



The 5th BRITACOF

Deepening Tax Administration Cooperation for
High-Quality Belt and Road Development

Hong Kong, China 24-26 / 9 / 2024



BEPS Digitalization Challenges

Simon Chilla Mag. Iur. (Moscow) | Head of Overseas Tax | Germany / Midea Group





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BEPS Implementation





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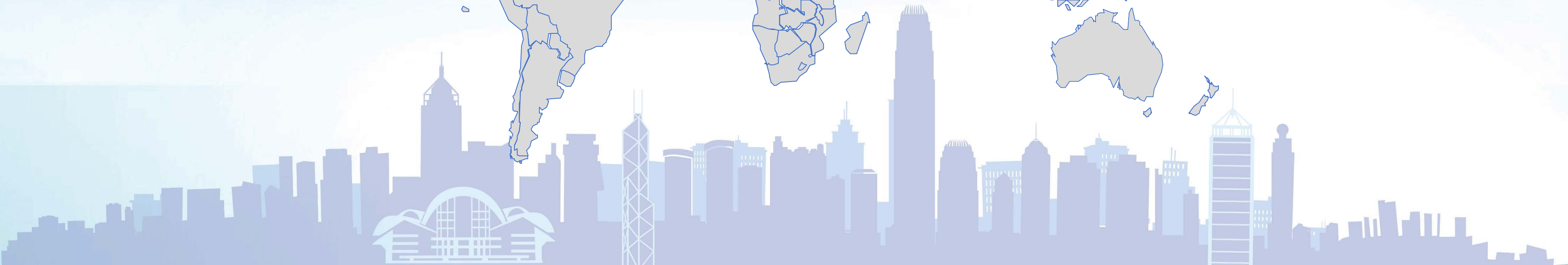
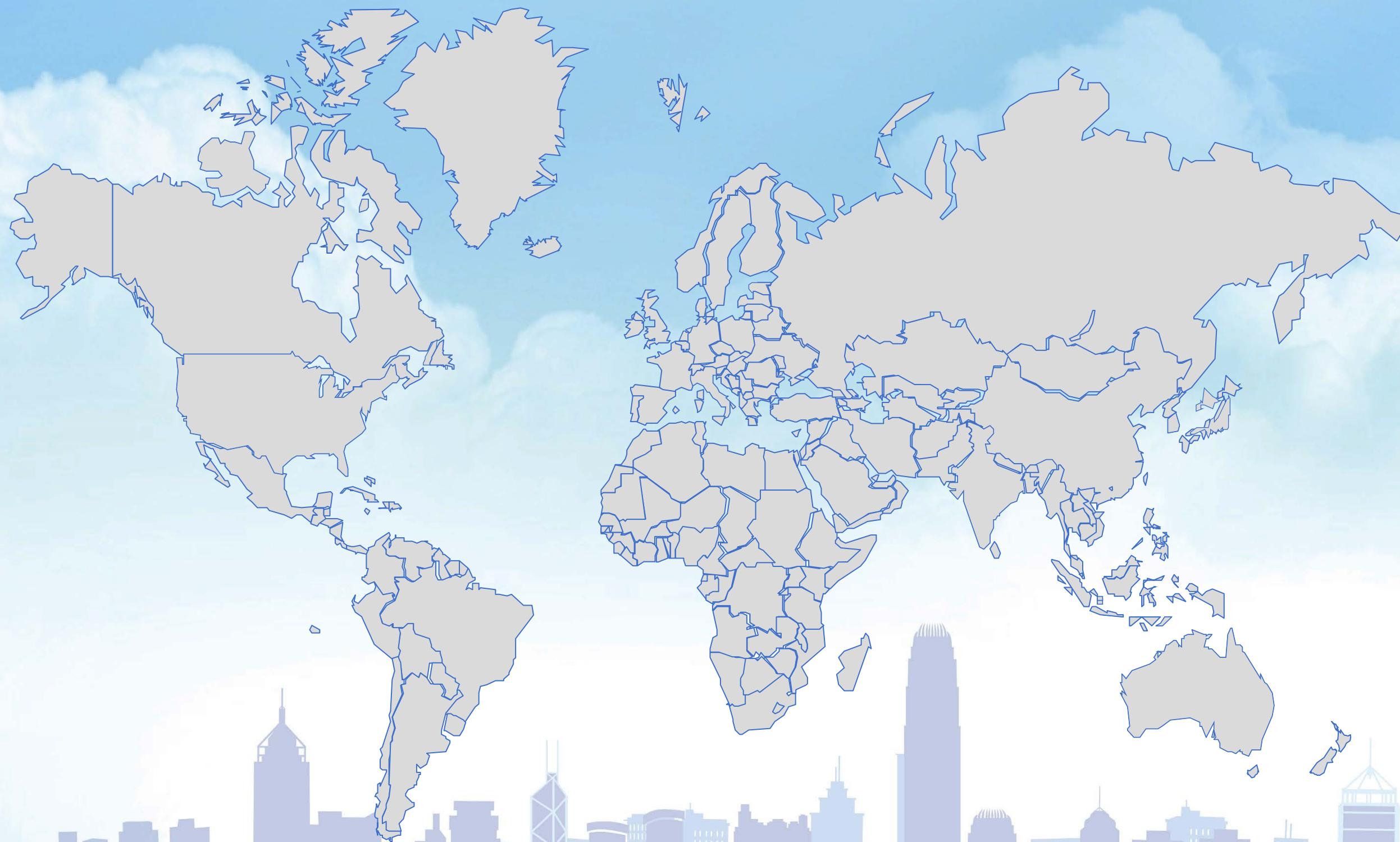
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The implementation progress of BEPS on a global scale

2024

2025





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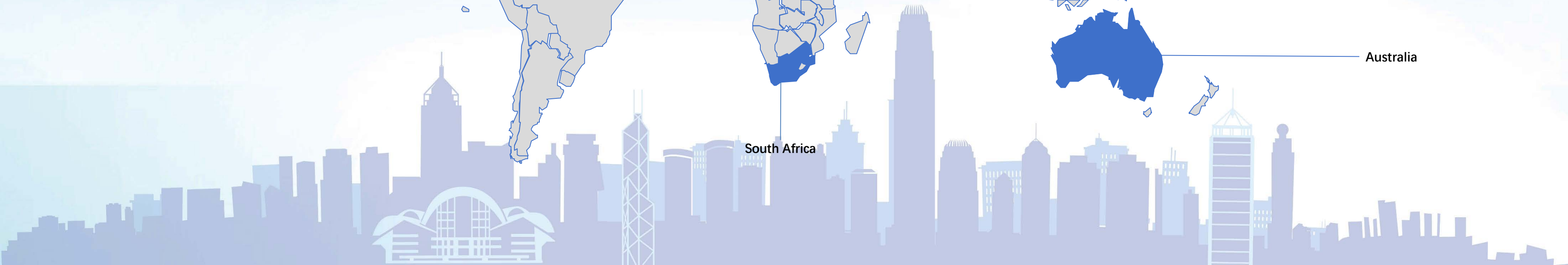
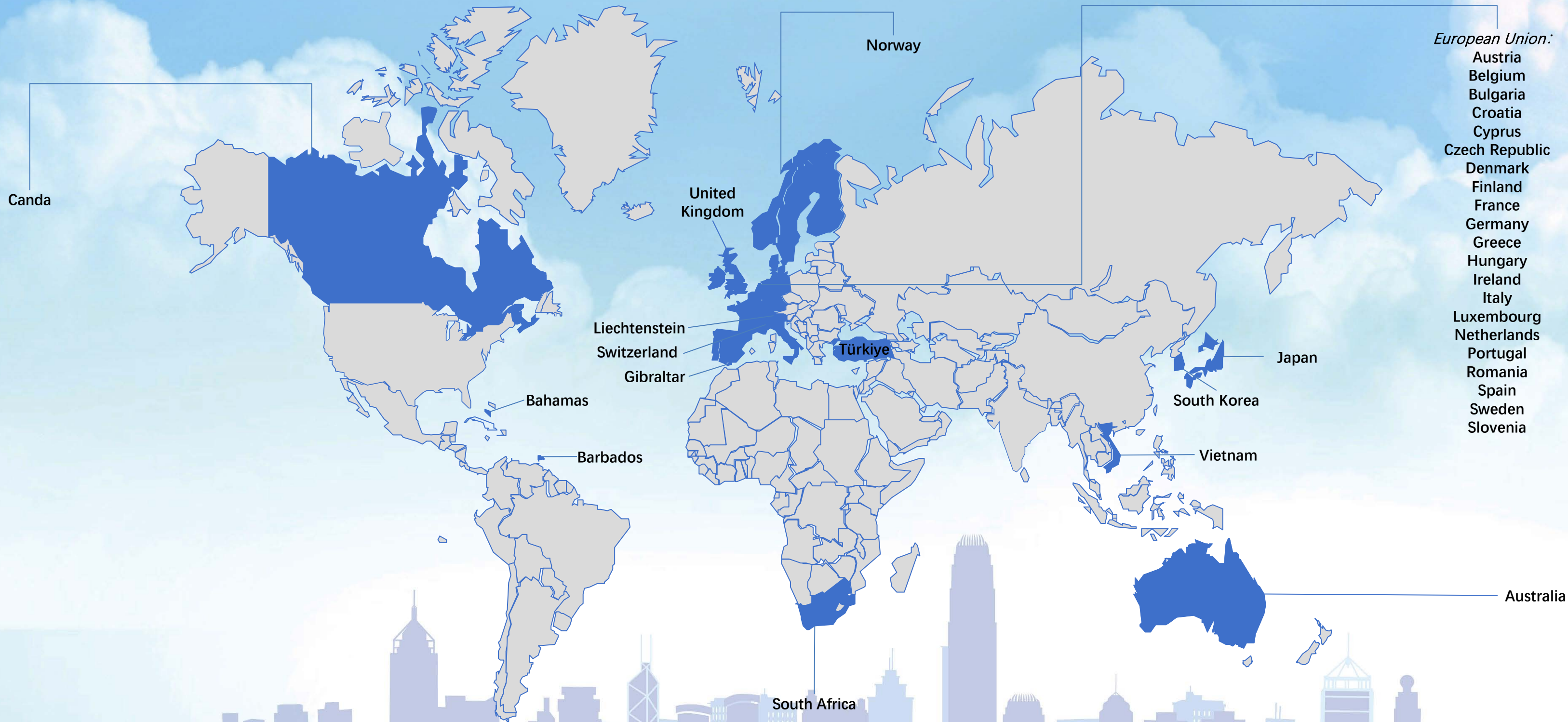
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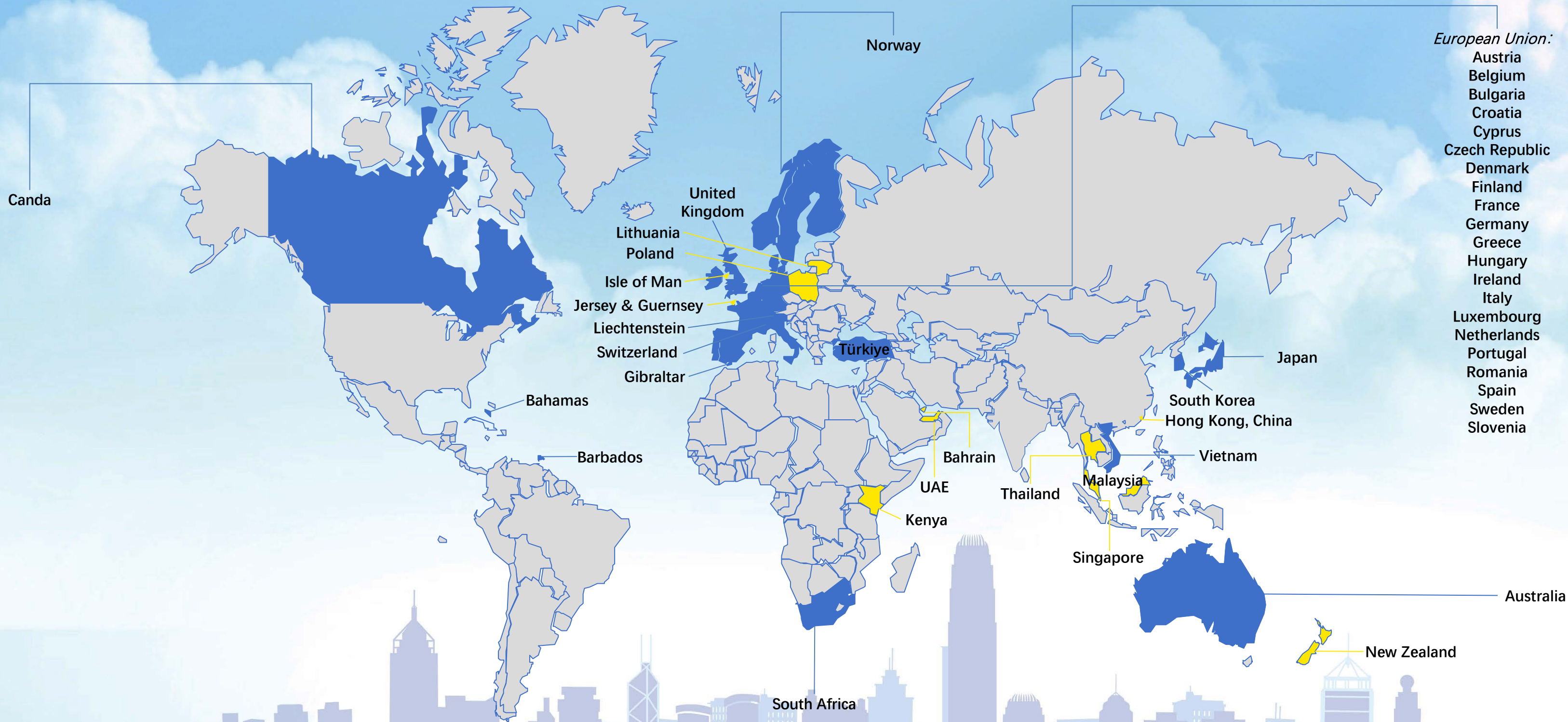
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The implementation progress of BEPS on a global scale

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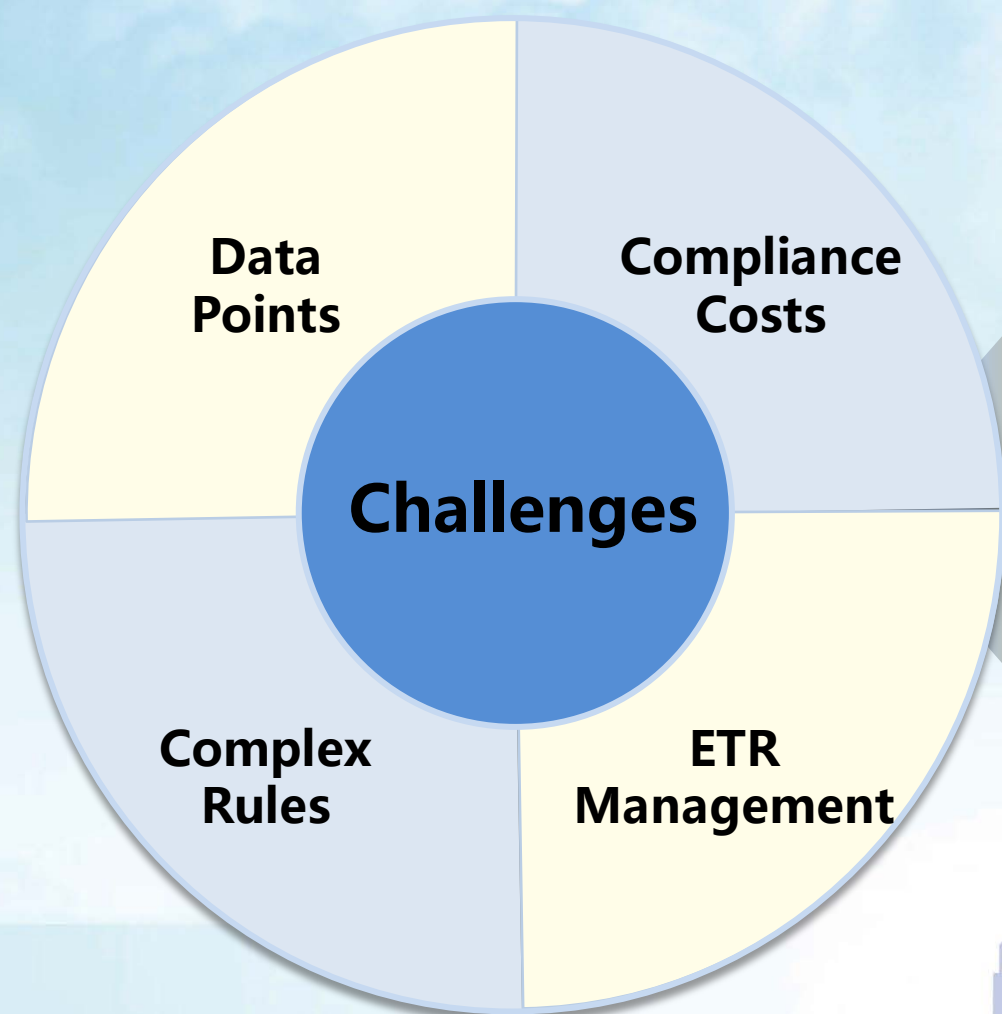
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Main Challenges For Enterprises





2. Main Challenges for Enterprises



Complex Rules

- Country Approach vs. Single Entity Approach
- Adjusted IFRS as basis, is different from the usual Local GAAP=>Tax-Basis
- Different implementation laws in different countries



Data Points

- The newly added data points include tax, accounting, HR and etc.
- Significantly different from the previous financial data
- Difficult to achieve automated data retrieval



Compliance Costs

- High and complex compliance requirements, e.g. calculation and notification requirements.
- New personnel with new / different education is required
- The management tools of the enterprise need to be updated



ETR Management

- The logic of tax management has undergone significant changes
- Proposed higher departmental collaboration requirements
- The goal and difficulty of tax management have increased significantly



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3

Our Observation





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3. How MNC Deal with Pillar Two

Costs

Low Starting Costs

High Starting Costs

Costs

Certainty

Low Certainly

High Certainly

Certainty

Efficiency

Low Efficiency

High Efficiency

Efficiency

Difficulty

Relatively Simple Implementation

Complex implementation

Difficulty





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4

Midea's Approach





4. Midea's Approach

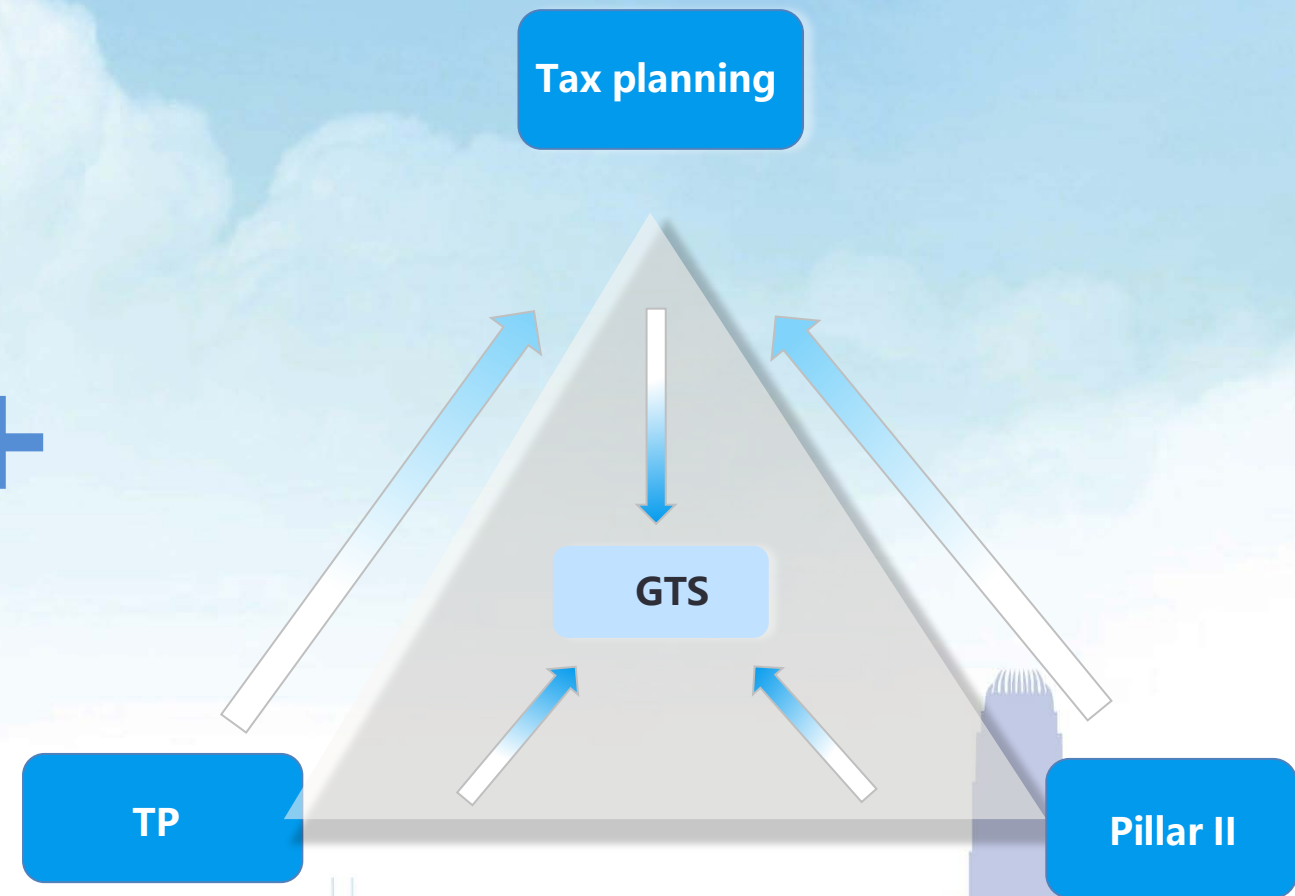
1 Management Attention & Resource Investment

- Important projects within the Midea Group
- In-depth cooperation between the tax team and the accounting team
- Involving professional consultants to participate in the project

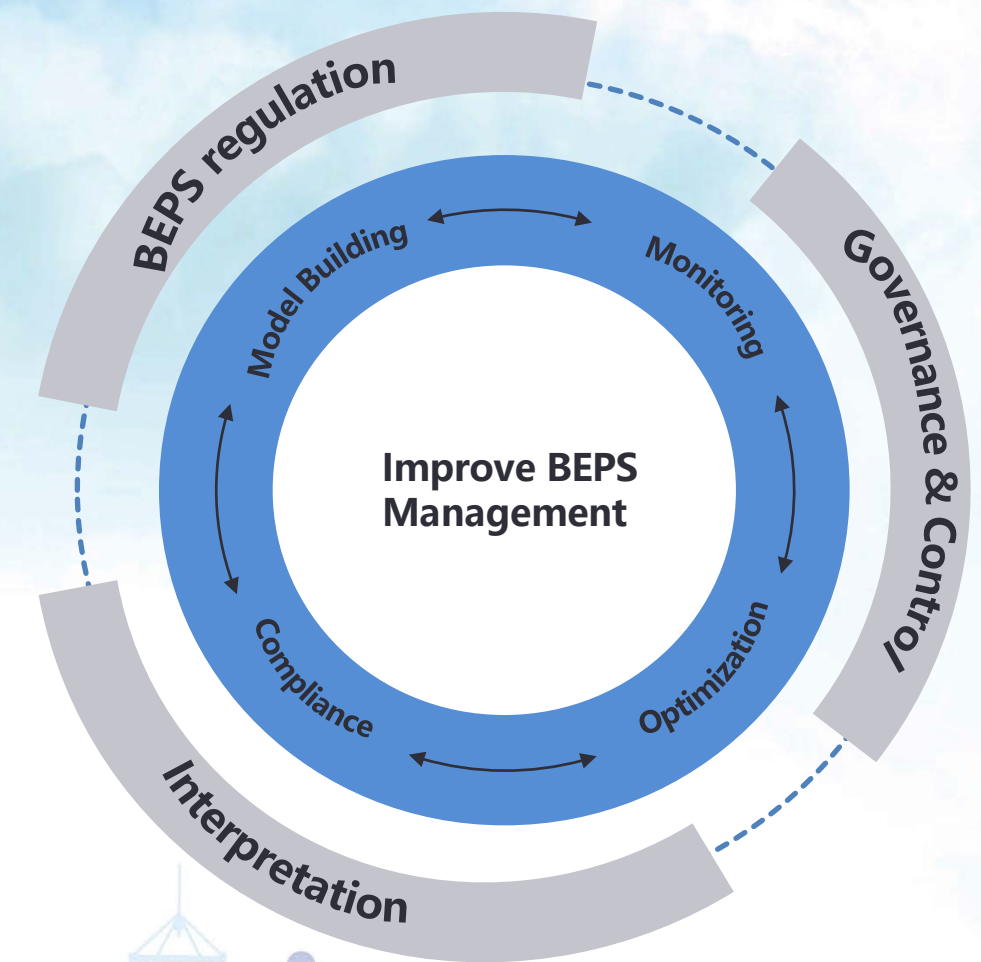
2 Choosing the suitable solution

- Determine the system solution as the implementation path
- BEPS compliance is the primary requirement
- The management goal is to improve global tax efficiency

3 Midea Group's digital solution tools



4 BEPS Management Objectives





The 5th Belt and Road Initiative Tax Administration Cooperation Forum



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Thank you

