



Global Resolution Management

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Is your company ready for these three global tax challenges?

Tax audit activity is on the rise around the world, leading to more disputes and more litigation. In many jurisdictions, disputed tax must now be paid ahead of resolution, impacting statutory accounts long before settlement is reached. With tax authorities increasingly sharing data and media interest at an all-time high, consistent, compliant, group-wide tax policies are essential.

The three challenges

Across the lifecycle of disputes, we are seeing three key challenges emerging.

1

Transparency

Tax authorities are sharing more information - whether gathered independently or through the audits they conduct.

Businesses need to assume much more data will be available to authorities and prepare accordingly.

Media interest in multinational tax matters has never been higher. Groups need to have a coherent and consistent tax policy across all territories in anticipation of increased interest and scrutiny across the board.



2

Tax authority approach

Tax authorities are quicker to raise disputes and are seeking penalties more often and earlier. Authorities in major jurisdictions such as the UK are often requiring disputed tax to be paid in advance.

Authorities are also taking longer to resolve disputes and typically moving away from collaborative negotiation towards a more adversarial stance which includes more use of litigation.

Whether groups prefer to work in a highly collaborative way with authorities or need a more robust approach, KPMG offers a tailored service to help you achieve the outcomes you need.



3

Financial exposure

The rising number of disputes and their increasing duration means a more uncertain tax position. Businesses need to consider making greater provisions in their financial statements.

Our global expertise means we can advise on the best approach to this problem and ensure you are making adequate provision for any disputes that arise. By closely monitoring disputes throughout the world, we build a detailed knowledge of how policy is evolving which informs our advice on the provision needed throughout the resolution process.



Why KPMG?

Our Dispute Resolution Management team works with you to help anticipate and therefore protect against, prepare for, and resolve disputes with all tax authorities.

Our fully integrated service can manage tax authority audits across multiple jurisdictions and will ensure that your response is consistent and unified while reflecting the local situation.

We help you take control of the dispute resolution process to get effective results both nationally and globally and are able to offer to offer Legal Advice Privilege meaning that our advice stays confidential.

Our approach is:



Strategic

We will coordinate the direction of local disputes to help achieve the outcome you want in each situation. Our extensive international experience means we are ideally placed to advise you how you can expect a dispute to progress and the distinct options you have for resolution.



Consistent

Leveraging KPMG's network of global dispute resolution experts in more than 100 countries, and working with our extended network of local experts, we ensure consistency of approach with tax authorities

We understand the local situation while ensuring national policies fit comfortably in the wider global framework.



Efficient

KPMG LINK 360 is our global process management and collaboration tool that can help you manage your tax and statutory accounting compliance obligations worldwide.

It aligns tax and finance within your organisation to ensure a 360-degree view of your company's global compliance position, across teams, divisions and borders.



Simple

We can act as your tax controversy specialist - on call 24/7 with expert advice and backup, whenever you need it.

We help you Protect, Manage, and Resolve.



FAQ

Why do I need to look at this now?	We are seeing multinational companies experiencing a significant rise in tax audits and disputes, and all signs suggest there will be even more intense tax authority activity in the future. The OECD BEPS proposals are now being enacted by national authorities. From broader requirements for tax transparency through more stringent transfer pricing policies and greater scrutiny of business substance, the changing rules open the door to considerably more tax disputes. As each country enacts its own interpretation of BEPS into domestic law, accurate understanding of new regulations and their implementation is essential for all multinationals to fully understand and comply with the new tax landscape.
We've always handled these issues ourselves. Why would we change that?	The regulatory environment is getting tougher, according to a KPMG survey of those in charge of the tax function and operations of companies in all major industries based in 35 countries worldwide. The Global Tax Disputes Environment report found that 85% of respondents believe taxation authorities are concentrating their tax audit activity on international compliance issues. Companies also reported a rise in tax audit scrutiny including more frequent requests for information, more frequent contact, more queries and a more aggressive approach to raising assessments.
We have plenty of people dealing with this issue	Sometimes problems can arise when no single figure is taking a strategic view. Less than 10 percent of companies have a global head of tax controversy or equivalent. This can lead to a lack of clarity about who is responsible for the day-to-day management of tax disputes. Doubts can then arise about who can centralise tax dispute controls, provide strategic direction and communicate with the board.
It's better to deal with local disputes locally	That's true, but they must also be handled with regard to the group's global approach to ensure consistency. KPMG is repeatedly asked to assist clients in situations where local disputes have reached crisis point. It is frequently the case that the crisis could have been avoided with earlier strategic oversight. In the most serious cases, appeal deadlines have been missed locally, with significant tax liabilities that the central tax function was unaware of.

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