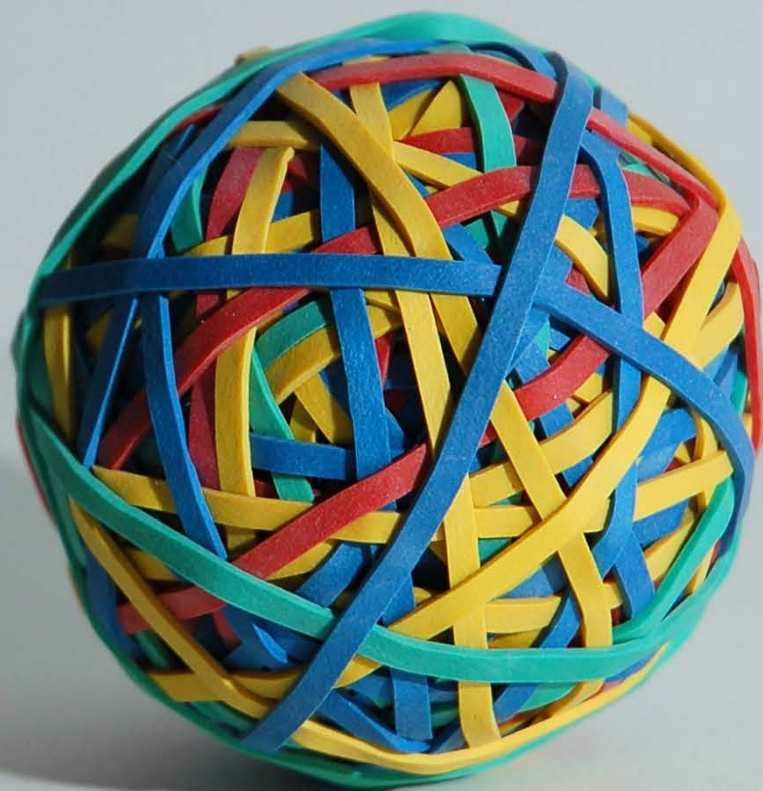




# Global Trends & Best Practices in Tax Management

*Stora Skattedagen*

Stockholm, 9:e november, 2017



# The environment in which tax functions operate has changed dramatically



BUSINESS & FINANCE  
TRANSFORMATION



NEW HEAD OF TAX/CFO



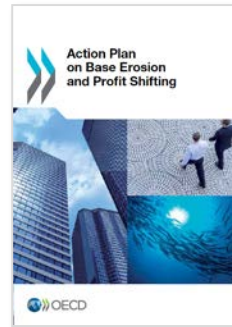
COMPLIANCE FAILURE



INTERNAL AUDIT



TAX TRANSPARENCY



REGULATORY CHANGE



New IT Systems & Technology



WORKING CAPITAL PROGRAM

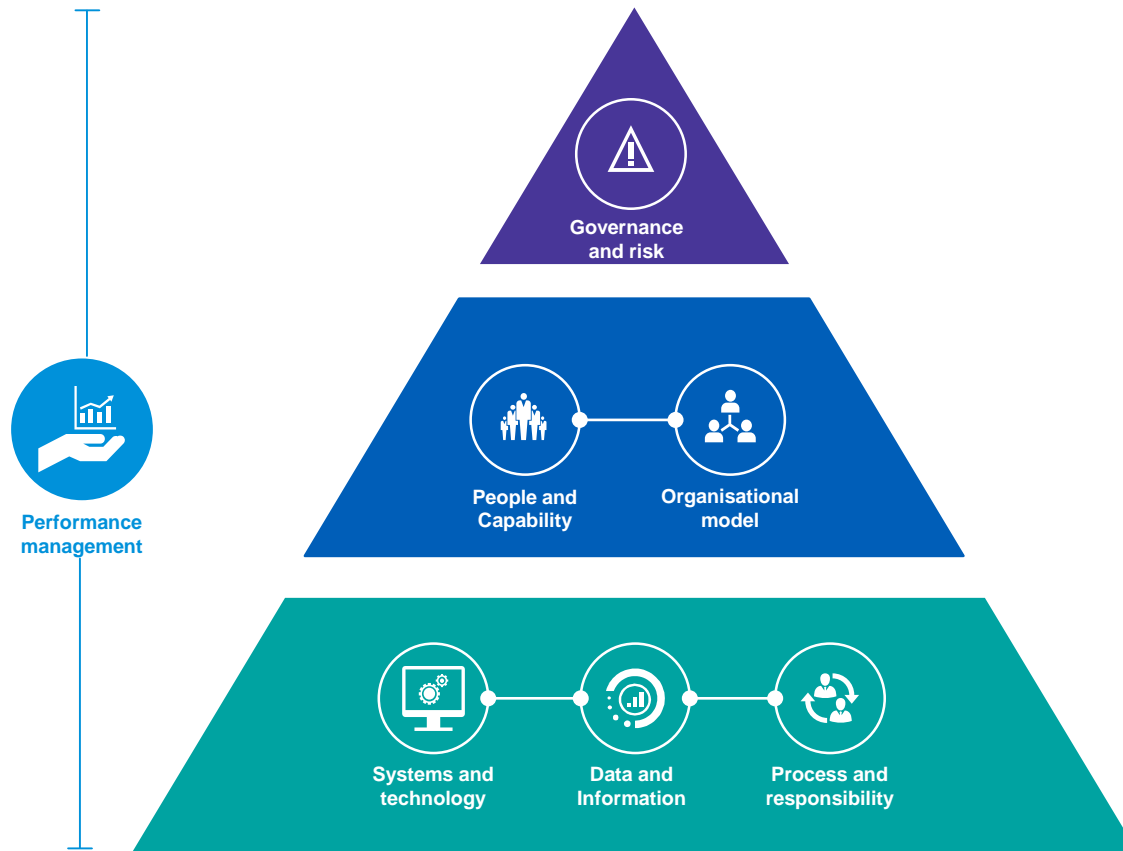


INCREASED CONTROL



COST SAVINGS

# Successful tax management requires a defined Tax Operating Model



# Global tax benchmarking: facing the future



30 Countries

300 Tax Leaders



# What do tax leaders want more of?

Based upon how they would spend a budget increase



1. Additional Personnel



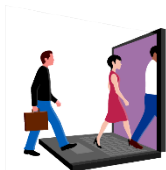
2. Tax Technology



3. Process Optimization



4. Training / Education



5. Outsourcing



# Tax Technology

# Tax Technology, help!

Tax Technology



Skattejurist

# How to approach tax technology

KPMG Global Tax is adopting the Lean Six Sigma approach because it is believed to be the most relevant for the service industry and our client base.



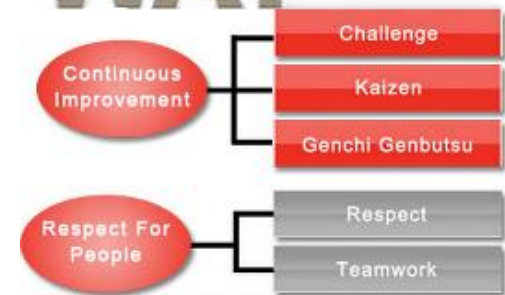
## Six Sigma

- Root cause analysis.
- As-is current state mapping.
- DMAIC (Define, Measure, Analyze, Improve, Control) cycle of reviewing a process.

## Lean

- Focus on increasing value.
- Eliminating waste.
- Kaizen approach: Quick, yet continuous improvement.

## THE TOYOTA WAY

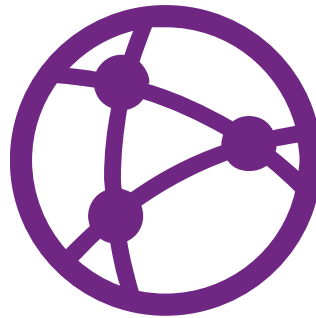




# What's new and where next?



Compliance-related software is the most-used tax software today



**39%**  
of organizations plan to acquire country-by-country reporting software in the next 5 years



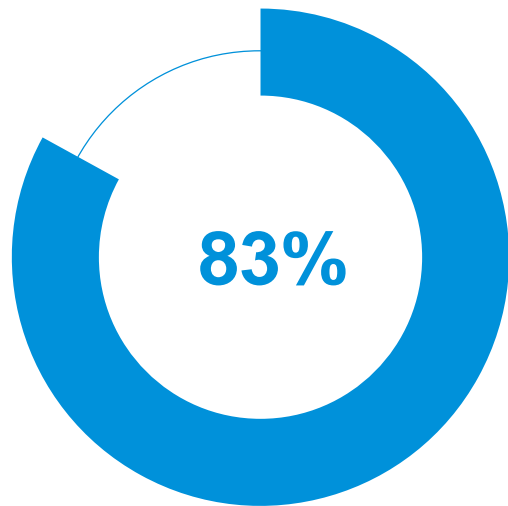
Tax departments are investing an average of 5% of their operating budget in tax technology solutions

Source: 2016 Tax Benchmarking Survey, KPMG International.

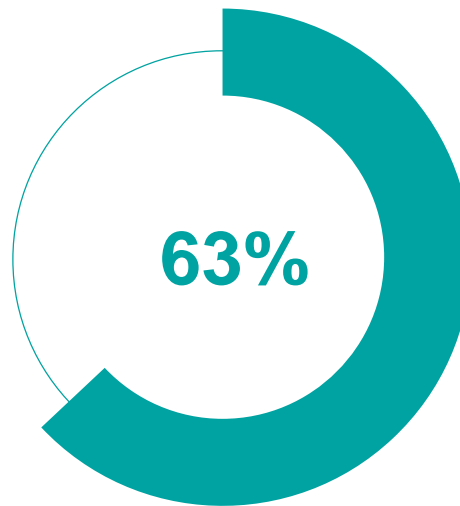


# Training / Education

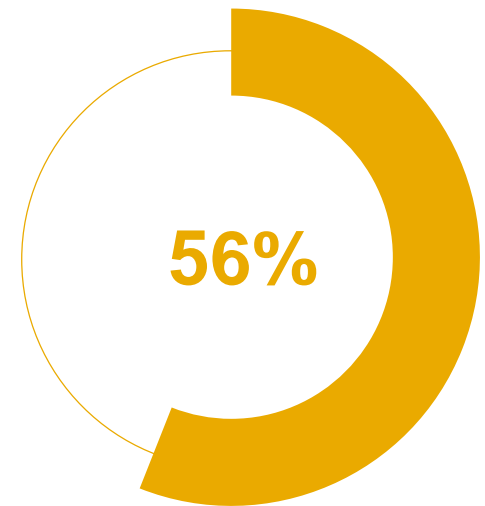
# Which skills are considered most important for tax departments the coming three years?



Tax Technical skills



Communication Skills



Tax Technology Skills

Source: 2016 Tax Benchmarking Survey, KPMG International.



# Outsourcing

# Current Drivers of Tax Outsourcing

The regulatory and business environment is undergoing rapid change

Increased  
regulatory  
complexity

Need to improve  
governance and  
risk  
management

Pressure to  
reduce cost /  
headcount

Move to new  
markets

Globalization of  
business  
processes

How are companies responding?

More accurate  
compliance and  
better risk  
management

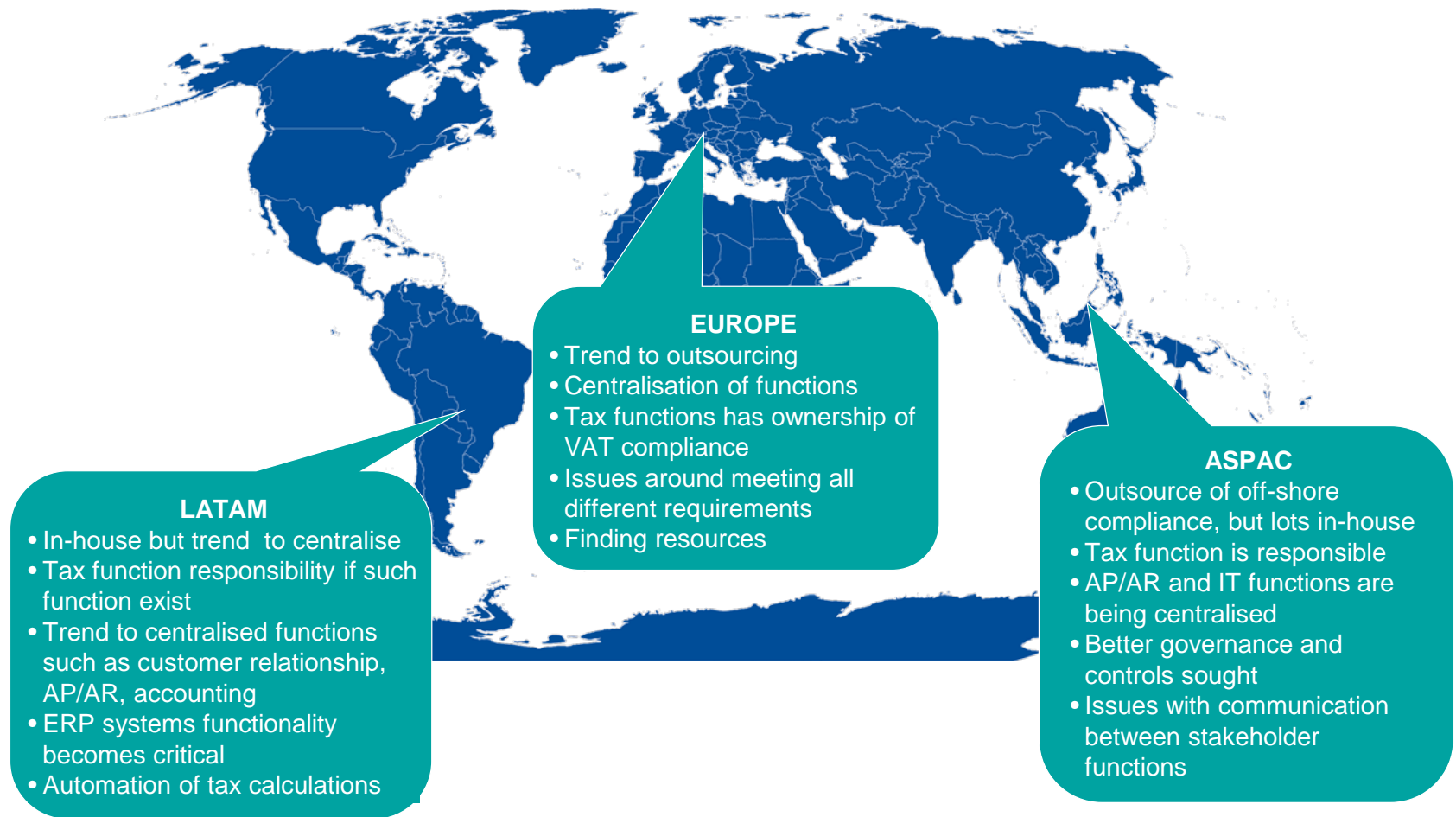
Global  
management,  
control and  
visibility

Scalable and  
flexible  
resources

Innovative  
technology

Process  
improvement  
and value  
added ideas

# Global trends





# KPIs & Benchmarking

# Putting the Value into Focus



## Know your value

Assess whether and how well the tax function has a compelling narrative about the value it delivers in both economic and societal terms and how this contributes to commercial objectives and alignment with the broader organisational narrative



## Know your vulnerabilities

Assess the ability to understand the tax risks and strategic weaknesses across the business and how that may impact the business and its broader operations



## Know your stakeholders

Assess whether and how well the tax function understands its stakeholders and segments them in a way which drives a targeted approach to risk and opportunity management in a service delivery context



## Engage Proactively

Assess the tax function's capacity to effectively communicate its value and vision to various stakeholder segments in a proactive but concise way both internally and externally as required to manage risk and seize opportunity



## Manage it like it matters

Assess how well tax function manages its affairs compared to other operational areas, including setting KPIs, applying rigorous methods and building capability – Including a transformation vision for the future

**ETR is no longer the sole measure of the effectiveness of the tax function!**



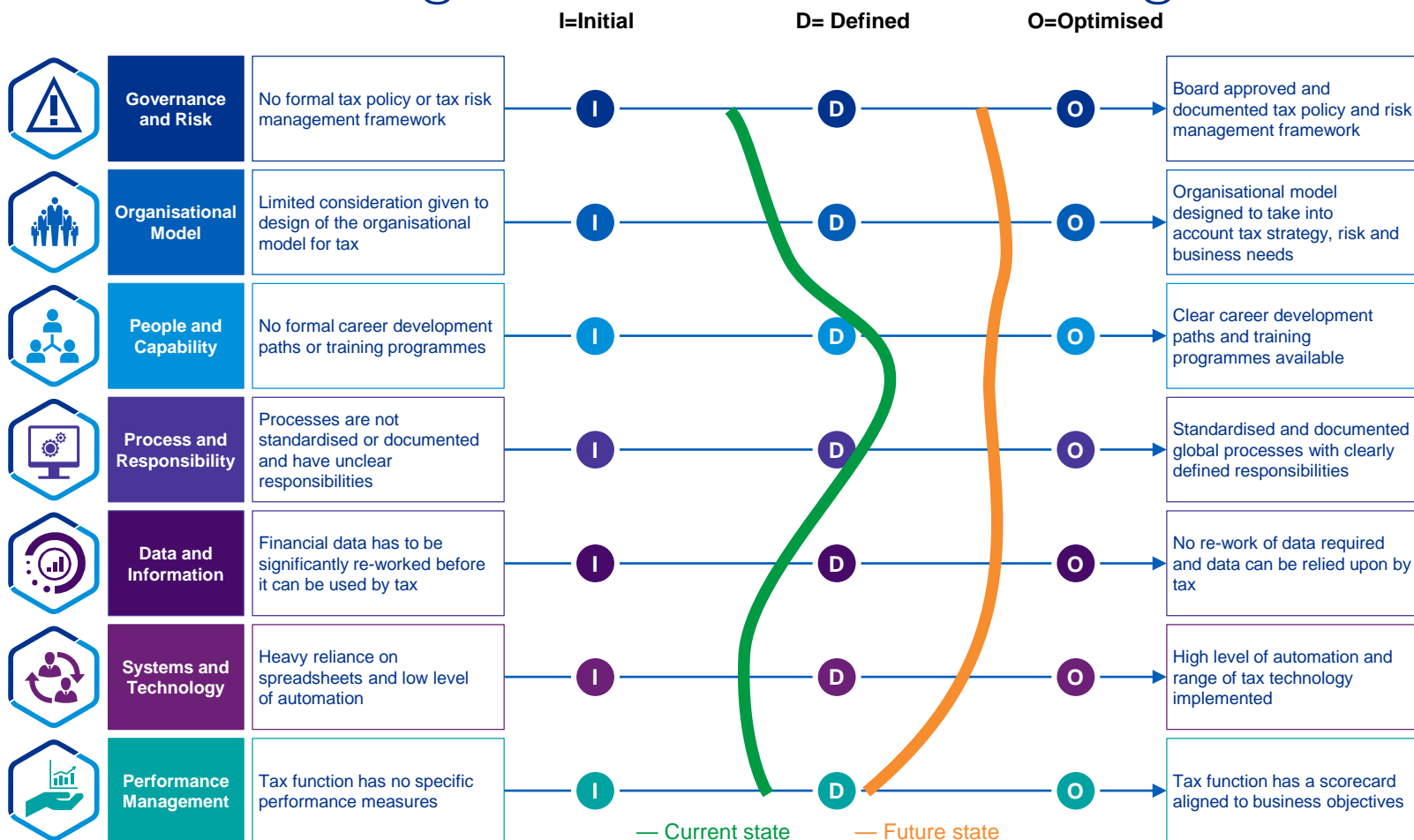
# How to measure the Tax Function?

Performance is often measured by the impact the tax department has on the business across a range of metrics, with these five most-often topping the list of importance.



Source: 2016 Tax Benchmarking Survey, KPMG International.

# Benchmarking: What are others doing?





# Key Take Aways

# Five key take aways

**Successful tax functions need a defined Tax Operating Model**

1

**Technology is not frightening**

2

**Outsourcing - relevant where aligned to broader goals**

3

**Tax functions should have KPIs connected to value creation**

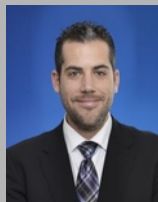
4

**Benchmarking can highlight areas of strength and improvement**

5



# Thank you!



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