Integrated Solution



There is a need for an integrated solution which can:

Offer a single view of Taxpayer across tax types and tax lifecycle

Supports multiple tax/revenue types

Lower the administrative effort and time spent for each filing of return

Improve voluntary tax compliance and revenue receipts

Accelerate the reconciliation of taxes/ revenue collected

Deliver built-in business intelligence demonstrating operational transparency

Advantages of Integrated Solutions



Registration

Calculation
1

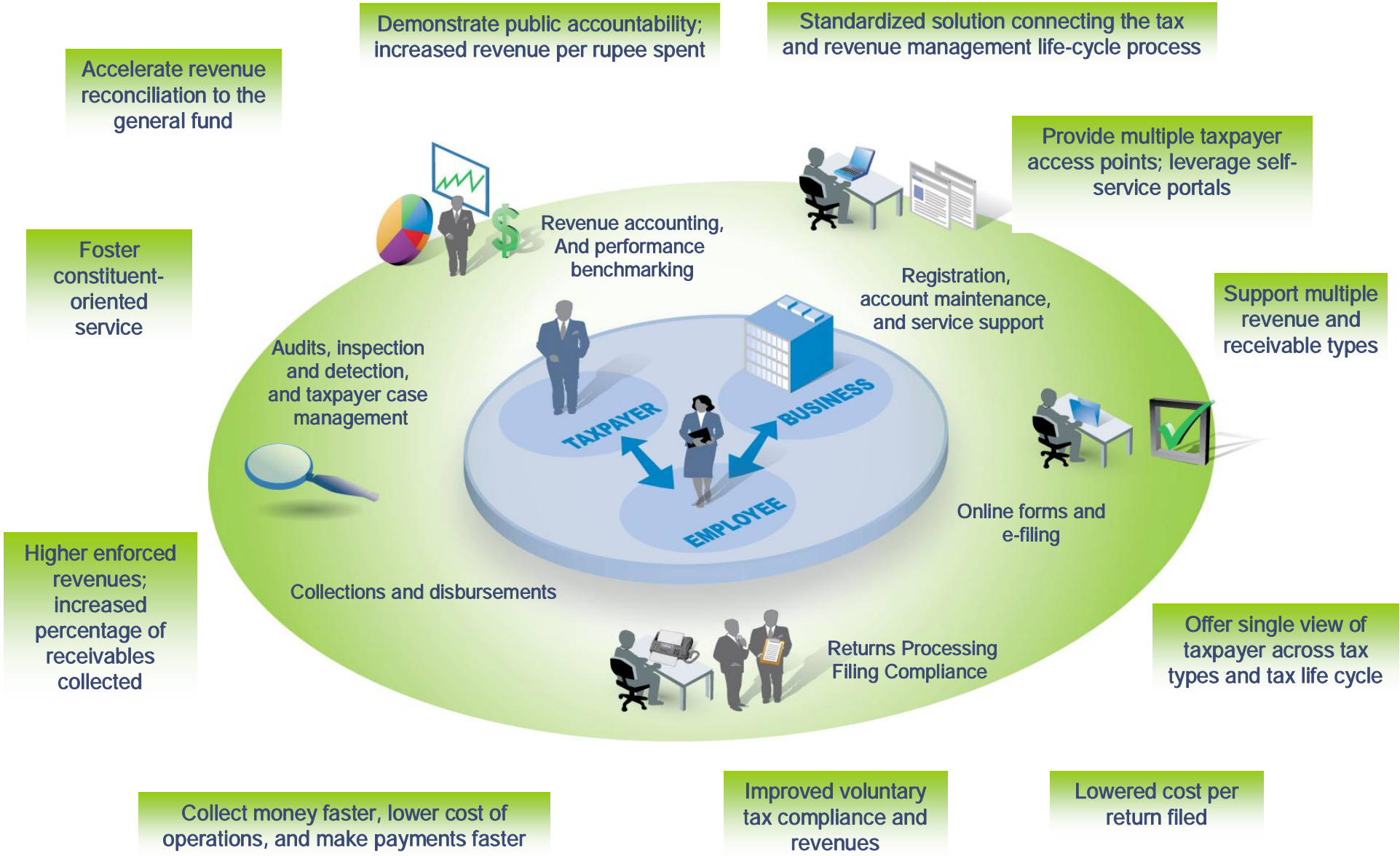
Citizen

Collection

- Generic IT-Framework
- Consistent view of citizen/business
- Verified and reconciled filing data
- Timely and automated mass processing
- Central information on payment history
- E-Services: simple for constituents,
 - low costs for the public

Maximize Revenue and Compliance

Single View of the Taxpayer Across the Tax Life Cycle



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SAP Tax and Revenue Management Processes



- Taxpayer Registration
- Determination of Taxes & Charges
- Maintain Taxpayer Information and History
- Identifying Non-Registered Taxpayers

- Return Data Capture
- Exception Handling

- Payments Processes
- Returns
- Clarification
- Dunning
- Collection Agencies
- Deferrals & Instalments
- Maintaining Accounts
- Refunds Handling
- Credit Management
- e-Payments

- Exception Handling
- Clarifications
- Write-offs
- Audit
- Objections & Appeals
- Correspondence
- Collection Case Handling
- Dispute Management
- Other flexible case types such as Bankruptcy Case

- Revenue Distribution
- G/L Accounting
- Funds Management
- Performance Benchmarking

- Multi Channel
- 360° View
- Collections
- Dispute
- Enquiry
- Campaign
- Education

Registration

Returns Filing

Collection & Disbursement

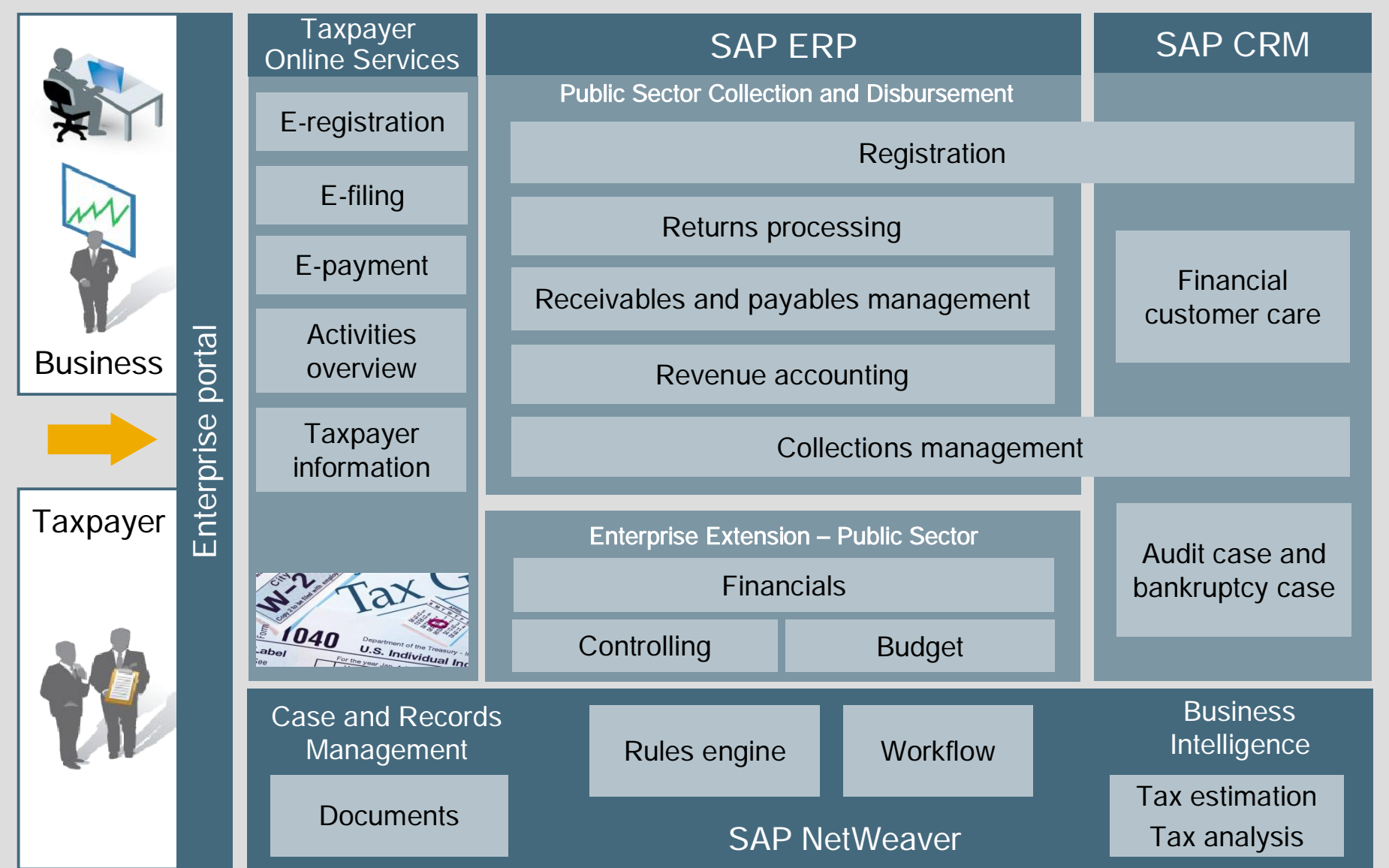
Case Management

Revenue Accounting

Financial Customer Care

Common Services

SAP Tax and Revenue Management for Public Sector Package: Standardized Solution Supporting Multiple Revenue Types



Strength of the SAP TRM



Standardized solution connecting the tax and revenue management life-cycle process

Arrest and control Revenue Leakage

Support multiple revenue and receivable types

Offer single view of taxpayer across tax types and tax life cycle

Lowered cost per return filed

Improved voluntary tax compliance and revenues

Collect money faster, lower cost of operations, and make payments faster

Higher enforced revenues; increased percentage of receivables collected

Demonstrate public accountability; increased revenue per rupee spent

Single View of the Taxpayer

Registration,
account maintenance,
and service support



- Bidirectional, multi-channel interaction between the government and taxpayers
- Uniform one-stop service across the tax life cycle
- Taxpayer information automatically validated
- Taxpayer total tax and revenue obligation visibility

Online Filing and Validation

Support Various Tax, Revenue, and Receivable Types



Online forms and e-filing



- Taxpayer input data verified to reduce errors
- Calculate preliminary tax liability, penalty, and interest calculation for late filers
- 24x7 e-filing to improve taxpayer service and drive tax obligation fulfillment
- Post tax liability or refunds to taxpayer account



Automated Returns Processing Identify Discrepancies and Refer for Follow-Up



- Tax returns verified to maximize compliance
- Generate work items for tax officer follow-up for delinquent, late, or returns with errors
- Comprehensive tax officer work center with single view of taxpayer improves service and raises visibility
- Post tax liability or refunds to taxpayer account



Returns processing and
filing compliance



Accurate Collections – Make It Easier for Taxpayers to Pay



- Support holistic billing, collection and disbursement and payment process, including deferrals, installments, and credit management
- Fulfill high-volume, mass transaction requirements
- Assess risk rate of taxpayer to determine appropriate collection activity
- Maximize cash flow with online payment capabilities



Collections and
disbursement



Fair Compliance Enforcement

Equitable Treatment for All Taxpayers While Minimizing Evasion



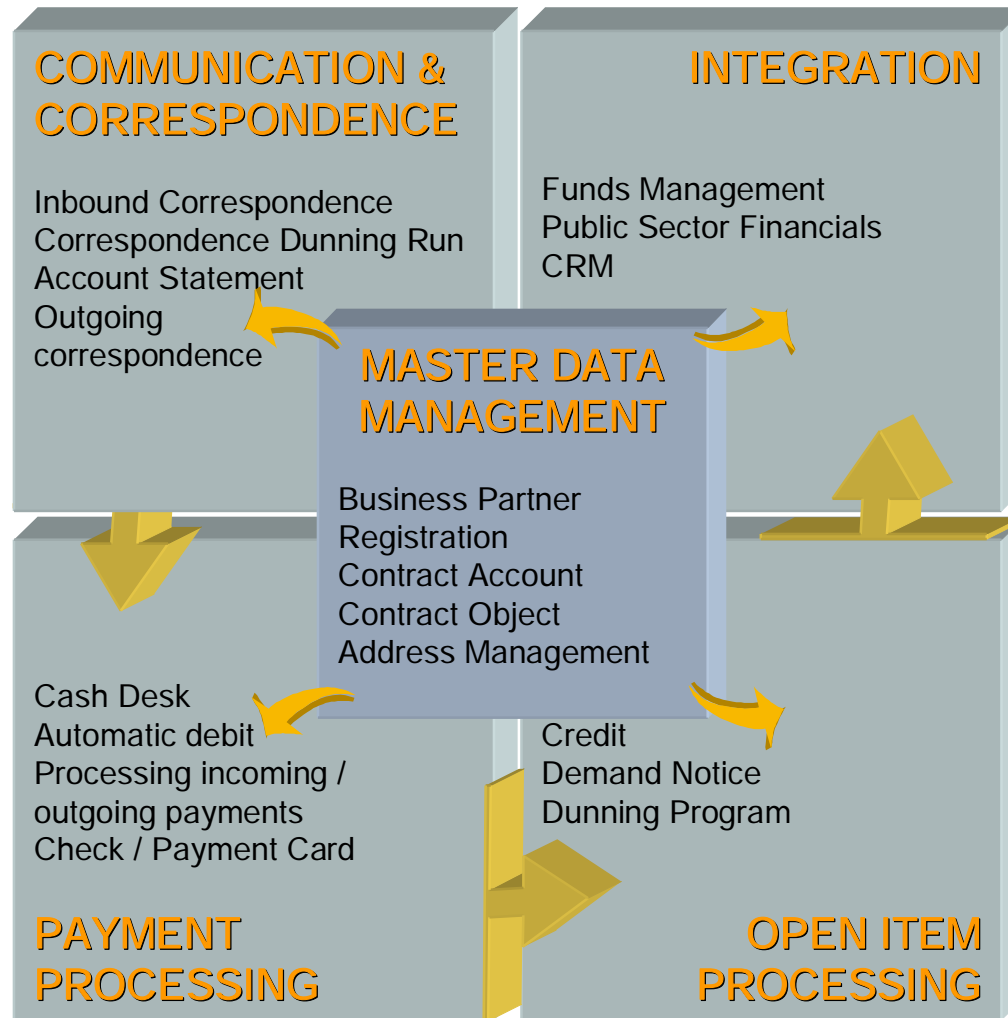
- Select and prioritize audit cases
- Ensure compliance enforcement by defining case types, document plans of action, and managing and reporting on activities, collection actions, appeals, rulings, and results of investigations
- Improve service and audit trail requirements by storing all taxpayer interactions in one consolidated view
- Promote social ROI to taxpayers by ensuring everyone pays their fair share



Taxpayer case management, audits, and inspections



TRM - Integration

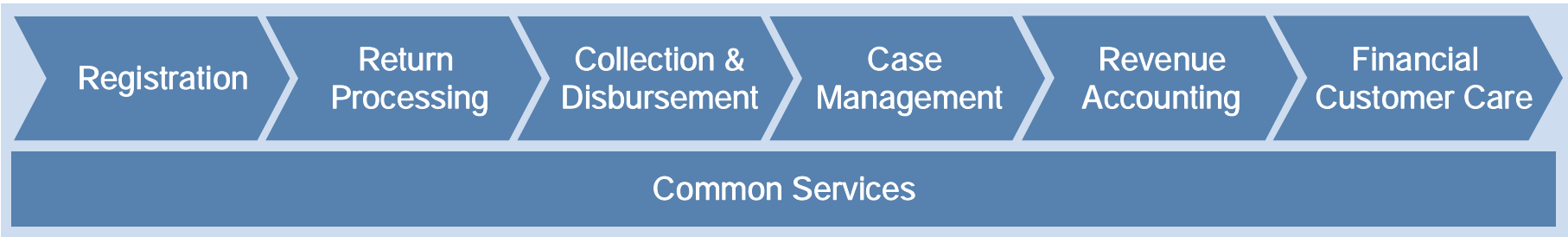


Financial Customer Care (CRM)

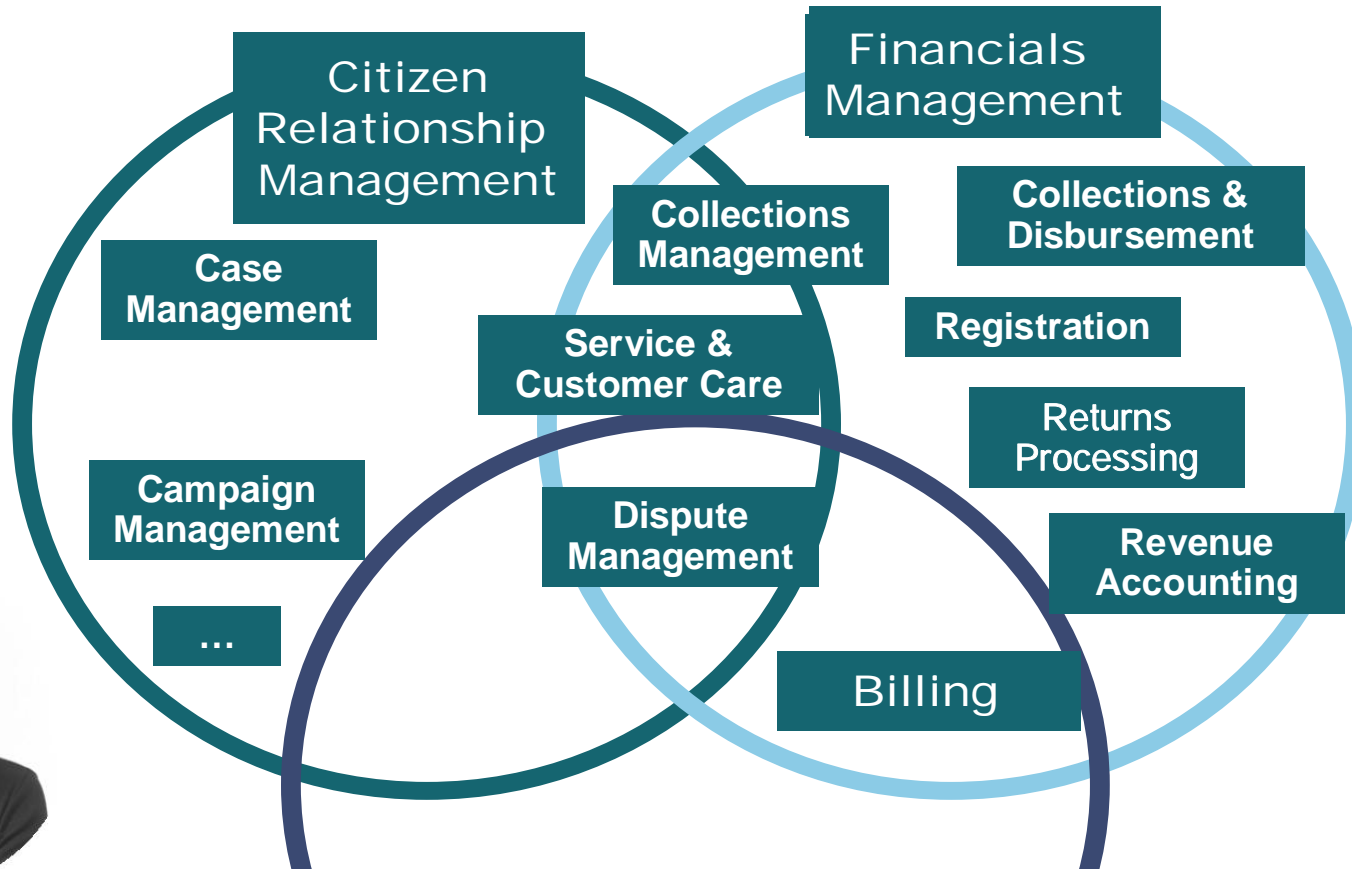


- Ability for the **citizen** and **agencies** to access complete information and consistent processes
- **Complete integrated view** of front office and back office taxpayer information regardless of tax type or communication channel
- **Multi-Channel** processes such as outbound call center campaign execution for **collection** and non-filing follow up.
- **Dispute Cases** can be triggered via multiple channels such as the call center.

- Multi Channel
- 360° View
- Collections
- Dispute
- Enquiry
- Campaign



What is Financial Customer Care for Public Sector



- Seamless integration of all finance-related data in the communication with the citizen
- Based on standard interaction center functionality

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PwC Strengths & Our Client Benefits



pwc

Revenue > 25 Billion USD

146000 Staff

766 Offices in 150 Countries

Our Strengths

#1 World Wide Business Consulting Provider (IDC 07)

Among top two security consulting providers (Forrester 07)

>100 ERP implementations in INDIA in last 3 years

Leader in Tax & Accounting Practices

Excellent track record in ERP implementations



Benefits to the State

Access to best practices in domain & IT adoption

Ensuring confidentiality & integrity of data

In-depth understanding and appreciation of project requirements & risks

Tailored approach & methodology to suite local needs

Ready knowledge and product functionality in many business areas of the State

Our Relevant Experience



Tax Type	Our Relevant Experience
Commercial Taxes Department/VAT Solution	Assisted computerisation of Commercial Taxes Departments in six states in India
Stamp Duty & Regn	Assisted/programme mangement for computerisation of Registration Department in more than 9 States in India
Tax on Vehicles/Transport Department	Development/Migration of IT solution for Transport Department in AP Assisted/programme mangement for computerisation of Transport Department in more than 9 States in India
Land Revenue	Assisted/programme mangement for computerisation of Land Records Department in more than 10 States in India

Select Clients in E-Gov Applications Development



SAP Today



SAP AG in 2007 revenues: over INR 60,000 Crores

- More than 52,000 companies run SAP software
- More than 1000 Governments/ Govt. Bodies run SAP
- Providing more than 29 industry solutions
- 48,000 + SAP employees (Dec, 2007)

More than 7.5%
comes
from Governments

12 million users in 120+ countries team with us to...

- Integrate their business processes
- Extend their competitive capabilities
- Get a better return on investment at a lower total cost of ownership

Unique partner ecosystem

- More than 1,900 partners
- Overall more than 310,000 SAP certified consultants

11% spend on R&D
every year

Government Footprint in India



Public Sector Enterprise (Navaratnas)

- ONGC
- BPCL
- IOCL
- Oil India
- BHEL
- GAIL
- NTPC

Public Sector Units (PSU's)

- BEML
- Bharat Electronics Ltd.
- Ship Building Center – Vizag

Corporations

- Orissa Mining Corporations
- CIDCO
- IRCON
- Delhi Metro Railway Corporation
- Cochin Port
- Murmogoa Port

Government Utility Companies

- Chattisgarh SEB
- Central Power Distribution Co. Ltd., Andhrapradesh
- Noida Power Co. Ltd.
- Gujarat Industry Power Co. Ltd.
- BSNL - Gujarat

Government Banks/FIs

- LIC
- Unit Trust of India
- NABARD
- NHB
- GIC
- SBI
- CMPFO

Others

- Bangalore Development Authority
- Delhi Municipal Corp – Abattoir
- Municipal Corporation of Greater Mumbai
- Aurangabad Municipality
- Thane Municipality (under implementation)

Thank you!



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