

# Are we tax READY?

The changing tax landscape

## Compliance requirements

- Leading practice corporate governance frameworks
- New transparency measures and Country-by-Country (CbyC) reporting
- BEPS impact on value chain and financing
- Increased requirement for independent assurance

## Financial benefits

- Mitigate tax risk and optimise processes
- Opportunity realisation
- Facilitates triple bottom line reporting (profit, social and environment)

## Reputation and transparency

- How to pass 'the Pub Test'
- Social media risk
- Increased disclosure to investors and public

Increased requirement for an independent perspective

### KPMG SERVICE OFFERING

#### A TAX READY ASSESSMENT

- Tax governance and risk framework maturity assessment
- Benchmark your approach against your peers
- Key stakeholder insights
- Gap analysis of your framework to the Australian Taxation Office (ATO) Tax Risk Management and Governance Review Guide
- Key tax risk identification and opportunity analysis including indirect tax risks

#### DEVELOPING YOUR TAX READY BLUEPRINT

- Prioritised action plan
- Demonstrable compliance ready framework to ATO and other stakeholders
- Bridge the gap between the technical black box of tax management and Board and management oversight
- Collaboration with Tax, Finance, HR, IT to reduce tax risk.

### 'TIGER' ASSESSMENT TOOL

- KPMG's 'Tax Integrated Governance Evaluation and Reporting Tool' (TIGER) is an established tool for assessing tax governance
- Delivers an assessment of your tax governance and risk framework and the efficiency and effectiveness of the tax function
- Benchmarking capability and extensive revenue and industry peer dataset available
- Online stakeholder survey to gain insights from internal business stakeholders and facilitate collaboration
- Presentation of key findings in a detailed report outlining:
  - Your tax performance maturity rating (efficiency and effectiveness assessment)
  - Tax governance and risk self assessment results
  - Your performance against the seven principles of KPMG's 'Driving Tax Performance' wheel
  - Benchmarking against peers and stakeholder survey results
- Gap analysis against ATO Tax Risk Management and Governance Review Guide.

### TAX READY STAKEHOLDER WORKSHOP

- Deep dive into key insights from the assessment result and stakeholder surveys
- Provide tax technical support in the identification of key tax risk areas including corporate tax, indirect tax, employment tax, R&D, and opportunity realisation
- Analysis of gaps against leading practice and ATO Tax Risk Management and Governance Review Guide
- Workshop solutions to achieve a compliance READY framework and prioritised action plan.

### KPMG UNIQUE CAPABILITY

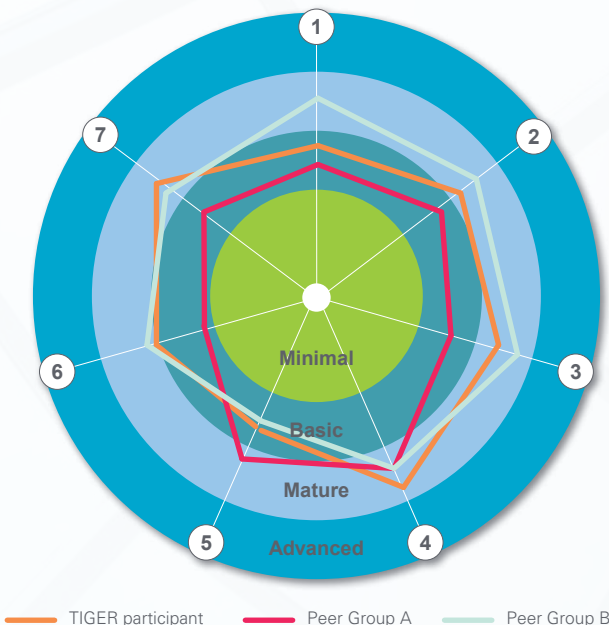
- Our team includes partners and staff with expertise in tax governance, risk management and international tax
- We also have extensive experience in optimising tax reporting systems, processes and controls from both an efficiency and effectiveness perspective
- We support our clients in developing and implementing holistic tax risk frameworks which comply with best practice risk management and governance expectations
- Extensive global and local peer benchmarking capability
- Preparing for CbyC reporting including pilots and dry runs, analysing the global value chain of multinationals and reconciling this to the CbyC profile
- Coverage of indirect tax risk identification and GST Cooperative Assurance Model solutions.

# READY

## Undertake self-assessment of framework maturity with TIGER

- Self-assess maturity against leading practices
- Benchmark your framework against your industry and revenue peers
- Gap analysis against ATO Tax Risk Management and Governance Review Guide
- Efficiency and effectiveness assessment of tax operating model.

## Maturity assessment



- |                         |        |
|-------------------------|--------|
| A Common Purpose: Basic |        |
| Tax Strategy            | 5.9/10 |
| Tax Objectives          | 5.9/10 |
| Tax Planning            | 3.6/10 |
| Scope of Taxes          | 3.5/10 |

- |                               |        |
|-------------------------------|--------|
| High Performing Teams: Mature |        |
| Tax Specialists               | 8.6/10 |
| Shadow Tax                    | 4.9/10 |
| External Advisors             | 7.5/10 |

- |                            |        |
|----------------------------|--------|
| Embedded Processes: Mature |        |
| Tax Policies & Processes   | 6.8/10 |
| Monitoring & Assurance     | 6.9/10 |
| Risk Management            | 6.2/10 |
| Risk Escalation            | 6.5/10 |
| Risk Register              | 0.0/10 |

- |                                       |        |
|---------------------------------------|--------|
| Timely & Accurate Information: Mature |        |
| Chart of Accounts                     | 7.0/10 |
| Drivers & Efficiencies                | 7.3/10 |
| Responding to Change                  | 6.7/10 |

- |                              |        |
|------------------------------|--------|
| Enabling Technologies: Basic |        |
| Use of Technology            | 4.0/10 |
| Data Security                | 6.3/10 |

- |                                  |        |
|----------------------------------|--------|
| Influencing Stakeholders: Mature |        |
| Tax Awareness                    | 7.9/10 |
| Authority Dealings               | 6.3/10 |
| Public Disclosures               | 4.1/10 |

- |                              |        |
|------------------------------|--------|
| Measuring Performance: Basic |        |
| Gathering Feedback           | 0.0/10 |
| Performance Management       | 6.7/10 |

# SET

## Host stakeholder workshop

- Flexible workshop to address your needs
- Identify and assess significant tax risks
- Identify key tax arrangements, associated risks and internal controls
- Identify and validate gaps against the ATO Tax Risk Management and Governance Review Guide
- Workshop insights, findings and common themes from the TIGER self-assessment and benchmarking results
- Other tax solutions: tax transparency, CbyC, internal audit support, data analytics and risk management
- Gain buy-in and endorsement of approach from key stakeholders across the business.

# GO

## Get key outputs and get READY

- Detailed report of findings and insights
- Prioritised tax READY action plan
- Identification of key risks and opportunities.

## Contacts

**Stephen Callahan**  
National Leader,  
Tax Management Consulting  
+61 2 9335 7216  
scallahan1@kpmg.com.au

**James Gordon**  
Senior Manager,  
Tax Management Consulting  
+61 2 9335 7616  
jgordon@kpmg.com.au

**kpmg.com.au**

The information contained in this document is of a general nature and is not intended to address the objectives, financial situation or needs of any particular individual or entity. It is provided for information purposes only and does not constitute, nor should it be regarded in any manner whatsoever, as advice and is not intended to influence a person in making a decision, including, if applicable, in relation to any financial product or an interest in a financial product. Although we endeavour to provide accurate and timely information, there can be no guarantee that such information is accurate as of the date it is received or that it will continue to be accurate in the future. No one should act on such information without appropriate professional advice after a thorough examination of the particular situation.

To the extent permissible by law, KPMG and its associated entities shall not be liable for any errors, omissions, defects or misrepresentations in the information or for any loss or damage suffered by persons who use or rely on such information (including for reasons of negligence, negligent misstatement or otherwise).

© 2015 KPMG, an Australian partnership and a member firm of the KPMG network of independent member firms affiliated with KPMG International Cooperative ("KPMG International"), a Swiss entity. All rights reserved. The KPMG name and logo are registered trademarks or trademarks of KPMG International. Liability limited by a scheme approved under Professional Standards Legislation. November 2015. NSW N13374TAX.