



KPMG's Global Compliance Management Services



April 2016

KPMG International

When people ask **us** about our approach to delivering global compliance services as a single global service provider, we're inevitably asked, "What makes **KPMG** different?"

Our answer?
It's what we bring
together that
sets us apart.



Understanding your challenges

In today's complex and rapidly evolving regulatory environment it is increasingly important that multinational companies can show that they have good governance, strong controls and effective compliance with local regulations. Many companies are taking the opportunity to not just incrementally improve the management of their global compliance but to transform the performance of their compliance function and achieve exponential value.

Think about these questions. Many companies are finding that these questions are best answered by choosing one global compliance service provider to collaborate with and who can support a transformational approach to managing and gaining value from global compliance. The GCMS practice can help you determine the responses best suited to your organization's unique needs.

Increased regulatory complexity

- Are you certain you know every filing requirement in every jurisdiction?
- Are you aware of the latest developments as they arise?
- How do you ensure all filings are submitted on time?
- What processes do you have to be certain issues are addressed timely and accurately?
- How do you get value out of your local compliance processes? How do you measure that value?
- Have you experienced any recent compliance failures? Do you know?

Need to improve governance and risk management

- Do you have a defined compliance strategy approved by your board of directors?
- Who is ultimately accountable for your regulatory filings?
- How do you ensure standards are met consistently across countries?
- Do you have timely and easy access to the data needed to inform sound business decisions?

Pressure to reduce cost/headcount

- How much time does your finance and tax team spend on compliance related activities?
- Are you employing leading practices to create efficiencies through standardization and automation?
- Do you leverage technology solutions to bridge the accounting/statutory reporting gap?
- Do you have sufficient time to focus on improving tax effectiveness or efficiencies?

Move to new markets

- How do you ensure you are compliant from Day 1 as you start doing business in a new jurisdiction?
- How do you get support at the local level to help ensure compliance?
- Do you use multiple service providers across services and countries?
- What processes do you have in place to oversee and manage various service providers?

Globalization of business processes

- Is your company considering or undertaking a finance transformation project? Is tax and accounting compliance part of the project?
- Do your shared service centers and ERP systems effectively support local compliance needs?
- Are you able to organize and analyze your compliance data to add value to the business?

Global Compliance Management Services

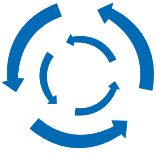
As your global service provider, helping you manage your local compliance obligations is at the heart of what we do in Global Compliance Management Services and we see compliance management as an opportunity for transformation, bringing together established methods, processes and technologies to develop the framework and foundation for a continuously improving compliance function that's tailored to help meet your business goals and leveraging knowledge of your organization and your data to provide value-driven actionable insights.

It's what we bring together



Source: KPMG International Global Compliance Management Services

...that sets us apart.



Transformational Approach

Transforming you to a leading compliance function as we meet your compliance needs

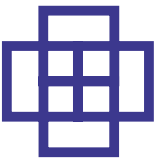
When it comes to compliance, one size does not fit all. Using established Lean Six Sigma techniques in collaboration with experienced compliance transformation specialists, your GCMS team will design an approach to transformation to suit the unique organizational structure and specific needs of your business. This can help generate value for you above and beyond the delivery of timely and accurate local compliance filings through improved tax, finance and accounting processes, better risk management and identification of value-added opportunities.



Dedicated Network

Dedicated compliance specialists around the world are supported by our Global Compliance Center of Excellence

The GCMS Global Compliance Center of Excellence connects KPMG dedicated, full-time compliance professionals around the world to help deliver the coordinated global compliance service you expect. The GCMS team provides technical insight and advice on your local compliance requirements while the Center of Excellence provides leadership and deep experience to help in the implementation of global compliance processes, controls, and technology as well as overall project and change management.



Collaborative Approach

The most successful global compliance engagements are where the company and service provider team up to help add value to the organization

Collaboration starts with your single relationship and engagement owner, who will be accountable for the successful delivery of GCMS services and will bring together a team with compliance specific project management and technical skills, who know how to quickly obtain knowledge and a clear understanding of your business to help deliver transformational results.

Our GCMS team can build relationships throughout your organization. By building a KPMG team that effectively connects with your team, we can execute the collaborative approach needed for effective compliance management.



Right Delivery Model

The GCMS practice has invested in local, regional and global compliance capabilities to help bring an effective delivery model to meet your needs

The GCMS local, regional and global delivery teams work together to find the right balance of centralized and local delivery with a package of coordinated services that helps to deliver quality and value, visibility and oversight cost-effectively.



Enabling Technology & Data Analytics

Connecting with you at every level

KPMG's ongoing investment in GCMS's end-to-end suite of compliance technology for compliance processes help streamline data collection, minimize touch points and enhance visibility, control, efficiency and effectiveness. Compliance management technology provides you with global visibility and control.

KPMG data management tools can provide an efficient and automated interface with your accounting systems. GCMS's compliance reporting software provides a standardized and automated approach to preparing your statutory filings. Data and analytics solutions help turn compliance data into value-added and actionable insight.



Established Governance Framework

The GCMS team works with you to establish a clear framework for governance of global tax and statutory accounting compliance to help ensure you meet your related filing obligations and the high standards of quality you expect

Experienced teams, standardized processes and state of the art technology help ensure we consistently deliver on our promises.

Through our work on some of the world's largest and most complex compliance engagements the GCMS practice has refined its approach to engagement delivery through:

- well-defined and documented roles and responsibilities
- clearly established communication protocols, and
- robust service agreements, key performance indicators and regular status reporting.

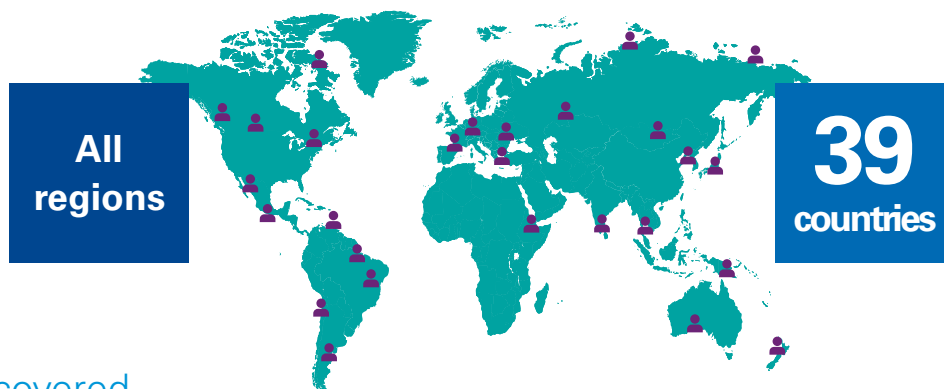
Client success stories

KPMG's transformational approach — delivering cost reduction and adding value

Case study

Global pharmaceutical company

Profile and coverage



Services covered

- Corporate income tax return preparation, indirect tax return preparation, transfer pricing documentation, US Federal R&D credit study and statutory financial statement preparation
- Global delivery team led by regional Centers of Excellence coordinated multi-service line delivery with significant operations in Europe and the United States
- Developed standard global compliance processes and helped to develop a governance model matching the client requirements, resulting in more time for client personnel to devote to value-added activities
- Configured and deployed KPMG LINK 360 to track and measure the completion of key process steps as well as tax payments and filings

Value generated

- Lean Six Sigma Sessions held in six key countries to design and enhance process and efficiency for local compliance
- GCMS's Center of Excellence team collaborated with client teams to leverage global business services transformation and internal controls review to enhance the compliance process and deliverables
- GCMS's Center of Excellence team collaborated with the client's team and developed a global compliance governance framework that provided control, supervision and monthly reporting on obligations worldwide, resulting in enhanced visibility and risk management
- Timely and accurate tracking of filings using KPMG's proprietary single global electronic workplace, KPMG LINK 360, significantly reduced instances of late filings and penalties
- Payment forecasts and milestone reporting was customized for ease of analysis
- Increased central visibility over opportunities and issues at the local level lead to faster realization of benefits and mitigation of risks

Case study

A Fortune 500 company

Profile and coverage

With fewer in-country finance professionals, the company faced challenges in meeting its local tax compliance obligations.



Services covered

- Single global tax compliance service arrangement
- All local country tax compliance requirements including corporate income tax, indirect tax, and local and US GAAP tax accounting
- Global and regional oversight and management of the tax compliance activities including, critically, a direct inter-face with the Shared Service Centers (SSCs) for data gathering
- Tax advice on developing tax legislation, business issues and acquisition and divestment transactions on a consistent basis across all relevant territories

Value generated

- Freed up time for their in-house tax teams to focus on more strategic tax management activities and business support
- Access to insights on leading practices and the GCMS practice's investment in compliance specialists, processes and technology
- A key motivation for co-sourcing with KPMG's GCMS practice was tax savings. Opportunities for savings were pursued in all jurisdictions and within just the first six months, local and regional brainstorming sessions identified opportunities in three countries, and a review of prior-year returns accelerated over USD\$5 million in cash tax refunds

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