



# Increasing tax take through transparent billing

This revenue agency wanted to eliminate tax evasion in the taxi industry and engaged Fujitsu to develop and deploy a cloud-based solution that would ensure every transaction was securely logged. Now, when a passenger pays their bill, data is collected by the sales recording system (SRS) and sent to Fujitsu's solution; once the data is validated, a digital signature is sent back to the SRS, enabling the production of a receipt containing all the relevant information.

## About the customer

This revenue agency in Canada is responsible for collecting taxes and for ensuring that each person pays the amount they owe. It plays an essential role in the government by collecting the money required to finance public services and by making sure taxpayers quickly receive the amounts to which they are entitled.



Industry: **Public Sector**



Location: **Canada**



People: **8.5m citizens**



# This revenue agency wanted to minimize tax evasion in the taxi industry and selected Fujitsu to design and deploy a new bill tracking solution, resulting in an increased tax take.

## Challenge

This agency wanted to minimize tax evasion in the taxi sector by effectively tracking and logging all transactions in real-time. It needed a partner with the application development skills and proven local experience in similar projects to create and implement the cloud-based solution.

## Solution

- Fujitsu cloud solution for mandatory billing in the remunerated passenger transportation sector including related new economy players

## Outcomes

- Tax evasion has reduced while tax income has risen
- Larger taxi firms are no longer undercut by competitors
- Agency has near real-time visibility of about 250k transactions per day

# 250k

transactions per day the agency has near real-time visibility

## Reducing tax evasion

Collecting taxes is never the easiest task for government, particularly when it comes to jobs where the potential for fraud is increased. Tax evasion is a particular problem in the taxi industry, enabling unscrupulous drivers to undercut larger firms by under-declaring income. This Canadian tax agency wanted to minimize tax evasion in the taxi industry, building on a previous system it had implemented to handle the restaurant and bar sector.

This older solution relied on logging hardware connected to cash registers, installed in each bar and restaurant. For the new system, the agency wanted something more dynamic that could evolve rapidly with society and technology changes. It issued an RFP and chose Fujitsu based on its previous expertise, local presence, and competitive proposal.

The objective was to develop a platform that could handle both traditional taxi firms and new disruptors such as Uber and Téo Taxi. This would facilitate the discovery of tax evasion, dissuade operators from under-declaring on their sales, help authorized representatives fulfil their tax obligations, and enable tax audits to be carried out in an upstream rather than downstream manner.

## An agile approach to development

Fujitsu developed, deployed, and now operates the Azure-hosted solution, which enables the exchange of billing information between authorized representatives of the remunerated passenger transport sector and the agency.

When a passenger pays their bill, data is collected by the sales recording system (SRS) and sent to Fujitsu's solution; once the data is validated, a digital signature is sent back to the SRS, enabling the production of a receipt containing all the relevant information. At the same time, the billing data is shared with the agency for treatment at the end of each working day.

A Fujitsu team of eight completed the development of this solution within 18 months using agile sprints. It then conducted a pilot with 100 vehicles over two months, which helped it identify and integrate ten different types of transaction. In December 2020, the solution was made live across the Canadian province, and since then SRS have been deployed to several taxi firms who are sending more transactions each day.

## Increasing tax take, leveling the playing field

The agency expects the new solution to generate millions of dollars worth of additional taxes by minimizing the capacity for tax evasion. Now, everyone will pay fair taxes in a timely manner. In June 2021, the law will be enforced to the full industry and all vehicles in the province will have to use the solution.

The Fujitsu solution also provides data in near real-time. Unlike the preceding restaurant and bar system, where agents had to physically connect to the hardware to collect data, now all data is securely transmitted over the air, so the agency has access to up-to-date daily billing information around the clock. The security aspect is particularly important, given the solution is hosted in the cloud, so Fujitsu ensured it demonstrated the secure tracks and signatures to give the agency peace of mind.

Furthermore, because every component of the platform is offered 'as a service', the agency enjoys predictable, affordable monthly costs. Following the success of this project, the agency has turned its attention back to the restaurant and bar industry and now intends to extend the Fujitsu taxi solution for the transportation mandatory billing to develop a new billing system for this sector, thus replacing the actual hardware.

## FUJITSU

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