

BEPS: 25 Reasons it's not just about tax

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Treasury	Operating Model	People and Resource	M&A	Public Profile
<ul style="list-style-type: none">— Increased costs of capital may need to be incorporated into your forecasts— BEPS is likely to impact your forecast ETR, EPS, and other key financial metrics— The cost effectiveness of a centralised treasury function could be affected by BEPS— Cross-border financing may no longer be tax efficient— Your treasury function will need to be flexible in the short to medium term as countries implement BEPS measures to different timetables	<ul style="list-style-type: none">— The cost of debt funding for your investment pipeline could increase as a result of BEPS changes— The way you contract with customers and suppliers could create new tax obligations— Your centralised functions (e.g. Treasury, Procurement) must have the appropriate substance and autonomy— The profits arising from your intangibles must align with the activities undertaken in relation to those intangibles— Your intercompany agreements/ contracts must properly reflect the underlying reality of the transactions	<ul style="list-style-type: none">— Your group's LTIP performance could be adversely affected to the extent that BEPS results in a reduced EPS— Your group will need dedicated resource to manage the business model changes brought about by BEPS— You will need a full and accurate record of where all your internationally mobile employees are— The location of your senior executives and market-facing representatives at the time they make important decisions could increase the taxes and costs for your group— There must be appropriate (local) resource to manage your material assets and activities	<ul style="list-style-type: none">— Deal values must incorporate the potential impact of BEPS— A complete understanding of a target's value chain (through a post-BEPS lens) will be critical in pricing a deal— BEPS will impact the forecast ETR and EPS of any multinational target— The cost of raising debt could increase as a result of BEPS changes— Your acquisition structure must be BEPS proof - consider both funding and substance	<ul style="list-style-type: none">— Your tax affairs will face increased scrutiny, which could impact on your reputation— Your global tax footprint should correlate with your global operating footprint— You will have access to increased data on your competitors (and they on you)— There will be an increase in publicly available information about your group— Your communications with stakeholders must reflect the increasingly transparent environment



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