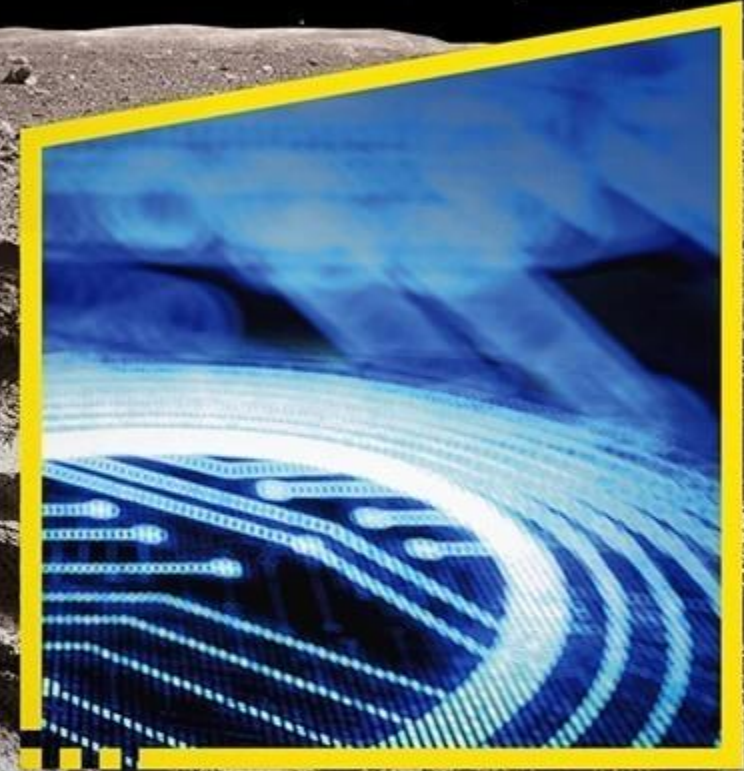


Are your organization's steps leading toward the intelligent finance and tax function?

Plenary 1
10 May 2022



The better the question. The better the answer.
The better the world works.



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Session objectives

Course description

There are three segments to this plenary. There will be an introduction to the event, followed by a discussion on the metaverse and tax, and concluding with a client panel who will explore current trends and issues and share insights into their tax function transformation journeys.

Learning objectives:

- ▶ Learn about the current emerging technology ecosystem referred to as “The Metaverse” and its tax and finance implications.
- ▶ Explore the latest current trends such as ESG and BEPS 2.0 and learn from company panelists as they share best practices and challenges faced through their transformation journeys.

Agenda

1 hour
40 minutes

- 1 Welcome to EY Tax.Tech™ 2022
- 2 Metaverse and Tax
- 3 Client panel: Current trends and best practices

Speakers



Kurt Neidhardt

EY Global Co-Leader and Americas Tax Technology and Transformation Leader



Daren Campbell

Incoming EY Americas Tax Technology and Transformation Leader



Andrea Gronenthal

EY Americas Tax Strategic Transformation Leader



Jeff Saviano

EY Global Tax Innovation Leader

Speakers



Coskun Cavusoglu

Principal, Tax Technology and Transformation
Financial Services Office
Ernst & Young LLP



Julie Wieting

Vice President of Tax & Customs
Starbucks Corporation



Clara Parra-Espinosa

Director, WW Tax & Customs | Technology |
Modern Experiences
Microsoft Corporation



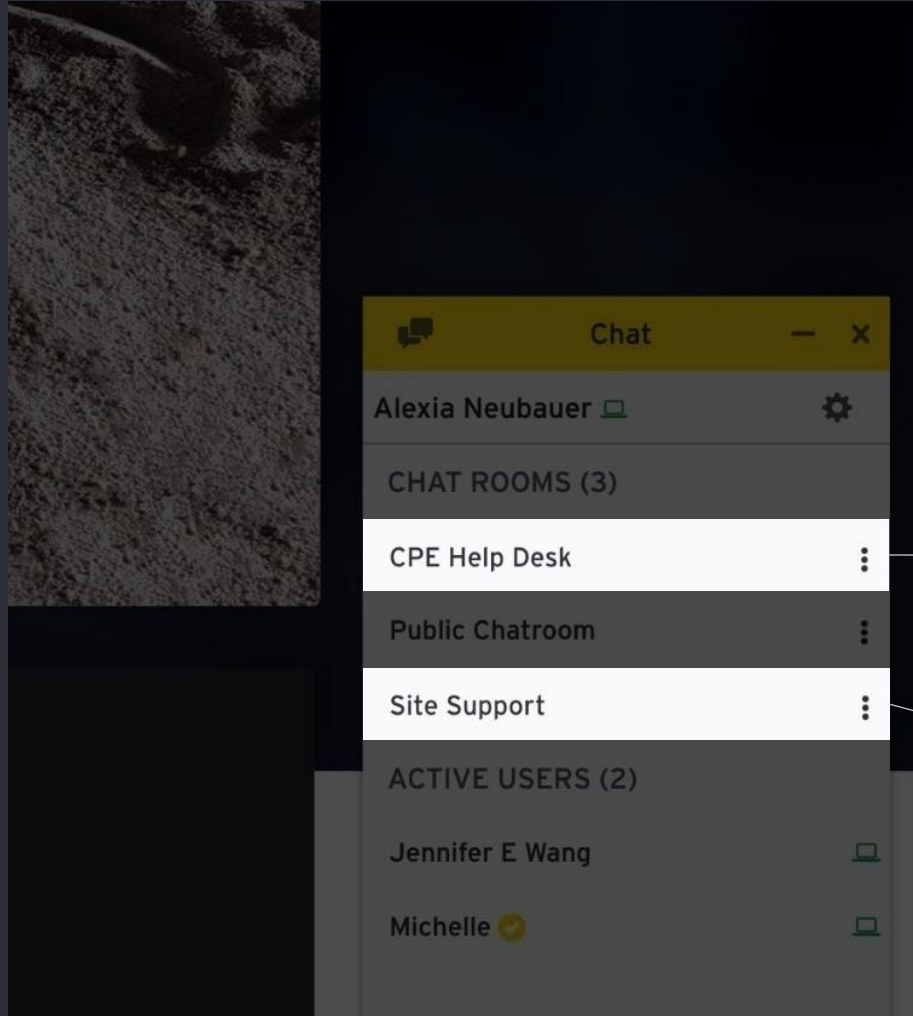
Marcelo Vieira

Director, Global Tax Operations and
Strategy/Transformation
The Dow Chemical Company

1

Introduction

Housekeeping

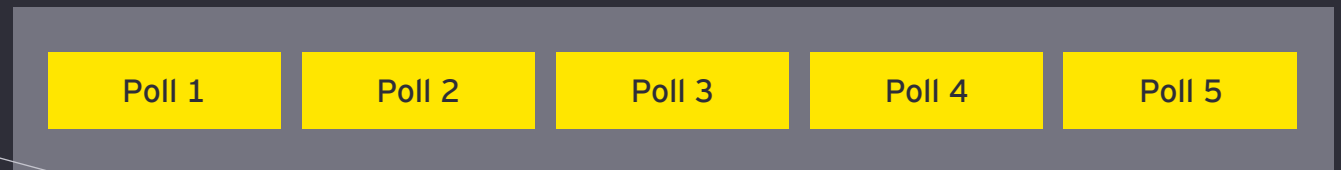


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- ▶ You need to answer all polling questions.
- ▶ You must participate for the full duration of the session.

Polls will appear in the area below the streaming window for each session.

- ▶ A message will indicate when each poll goes live.
- ▶ Poll results will not be announced but will be displayed on your screen.
- ▶ If you experience any issues with the polls, reach out to the CPE Help Desk in the chat window at the bottom of your screen.



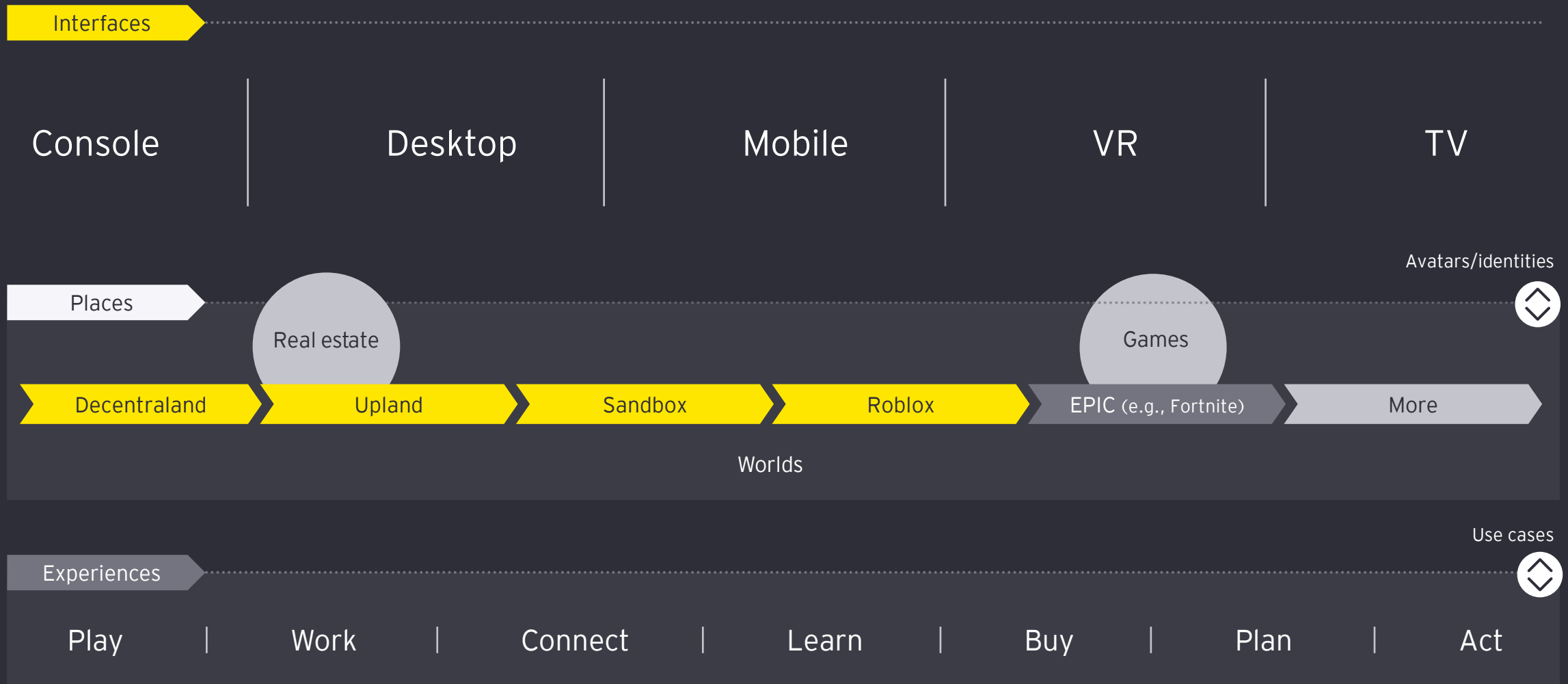
Submit questions in the Q&A box. If you don't get an answer in real time, we will get back to you after the event.

Click the **Site Support** button in the chat box if you are having issues. A team is on standby to assist.

2

The Metaverse and Tax

The metaverse is enabled by a complex landscape



1990 – 2005

2006 – Present

Emerging

Web 1.0

- Basic web pages
- Ecommerce

▶ Read

Web 2.0

- Social Media
- Mobile devices
- Global accessibility

▶ Read
▶ Write

Web 3.0

- User friendly
- Decentralized
- Monetization of data
- Blockchain
- Artificial intelligence

▶ Read
▶ Write
▶ Own

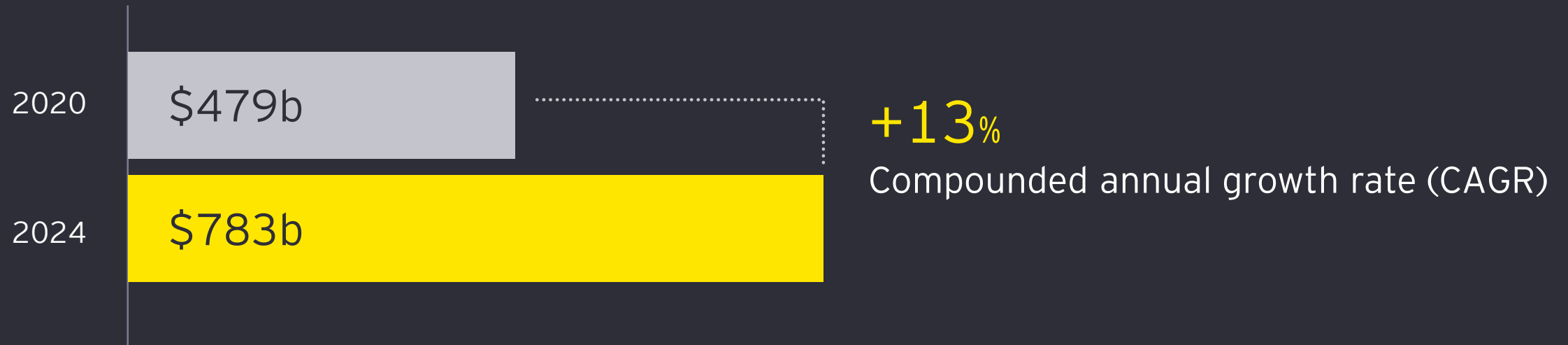
What we can do in the metaverse

Not so different
to the real world

Play	Gaming	Decentralized finance/ marketplaces	Virtual events/ Experiences
Work			
Learn	Decentralized education	Virtual real estate	Manufacturing simulation
Connect			
Buy			
Plan	NFTs	Virtual employee training	Virtual retail/ shopping/goods
Act			

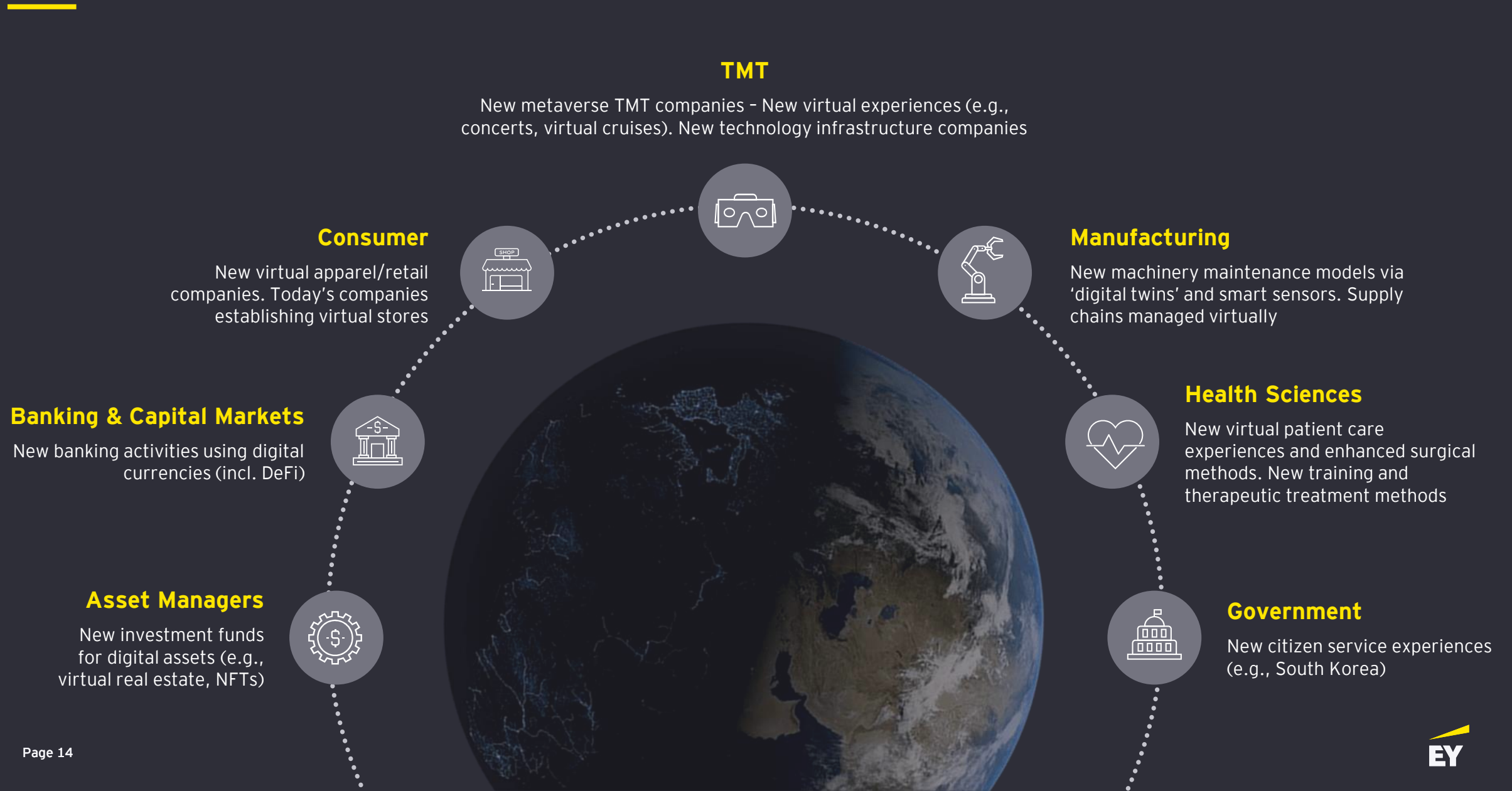
Estimated growth and size of total Metaverse market opportunity

(Includes Gaming, AR, & VR market)



Source: Bloomberg Intelligence

The Metaverse has the potential to transform all industries



Metaverse:

A three-dimensional iteration of the internet in which users can interact with a computer-generated environment and other users in virtual and augmented reality - underpinned by a digital economy.

Virtual Reality



Persistent virtual worlds that continue to exist when you're not online.

Augmented Reality



Combines aspects of the **digital and physical worlds together.**

Digital Economy



Users can create, buy and sell virtual goods (NFTs, or Non-fungible tokens). Metaverses are most frequently not interoperable, meaning NFTs cannot be transferred between metaverses.

How do current Metaverses operate? 1/3

Currency

1

Current Metaverses are heavily tied to cryptocurrencies. Cryptocurrencies are used for purchase of finite supply of NFT's used in respective spaces.

Transactions

2

Metaverse coins are used to purchase virtual goods (non-fungible tokens, or NFTs), such as digital real estate, or clothes for your avatar.

Market value

3

Items are released in limited supply, creating scarcity which drives up demand and price.

How do current Metaverses operate? 2/3



Artwork

Common form of NFT.

Example:
CRYPTOPUNKS,
1,410 pieces of digital artworks
created by Larva
Labs are now
worth **\$3.1b**

In-game objects

Unique in-game
items, skins, or
other accessories
accessible only
within
a specific
metaverse or
video game.

Real estate

Hallmark of
metaverse. Finite
amount of digital
real estate created
and available on
open market.

NFTs

Non-Fungible Tokens

A unique digital asset that is non-replicable.

Polling question 1



Answer is D

Non-Fungible Tokens (NFTs) are unique digital assets that come in which type of format?

Select the best response.

A

Artwork

B

In-game objects

C

Real estate

D

All of the above

How do current Metaverses operate? 3/3



DAOs

Decentralized Autonomous Organization

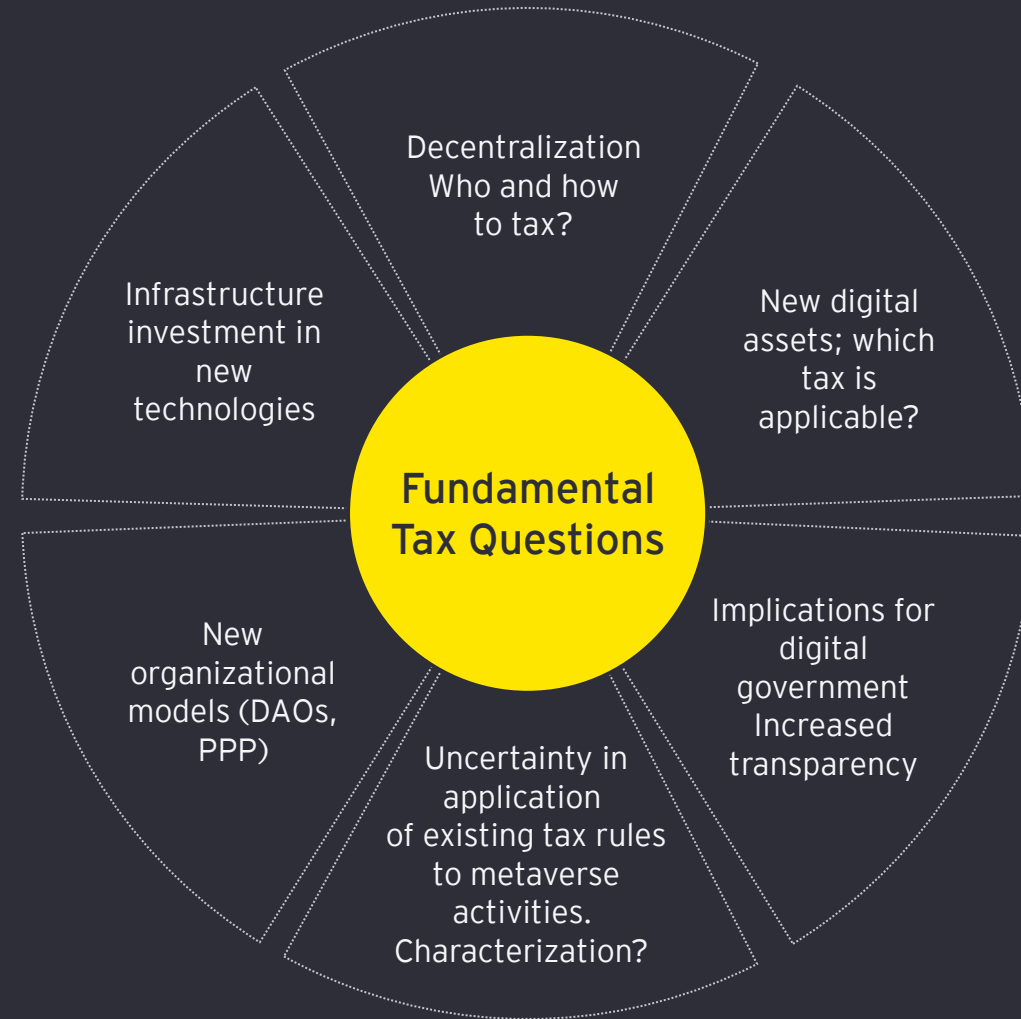
Internet
community
owned by its
members

On blockchain
technology

Convening to
pursue a
common
mission or
purpose

Relevance for tax

Issues and fundamental tax queries



Gamefi

The combination of gaming and finance that describes the integration of blockchain applications in the gaming sector for the purposed of making money.

Pay to earn (P2E)

Gamers receive tokens for achieving certain in-game goals, which they can exchange for other cryptocurrencies or fiat money or use to purchase game content.

NFT Taxation challenges

1

No global uniformity in the definition and taxation of cryptocurrencies or digital assets.

2

Individuals who are subject to tax in multiple jurisdictions may face significant issues when they claim foreign tax credits to alleviate double taxation.

3

The unique ways in which cryptocurrencies and digital assets are bought, sold and held, can make it more difficult for tax authorities to track and enforce their taxation.

3

Client panel: current trends
and best practices

A The impact of the pandemic

What adjustment(s) have you made that you'll retain in your ongoing tax operating model?

	2020	2022
Continue to enhance automation in tax processes	32%	32%
Continue to support a remote working model for the tax function/team	27%	33%
Enable greater self-service data	25%	13%
Improve tax process documentation/tracking in a workflow enablement solution to provide transparency to productivity and status	14%	22%
Other	2%	0%

Has remote tax operations become a key element in your long-term operating strategy?

	2020	2022
Yes	58%	94%
No	42%	6%

Polling question 2



Has your organization continued to support a remote working model for the tax function/team?

Select the best response.

A | Yes

B | No

C | Still deciding

D | Not sure

Top 2 answers regarding the most challenging area in the midst of the COVID-19 crisis

	2020
Managing remote operations	20%
Modeling the impact of the Covid-19 stimulus and related law changes	16%

	2022
Meeting data and reporting requirements	22%
Retaining talent	12%

B Transformation

What has been your most challenging area in the midst of the COVID-19 crisis?

Answer	%
Managing remote operations	5%
Collaboration with the enterprise	20%
Meeting data and reporting requirements	24%
Retaining talent	24%
Keeping up moral	20%
Other	5%

Polling question 3



Which of these two issues has your organization struggled with the most this year?

Select the best response.

A | Retaining people

B | Employee moral

C | Both

D | Not sure

C Data

What has been your most challenging area in the midst of the COVID-19 crisis?

Answer	%
Managing remote operations	5%
Collaboration with the enterprise	20%
Meeting data and reporting requirements	24%
Retaining talent	24%
Keeping up moral	20%
Other	5%

Does your organization view tax and finance data as a strategic asset?

Answer	2022
Yes	66%
No	34%

Polling question 4



Is your organization prepared to meet the mounting demands of data and reporting requirements?

Select the best response.

A | We are prepared

B | We are somewhat prepared

C | We are not prepared

D | Not sure

D BEPS 2.0

Polling question 5



Answer is D

BEPS 2.0, with its global minimum tax rules, is set to create major tax reporting and compliance challenges to every industry. How can companies take action now?

A | Develop a comprehensive plan for managing new reporting obligations

B | Invest in additional resources and technology

C | Revamping tax policies and data-gathering procedures

D | All of the above

E Environmental, social and governance (ESG)

How confident are you that you have sufficient focus on Environmental, Social and Governance (ESG) performance and metrics that would fulfill your stakeholder expectations (e.g., shareholder, tax authorities, customers, employees and societal)?

Answer	2022
Not at all confident	21%
Somewhat confident	46%
Confident	33%

Polling question 6



Answer is A

What does ESG stand for?

A | Environmental, Social and Governance

B | Environmental, Sustainability and Governance

C | Environmental and Social Goals

Thank you!

The screenshot displays the EY Tax.Tech 2022 website interface. On the left, a 'My Agenda' sidebar lists sessions for Tuesday, May 10, and Wednesday, May 11. The main content area features a navigation bar with 'Home', 'Agenda', 'Speakers', 'Networking', and 'Resource Center'. A 'Chat' window is open in the bottom right, showing a list of chat rooms and active users.

My Agenda

TUESDAY, MAY 10

GENERAL SESSION
Welcome to EY Tax.Tech™ 2022
1:00 PM - 2:40 PM ET

BREAKOUT 1
A. Everything you want to know about the new finance and tax function
2:50 PM - 3:50 PM ET

BREAKOUT 2
H. Reinventing tax operations to find and retain talent in the age of the Great Resignation
4:00 PM - 5:00 PM ET

WEDNESDAY, MAY 11

GENERAL SESSION
Advanced and emerging technology - What's next and how do we go beyond
1:00 PM - 2:00 PM ET

BREAKOUT 1
K. Indirect tax technology for a new age
2:10 PM - 3:10 PM ET

BREAKOUT 2
N. AI beyond the hype, a practical look at artificial intelligence applications in tax
3:20 PM - 4:20 PM ET

GENERAL SESSION

Home **Agenda** Speakers Networking Resource Center Alexia Neubauer

Something you want to know about the new finance and tax function May 10 @ 2:50 PM - 3:50 PM ET Back to General Session

Something you want to know about the new finance and tax function Tech™ 2022 Poll 2 Poll 3 Poll 4 Poll 5

Chat

Alexia Neubauer

CHAT ROOMS (3)

CPE Help Desk

Public Chatroom

Site Support

ACTIVE USERS (2)

Jennifer E Wang

Michelle

- ▶ For your next session, please refer to the **"My Agenda"** tab on the left-hand side of this page. You can also access the full program agenda using the top **"Agenda"** navigation bar.
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Any
questions?

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EY 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 helps in adding value across the enterprise, embraces innovation, and is open to adopting advanced and emerging technologies to fuel continuous transformation.

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