



# At-a-glance highlights for tax leaders in the manufacturing sector

## Global Tax Function Benchmarking Survey

KPMG International conducts an ongoing survey of tax leaders that enables benchmarks across tax function structure and resourcing, performance measurement and metrics, use of technology and data, and initiatives supporting ESG. Below are some of the highlights of the survey data by respondents in the manufacturing sector.

### Structure and resourcing

- Most Chief Tax Officers (CTOs) report to:



Chief Financial Officer (CFO)

- Most common organizational design:



Hybrid (combines type of tax-based and function-based structures)

- Expected resourcing model changes in the next 5 years:

Tax Headcount — Home Country/ Jurisdiction



63%

Increase

Contractors



44%

Stay the same

Tax Headcount — Non-Home Country/ Jurisdiction



48%

Stay the same

Use of SSCs or GBS or CoEs\*



52%

Increase

### Transformation, technology and data

- Top 3 benefits of tax transformation/technology initiatives cited:

56%

Reduced process cycle time or effort

48%

Reduction of tax liabilities/identification of future tax savings opportunities

41%

Improved ability to manage legislative changes and support tax planning activities

- Anticipated technology use increases in the next 5 years:

80%

Overall leverage of enterprise finance IT systems

68%

Use of condition system data or a data warehouse

52%

Tax sensitization of GL, other accounts of business forecasting system

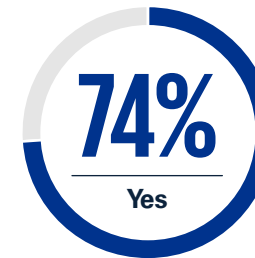


Most challenging data issues experienced cited are volume, usability and scalability.

### ESG and the tax function

- 76% of organizations in the manufacturing industry have a policy that considers the ESG impacts of tax-related business decisions.

- Of those with policy that considers ESG impacts:



Most report that Tax is consulted but not really involved in company ESG strategy.

- Top 3 immediate term Tax ESG priorities include:

37% Developing/updating our public tax strategy/policy

37% Improving our tax governance and controls to ensure we meet our Tax ESG commitments

32% Developing process/tool to capture tax payment data

Only 4% use data and analytics tools to prepare ESG analysis.

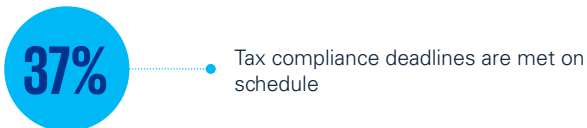
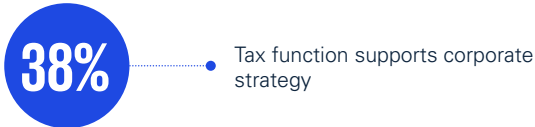
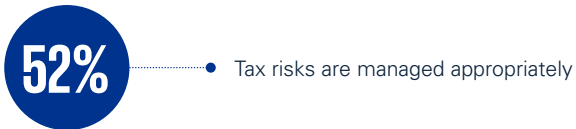
\* SCC: Shared Service Centers, GBS: Global Business Services, and COE: Centers of Excellence.

## Strategy, performance and business impact

- Most tax leaders in the manufacturing industry describe their tax function's primary strategy as aligned to:



- Performance is often measured by the impact the tax function has on the business across a range of metrics, with these topping the list of importance:

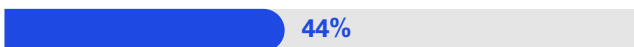


- Top 3 desired process improvements:

Tightly connect provision and compliance process



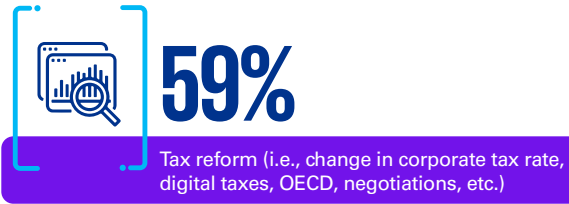
Process Standardization



Improved use of tax data to inform business strategy and planning



- Top disruptor to the organization in the last year:



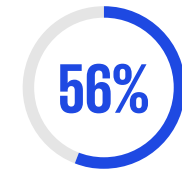
- Frequency of CTO meetings with:

Full board of directors



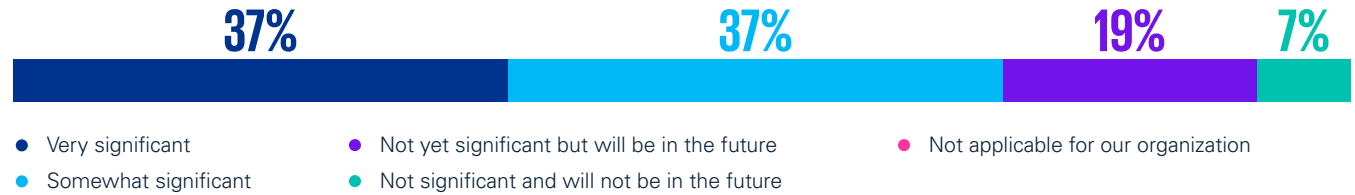
Never

Audit committee



2-4 times annually

- Expected significance of BEPS Pillar 2 on the organization:



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