



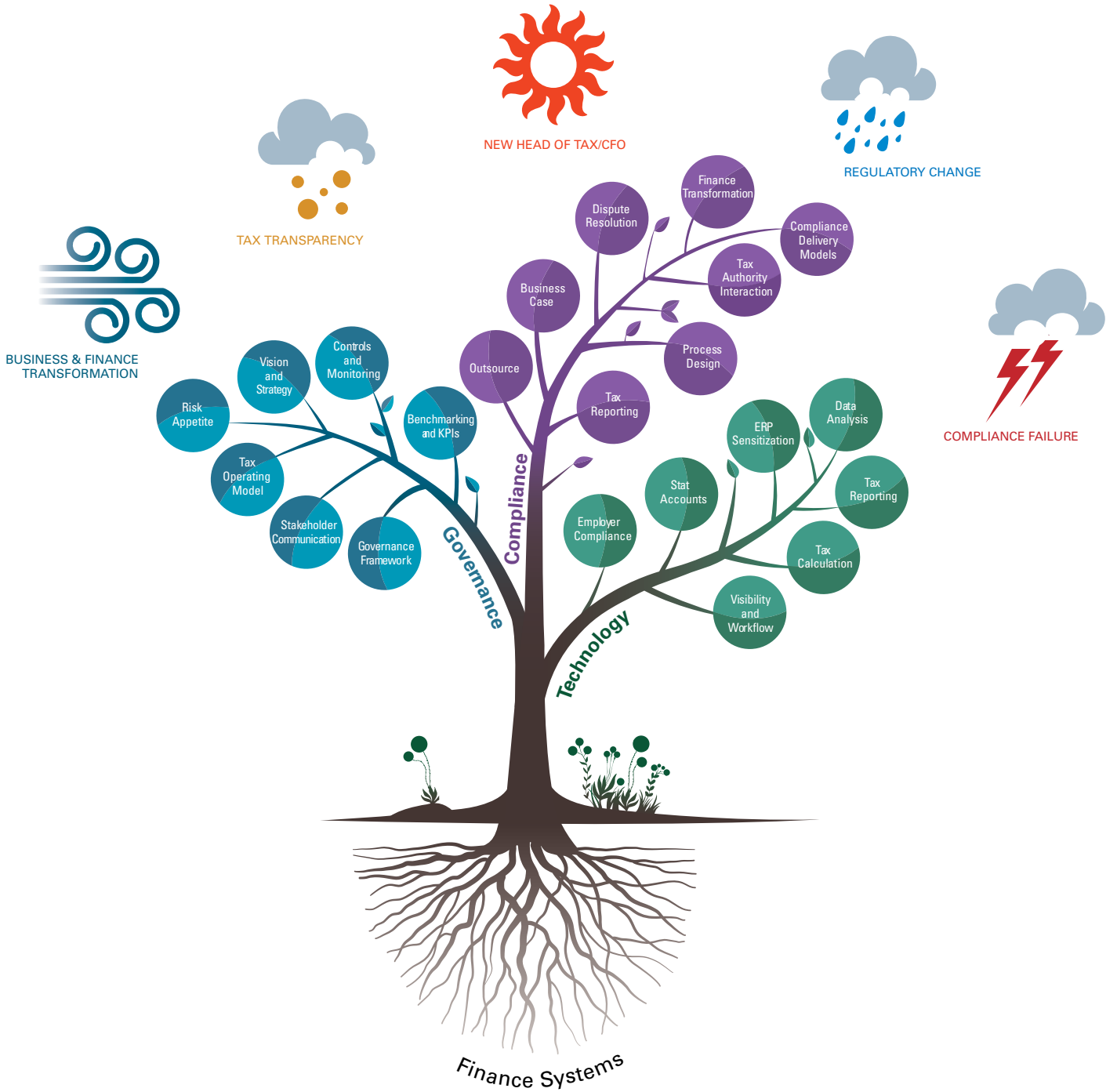
cutting through complexity

Tax Management Consulting

**How can you be more
efficient at managing tax?**

KPMG INTERNATIONAL





How do you manage tax in today's challenging environment?

The environment in which tax directors operate has changed dramatically.

- Lingered economic uncertainty is increasing pressure on many companies to cut costs and on tax authorities to boost revenue.
- Globalization is continuing to drive centralization of finance, tax and other functions.
- Companies are expected to improve their governance, accountability and transparency in all areas including tax.
- Regulation will require more disclosure of global tax data to tax authorities and in some cases publicly.
- Public and governments are demanding companies pay a "fair share" of tax where they earn their profits.

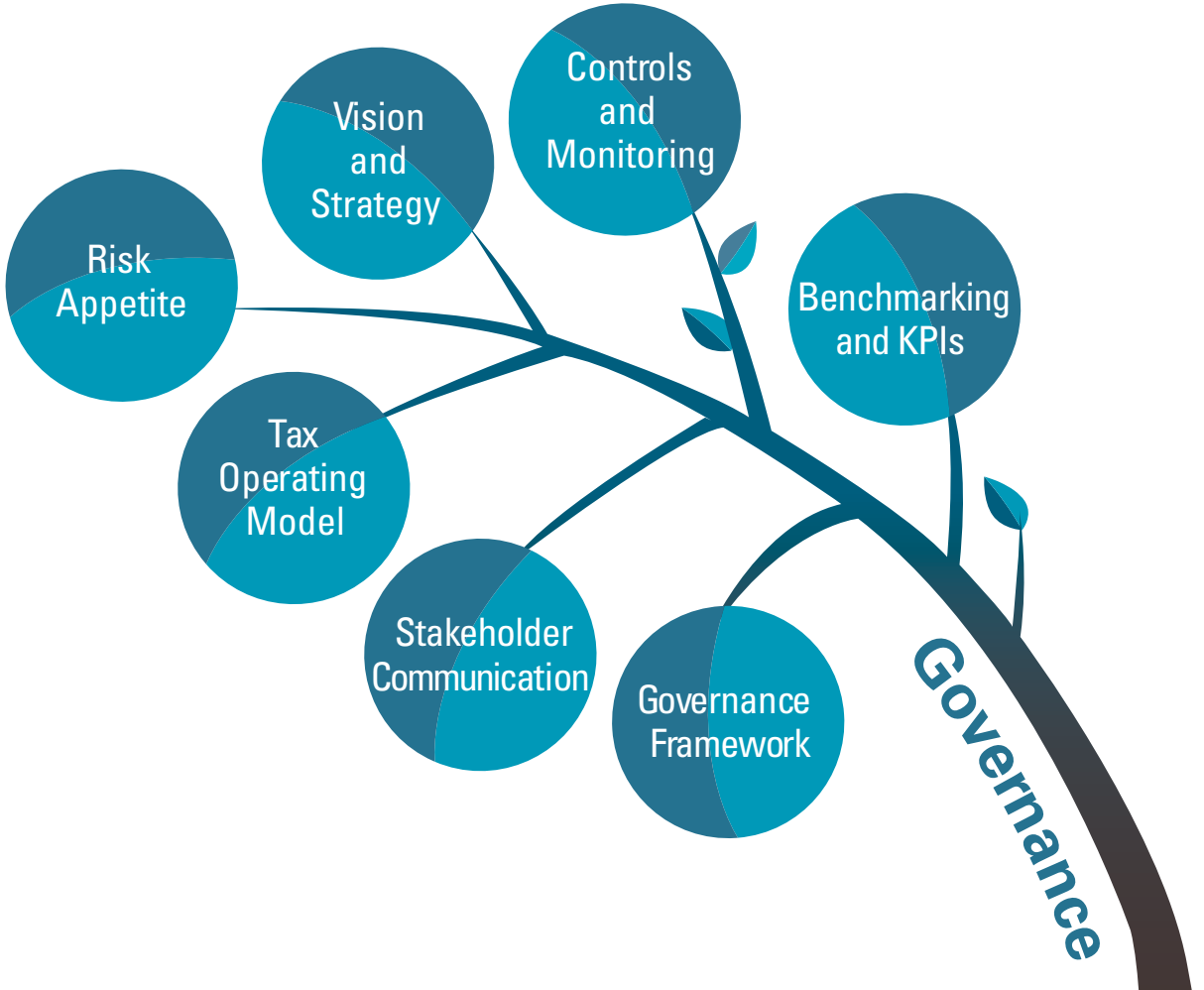
Tax functions need to adapt to this changing world with mounting regulatory and cost pressures and get to grips with how to manage communication with the wide range of stakeholders that are now interested in tax.

Knowing how to address these challenges can be a daunting task. Professionals at KPMG member firms can help you assess the specific challenges you are facing and draw on our experience to develop and implement a tailored approach that works for your business.

In our experience the **challenges and the solutions** can be grouped into the **key elements of Governance, Compliance and Technology.**

“In today’s world, you need to have transparent information in a timely manner. Internally and externally, there’s more and more emphasis on tax, in terms of tax transparency initiatives, total tax contribution and so on. I think the tax department will become even more important in the future.”

Tax director of a leading multinational mining company



What is your strategy? How do you make it happen?

The attitudes of many governments, shareholders and boards of directors to the management of tax are changing – managing tax risk and reputational issues are high on the agenda.

Meeting compliance obligations, being efficient and cost effective, working with the business and communicating internally and externally on the group's tax position are essential requirements for today's tax directors.

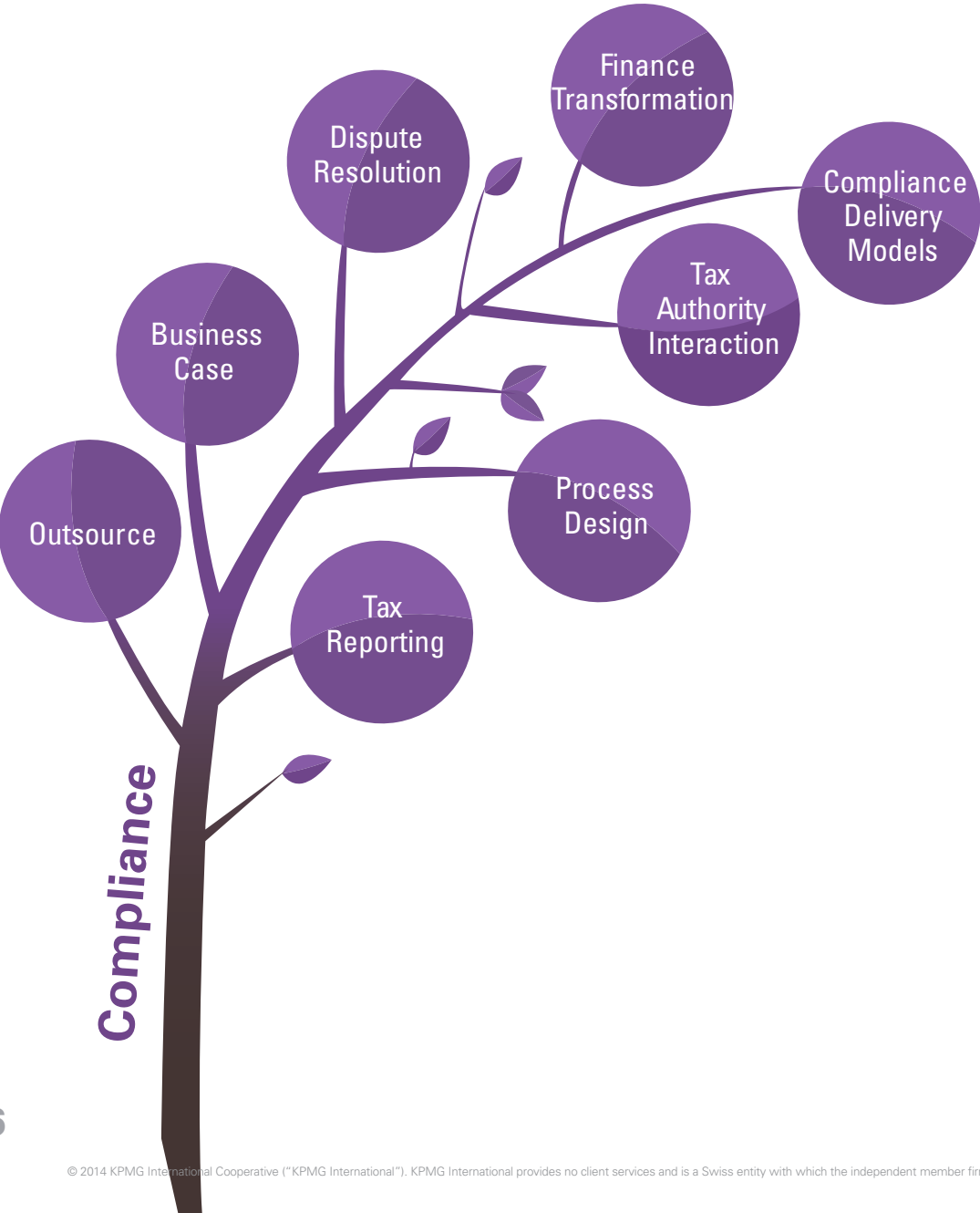
In our experience, setting a strategy, putting in place a governance framework and taking steps to bring this to life are the building blocks to success.

We can help you:

1. **Establish a clear tax vision and strategy** aligned to the business objectives of the wider organization, which articulates how the tax function will deliver value.
2. **Determine your appetite for risk** including reputational risk.
3. **Implement processes and controls** to manage your tax risks.
4. **Gain visibility over your global tax data** and develop a **strategy to communicate** your tax position and develop a strategy for communicating this.
5. **Create the right operating model** for your tax function mapping out the people, processes and technology you need to efficiently deliver the agreed tax strategy.
6. **Implement a governance and control framework** that defines which taxes the tax team are responsible for.
7. **Benchmark your tax function and** put in place **relevant KPIs** to drive the right behavior and demonstrate success.

“We have appropriate protocols in place within our organization. For example, to make a business decision, you need a tax report prepared by our department or in coordination with another tax firm. So we ensure that we are involved in all decision-making in one way or another.”

International tax director of a European-based infrastructure company



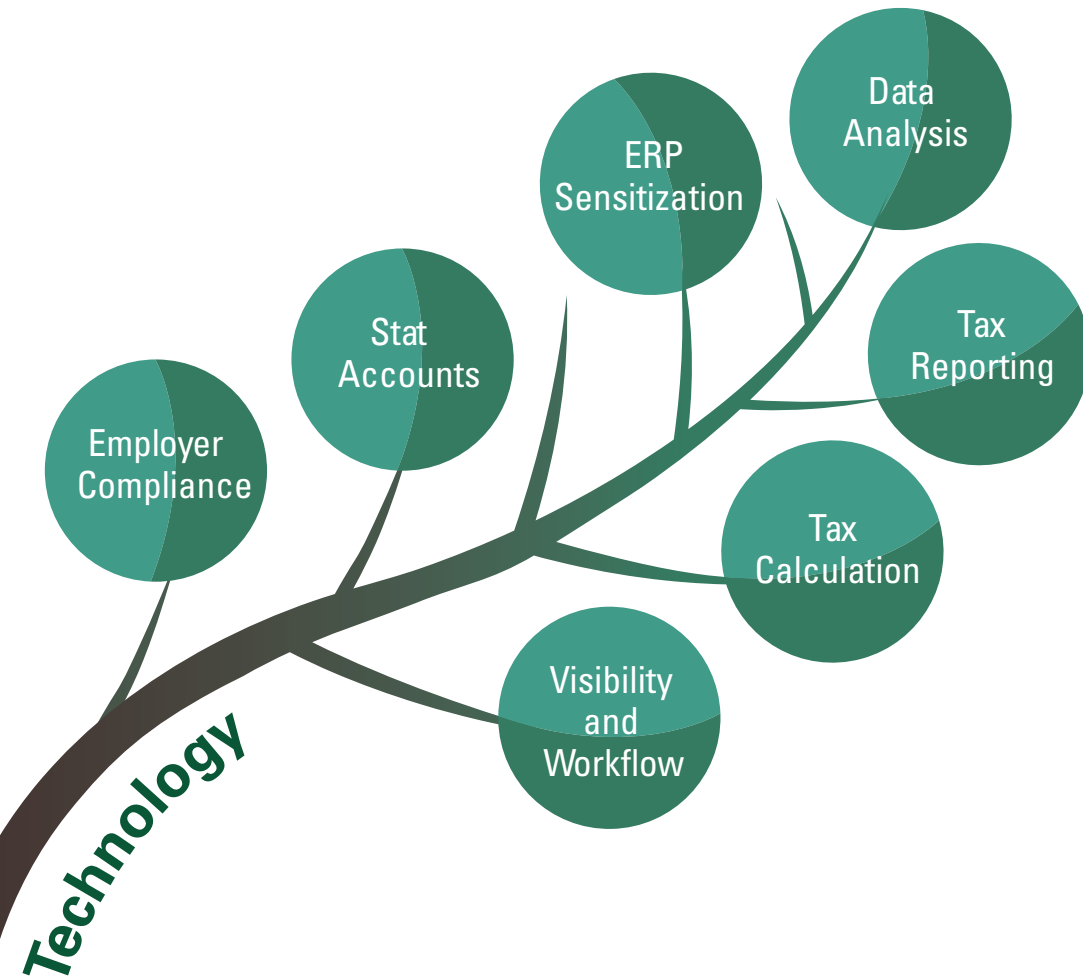
What is the most effective and efficient way of managing your statutory obligations?

In a drive for efficiency and cost saving, companies continuing to review and transform their finance functions and tax functions need to keep pace with these changes. We are continuing to see a trend among global business towards centralization, centers of excellence and shared service centers.

It is important not to overlook tax and statutory responsibilities. Increasing compliance requirements, aggressive tax audits and reputational and financial risk are just some of the potential pitfalls faced as a new sourcing-led finance strategy is implemented. How groups want to manage their global statutory compliance obligations is central to their thinking and will help them transform the way they manage their compliance obligations.

We can help you:

1. Actively contribute to **finance transformation projects** to help ensure that tax requirements are built in and tax is seen as an enabler.
2. **Assess your sourcing options** to determine how you can manage your tax and statutory obligations in ways designed to be efficient and effective for all taxes.
3. **Streamline, standardize and automate processes** applying Lean Six Sigma methodology designed to deliver increased efficiency, better management of risks and potentially cost savings.
4. Understand your real cost of compliance and build a **business case for change** to help ensure you are getting an appropriate return on your investment.
5. **Manage country compliance obligations** through our dedicated Global Compliance Management Services (GCMS) network operating within a centrally managed and co-ordinated compliance framework.
6. **Gain visibility and control** of your local requirements, enabled by our KPMG LINK 360 technology and project management specialists, to aid risk management.
7. Manage all aspects of **tax reporting** from preparation of reported numbers and process improvement to technical and GAAP conversion.
8. **Proactively manage your relationships with tax authorities** and support you in resolving tax disputes to give you greater certainty over your tax position.
9. **Gather and analyze data required** for country-by-country reporting or voluntary reporting.



“One of the things that we will continue to focus on is automating the provision process to automate our transaction tax preparation.”

Tax director of a U.S.-based communications company

How can technology improve your efficiency and control?

Technology can be essential to the effective management of tax and can be the key to releasing resources from compliance and validation activity and to more effective management of risk. But all too often, businesses will fail to maximize the tax functionality of existing finance platforms, or will invest in additional tools without clear strategy over what they need to achieve.

We can help you:

- 1. Ensure your existing finance and/or ERP systems are properly tax sensitized** to provide standardized tax determination and reporting functionality across your business.
- 2. Put in place tools** to give you all the management information you need over tax filing, payments and risks across your business.
- 3. Identify weaknesses** in your business and tax processes and put in place data analysis tools to act as a compensating control.
- 4. Deliver potential cost and resource savings** by reducing the time spent on consolidating, analyzing and reporting data through greater automation.
- 5. Access faster, more accurate reporting and forecasting data,** aligned to clear business metrics, to enable informed strategic decisions and improved performance.
- 6. Use technology** to help you comply with **country-by-country reporting** obligations.

KPMG member firms have an integrated team, covering all taxes, with the skills and experience to help you achieve your objectives.



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