

A light gray world map is centered in the background, showing the outlines of continents and countries.

STATUTORY IN A NEW DIGITAL ERA



the team

Why increased focus on statutory reporting?

Cloud-first, mobile-first

New business models

External focus

Microsoft runs on Trust



Design Principles



1. Local Accountability with Central Statutory Support



2. Standardization



3. Scalable



4. Building Excellence Inhouse

Processes and Tools

| No. | Key Processes |
|----------|---|
| 1 | Monthly Legal Entity Financial Review |
| 1.1 | Dashboard financial statement analysis |
| 1.2 | US GAAP Revenue Recognition |
| 1.3 | Local GAAP Rev Rec and Existing centrally owned accounting processes |
| 1.4 | Other local GAAP adjustments (i.e. tax) |
| 2 | Annual Financial Statements |
| 2.1 | Reporting requirements |
| 2.2 | Financial Statement preparation and standardization |
| 2.3 | AGM meeting; financial statement signoff; file with local authorities |
| 3 | Statutory Audit Coordination |
| 3.1 | Audit Process: Audit meetings, timelines, PBC, archiving |
| 3.2 | Proposed audit adjustments sent for review |
| 3.3 | Checklists and management representation letter |
| 4 | Regulatory Reporting |
| 4.1 | Prepare supplemental schedules |
| 4.2 | Reporting package |
| 4.3 | Business licenses/permits |
| 4.4 | Monitor Regulatory Changes |
| 5 | Tax Compliance |
| 5.1 | Review and Approve Tax provision package |
| 5.2 | Review and Approve local indirect tax filings |
| 5.3 | Review and Approve additional tax scenarios |

| Tools & Reporting |
|---|
| SAP |
| Mercury Dashboard – entity analysis & controller commentary |
| Intercompany Automation, Clearing & Margin Reporting |
| External Audit Share Point |
| Thomson Reuters ONESOURCE for Local Stat Financials |
| Statutory Tool – Milestone tracking & workflow |
| Regulatory Repository |

Governance



- ❑ One Strategy
- ❑ Decision Making
- ❑ Governance

Steering Committee

Decision Group

Project and Run Core Team

(IC Automation, Local GAAP Capability Building, NRS, NLS etc.)

Global Stat & Tax Community

EMEA Community

Asia Community

Americas Community

- Communication
- Feedback
- Statutory Issues



Global Processes Owners



Inventory



Intercompany



**AFS and
Audit**



**Month End
Close**



Local GAAP Capability Building

- US to Local GAAP Differences documented
- Teams Repository leveraged
- Revenue Restatements
- Unique Revenue disclosures



Local GAAP &
Disclosures

- US GAAP to Stat Pack
- Single global format
- Detailed walk from the GAAP Book to the final signed AFS (Incl. adj.)
- Transparency with Tax



Statutory
Packs &
Automation

- Global EY Training by Country
- EY Monitor and Inform Service



Training &
Repository

شكريه DĚKUJI ДЯКУЮ

БЛАГОДАРЯ 多謝晒 TAK

धन्यवाद GRAZIE

Thank you

ありがとうございます TACK

감사합니다 TEŞEKKÜRLER

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