

# *Ledger linking* – an efficient and effective approach to data collection

*UK corporate tax  
compliance.*



## **Increasing compliance regulation**

*In the current regulatory climate, companies are under increasing pressure to manage risk and improve efficiency. Groups are particularly focusing on their corporate tax compliance to help manage their HM Revenue & Customs (HMRC) risk assessment. It is essential that companies have a strong, robust corporation tax compliance process to both manage their HMRC risk assessment requirements and be in a position to make SAO certifications.*

### **How can PwC help you?**

PwC has a highly developed suite of corporate tax compliance tools available to manage risk and reduce effort. Ledger linking allows automatic population of our compliance tax pack saving time and improving accuracy.

### **How ledger linking works**

Ledger linking creates closer links between the company's accounting systems and the tax pack. A 'ledger map' is created as a one-off exercise which records which trial balance (TB) codes are posted to the narratives within the tax pack. Once a map has been created, and the TB imported, the tax pack will be automatically populated.

Ledger linking can be used for all types of company but is particularly beneficial where a common chart of accounts exists so that efficiencies can be delivered throughout the whole group.

### **Key benefits of ledger linking:**

- Efficient, high quality and accurate tax data.
- Effective use of finance personnel, focusing attention on the high value tax analysis work.
- Reduction of the level of manual input and increased consistency, as the same map is used year on year, with a consequent reduction in the risk of errors.
- A robust audit trail showing which nominal codes have been mapped to a particular tax pack category.
- Lower risk of HMRC enquiries arising from inconsistencies and weaknesses in the data gathering process.
- Provides visibility of tax decisions to help the SAO in completing their certification of the adequacy of the group's accounting systems.

### **Case study:**

*PwC received a client's TB for a very large corporation tax computation. Within two hours, ledger linking enabled PwC to create a pre-populated tax pack. This saved the client a significant amount of time and effort, allowed them to focus on the critical tax sensitive areas and ensured that tight tax reporting deadlines were achieved.*

## **For more information, please contact:**

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