



Global tax administrations leveraging technology



KPMG International

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GTDR&C Survey: Use of technology by revenue authorities

In July 2018, KPMG's Global Tax Dispute Resolution & Controversy (GTDR&C) network undertook an internal survey of the *Use of technology by revenue authorities* an issue of increasing importance in this age of tax digitalization. Our interest was fueled by the noticeable increase in the revenue authorities' use of technology tools and technology specialists, as they conduct tax examinations and investigations. This use of technology is indeed a global phenomenon, and increasingly, particularly with the OECD's focus on digitalization, we see more and more countries coming on-line and adopting technology tools. These tools

may be used to gather and/or access new information, as well as to analyze data already existing in the revenue authorities' possession. This use of technology to access information more efficiently and sometimes in real time, may pose unique challenges for the multinational who must often face multiple requests from tax authorities in multiple jurisdictions. Seeking to better understand the trends, we surveyed representatives from KPMG's GTDR&C network of professionals and requested their insights into how revenue authorities are using technology in a variety of jurisdictions, and how multinationals are responding.

The survey includes responses from 41 countries in the Americas, ASPAC and EMA regions.

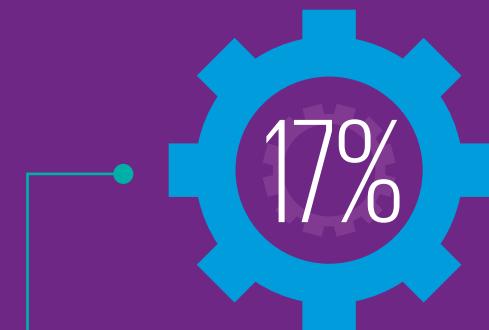
Argentina	Germany	Panama
Australia	Honduras	Philippines
Bangladesh	India	Puerto Rico
Brazil	Indonesia	Russia
Canada	Ireland	Serbia
Chile	Japan	Singapore
China	Jersey	South Africa
Colombia	Luxembourg	Sri Lanka
Costa Rica	Malaysia	Turkey
Denmark	Malta	Ukraine
Dominican Republic	Mexico	United Kingdom
Estonia	Netherlands	United States
Finland	Nigeria	Venezuela
France	Norway	



General environment



58 percent of respondents said their tax administration has made significant investments in technology



VS.

17 percent report that their administrations have only automated administrative functions which have no major day-to-day impact on taxpayers.



How technologically skilled are your administration's auditors?

Respondents rate technological skills of the administration's auditors —

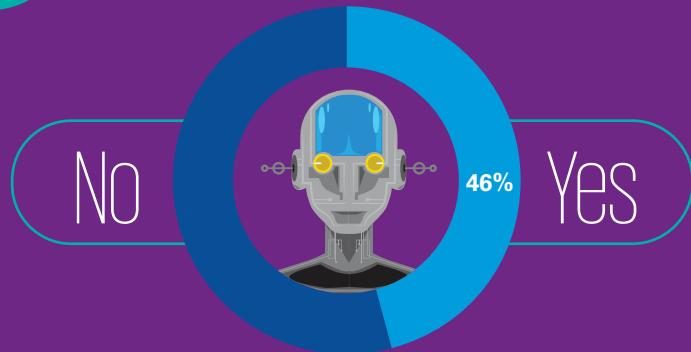
66%

either highly or moderately skilled.





Have you seen an increase in your tax administration's use of data analysis, including artificial intelligence to conduct tax audits?



46%

have seen an increase in their tax administration's use of data analysis, including artificial intelligence.



Litigation of tax disputes — Are submissions and communications related to tax dispute litigation required to be made electronically?



27%

report that submissions and communications related to tax disputes or litigation are required to be made electronically.



Electronic tax audits — Does your administration conduct electronic tax audits?



37%

of the countries indicate that their administration conduct electronic tax audits.



Risk assessment

61%

of the countries report technology based systems are used in risk assessing taxpayers.



Does your tax administration have a specific group of professionals that apply forensic tools or techniques in the conduct of tax audits or litigation?

41%

Yes

report that their administration has a specific group of professionals that apply forensic tools or techniques in the conduct of tax audits or litigation.



How informed are large businesses about your administration's use of technology?



75%

of respondents describe large businesses in their jurisdiction as either highly or moderately well informed about the ways in which the tax administration is using technology.

Source: Global Disputes Survey: Tax Administration Use of Technology, KPMG International, 2018



What does this mean?

As a global tax leader we are always interested to hear what you think of our findings. Are you seeing similar trends in your local jurisdiction?

Please let us know if you would like to learn more about these findings and what it means for the global tax landscape.

A Global Tax Disputes & Controversy professional would be happy to sit down and discuss a specific jurisdiction or further details of our findings. Please **visit kpmg.com/taxdisputes** or email **tax@kpmg.com** to learn more.

Follow the conversation:

Visit our KPMG Global Tax LinkedIn Showcase page here: kpmg.com/taxlinkedin

KPMG's Global Tax page brings together anyone interested in tax to look beyond the present and beyond borders to learn and to share information.

KPMG's Tax Dispute Resolution & Controversy network helps companies and, in some countries, high net worth individuals, protect against, prepare for, and respond to challenges by the various tax authorities. Our worldwide network of professionals, many former revenue authority officials and attorneys, is experienced in all stages of the tax dispute continuum — from pre-transaction analysis and documentation to closing the file on items in dispute.

Working with your KPMG Tax team or your in-house tax professionals, our teams work to help lessen the likelihood of a challenge or audit before a dispute arises and to help resolve those matters that ultimately become the subject of a dispute. Our practical approach focuses on determining that your tax positions are documented in a way that helps to mitigate audit risk. Should a dispute arise, our teams strive to secure a favorable outcome.



Contacts

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Designed by Evalueserve.

Publication name: Global tax administrations leveraging technology

Publication number: 135792-G

Publication date: October 2018