This structure accurately captures the complexity of a **Tax and Treasury Operating Model Optimization** project, which demands deep expertise in both financial technology and global regulatory compliance—a core competency of the Big Four.

Here is the comprehensive action plan.

Comprehensive Action Plan: Global Tax and Treasury Operating Model Optimization

Section	Content
Preamble/Role	Senior Partner, Big Four Consulting Firm. The company is a diversified technology firm with fragmented, regional treasury operations and decentralized tax compliance, leading to high foreign exchange (FX) exposure and significant risk of non-compliance with OECD BEPS regulations.
Core Mandate	Design a comprehensive 18-month action plan for the Optimization of the Global Tax and Treasury Operating Model. The plan must centralize 85% of global cash management, implement Transfer Pricing automation tools, and ensure compliance with OECD BEPS requirements (e.g., Master File, Local File).
Objective	Centralize 85% of global cash balances via a new Treasury Center, reduce the global Effective Tax Rate (ETR) by 150 basis points, and achieve 100% automated BEPS documentation readiness by Month 18.
Compelling Why	The strategic imperative is Financial Efficiency and Regulatory Defense. Centralizing cash is projected to reduce FX risk by 40% and decrease interest expense via internal netting and borrowing by $20 million annually. The automated BEPS compliance mitigates the risk of massive penalties and double taxation from tax authorities, which is a $50-100 million exposure risk. The ETR reduction is achieved through optimized legal entity structuring and cash repatriation planning.

Section	Content
Approach	Phase 1: Current State Assessment & Best Practice Gap Analysis (Months 1-3): Assess current banking structure, FX hedging methods, transfer pricing methodologies, and BEPS documentation gaps. Phase 2: Target Model Design & Policy Harmonization (Months 4-7): Design the Target Tax and Treasury Operating Model (TOM), select the Treasury Management System (TMS) and Transfer Pricing (TP) technology, and formalize new global policies (e.g., FX exposure management). Phase 3: Technology Configuration & Deployment (Months 8-15): Implement the TMS and TP automation tools. Stand up the Cash Concentration Structure (e.g., cash pooling) and transition all core banking relationships. Phase 4: Audit & Stabilization (Months 16-18): Execute internal audit of the new TOM and controls, finalize automated TP documentation, and transition support to the internal Treasury/Tax teams.
Organization	Treasury Committee (SteerCo): Chaired by the CFO, with CLO and Head of Tax. Meets monthly to set FX and liquidity policies. Centralized Treasury Center Staff: Highly skilled team responsible for daily global cash positioning, FX hedging, and debt management. Tax Compliance Team: Global group responsible for the automated preparation and defense of TP documentation. Key Roles: Global Head of Tax Technology, Treasury System Solution Architect.
Processes & Governance	Daily Global Cash Positioning: Implement a single, automated process using the TMS to provide a real-time 3-day cash forecast across all key bank accounts, enabling 90% netting efficiency. Intercompany Loan Management Framework: Establish a legally compliant, automated process (via the TMS) for establishing, tracking, and pricing all intercompany loans at arm's length (in line with BEPS). Annual Statutory Tax Filing Process: Implement TP automation software to automatically generate the BEPS Master File and Local Files using centralized ERP data, reducing preparation time by 60%.
Key Deliverables	Phase 1: Detailed Current State Assessment (Treasury/Tax), BEPS Compliance Gap Analysis Report. Phase 2: Signed-Off Target Tax/Treasury Operating Model Blueprint, Vendor Selection for TMS/TP tools, Policy Harmonization Document. Phase 3: Fully Implemented Global Cash Concentration Structure, New Intercompany Agreements (ICAs) and Loan Templates, Automated Transfer Pricing Documentation Tool Implemented. Phase 4: Treasury Control Effectiveness Report, Final BEPS Documentation Audit Package.

Section	Content
Critical Risks & Mitigation	1. Regulatory Disagreement on New TP Methodology Risk: Tax authorities challenge the new transfer pricing approach implemented via automation. Mitigation: Secure Advance Pricing Agreements (APAs) / Tax Rulings from the Top3 highest-risk tax jurisdictions before deployment of the automated TP model. 2. Failure of Bank Systems to Integrate with Treasury Technology Risk: Bank connectivity issues prevent real-time cash visibility. Mitigation: Mandate SWIFT Connectivity standards and conduct mandatory end-to-end testing with 100% of core banking partners during Phase 3, ensuring automated payment file validation. 3. Loss of Regional Expertise Risk: Centralization leads to attrition of local FX traders or tax specialists. Mitigation: Implement a Centralized Expertise Model, retaining 2 Key Regional Specialists in the Treasury Center to support local nuances and offer retention bonuses.
Change Management Plan	Strategy: Emphasize the shift from "Processing to Strategy" for regional finance teams. Training: Conduct mandatory, hands-on TMS Training for Treasury Center Staff and tailored training for Regional Finance on new ICA and FX reporting requirements. Communication: CFO must host dedicated briefings for the Board and Audit Committee, focusing on the quantifiable reduction in FX risk and the legal defensibility achieved through the new automated TP framework.
Crucial Additional Element	Key Controls Required for Tax Compliance: 1. Completeness of Transfer Pricing Documentation: Control ensuring that all intercompany transactions are automatically recorded and documented in the TP system (Master and Local File). 2. Accuracy of Tax Provision: Control ensuring that effective tax rate calculations are based on approved TP policies and audited financial data. 3. SoD Control: Control ensuring the separation of duties between the authority to initiate an intercompany transaction and the authority to record/document the transaction. 4. Intercompany Reconciliation Control: Daily/weekly automated reconciliation of intercompany balances to prevent misstatements and non-compliant TP outcomes.