KPMG Tax Reimagined

Leverage the technology (r)evolution to elevate your tax function

March 26, 2026 – KPMG Belgium

Lucas Yuksel | Wim Steppé | Alexander Zegers | Pieter Uijttenhove | Isobel Sherrington | Marta Varatojo

Visit a technology stand during the breaks!

1. Tax compliance management
2. Tailored GenAI agents for Tax
3. KPMG Pillar 2 Engine - KBAT
4. Risk & Controversies Hub
5. Transfer Pricing Technology
6. Agentic Invoice Processing
7. Grants & Incentives
8. The Indirect Tax Technology Journey
9. Trade Technology

Agenda

01 Intro session: The state of AI in Tax

02 Data management & strategies

03 (Indirect) Tax Technology Journey

04 Tax compliance management

05 Managing risk & controversies through technology

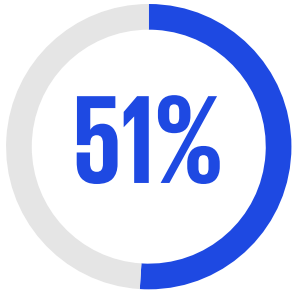
06 Generative AI in Tax

01

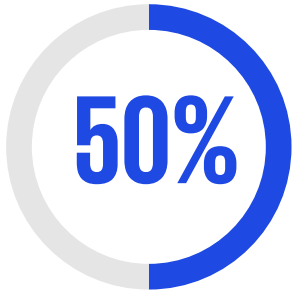
The state of AI in Tax

Assessing the maturity level of the Tax departments in Belgium

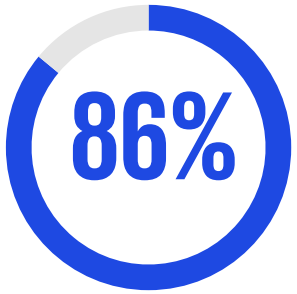
AI in Tax Benchmarking
Growing trust in the potential of GenAI



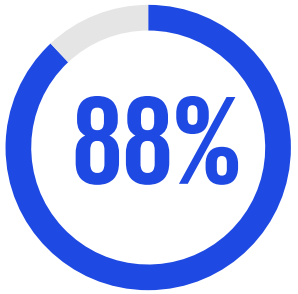
Ranked as the #1 biggest disruptor impacting the tax function



Said they plan to **invest € 500,000 to €1 million** in the technology

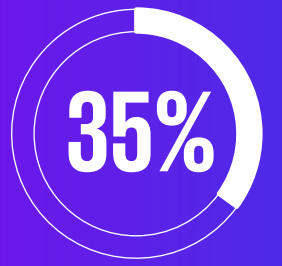


Agree that generative AI tools will **help supplement the talent needs** in their tax department



Believe generative AI is the key to helping their organizations **navigate the challenges brought on by Pillar Two**

How is your company currently accessing/building/using Generative AI technologies?



In-house (own IT departmen)

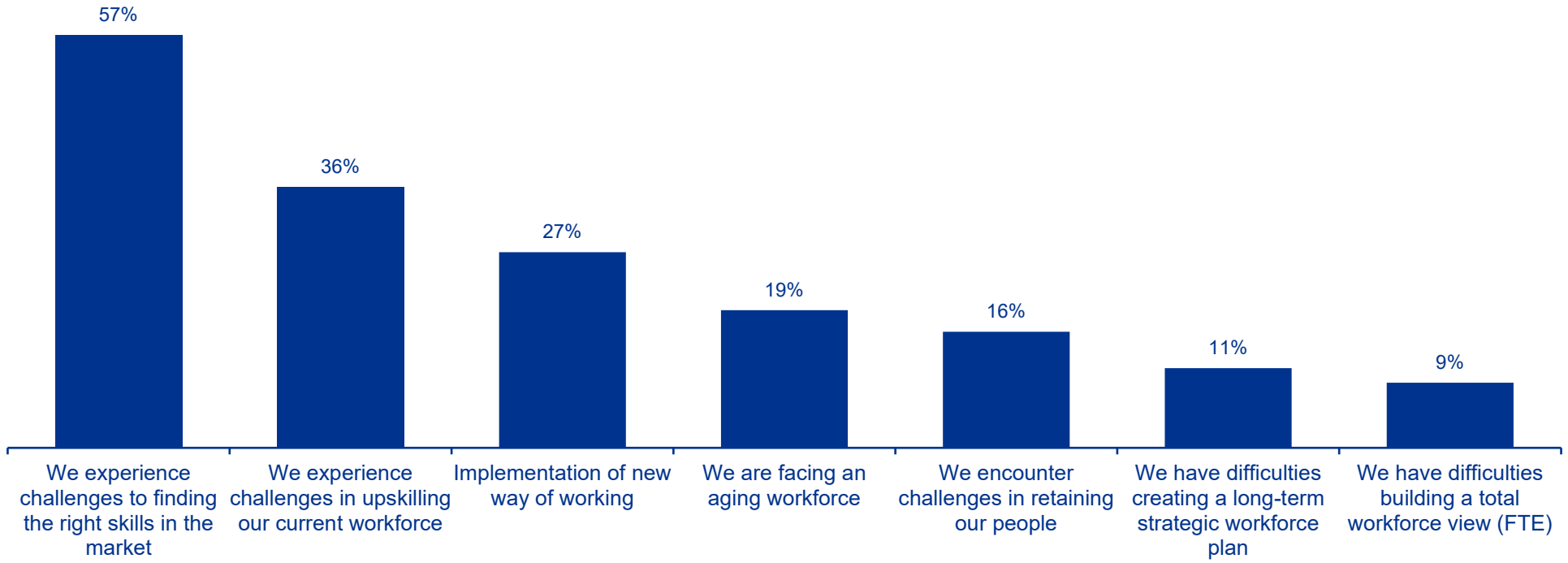
Off-the-shelf solutions

Third party/advisors

Source: Global Tax & Legal Marketing & Communications

KPMG

Workforce opportunities



Most common workforce issues according to our latest KPMG CFO Survey.
GenAI is seen as a clear opportunity to tackle these challenges.

Source: Global Tax & Legal Marketing & Communications

Our experiences when talking to tax teams in Belgium

Our "unofficial" assessment of the Belgian market

We have had multiple interactions with tax teams throughout Belgium.

These teams were varied in size, and had varying responsibilities, impacting potential use cases and requirements for AI solution.

One trend does stand out: the Google ecosystem seems to be "ahead of the game" in terms of AI capabilities and access, with Microsoft and other vendors quickly catching up.

Focus on personal productivity

Usually, clients had already experimented with AI solutions. Many already received basic prompting trainings. However, usage mostly stays within the "personal productivity" realm, using GenAI for translations, summaries, rewriting emails,...

Technology-first approach

The majority of tax teams had already rolled out an AI solution, usually driven by an internal IT-project. Many of the teams were still assessing how they could apply these solutions to their own projects, also hampered by the lack of tailoring possibilities available in the solutions.

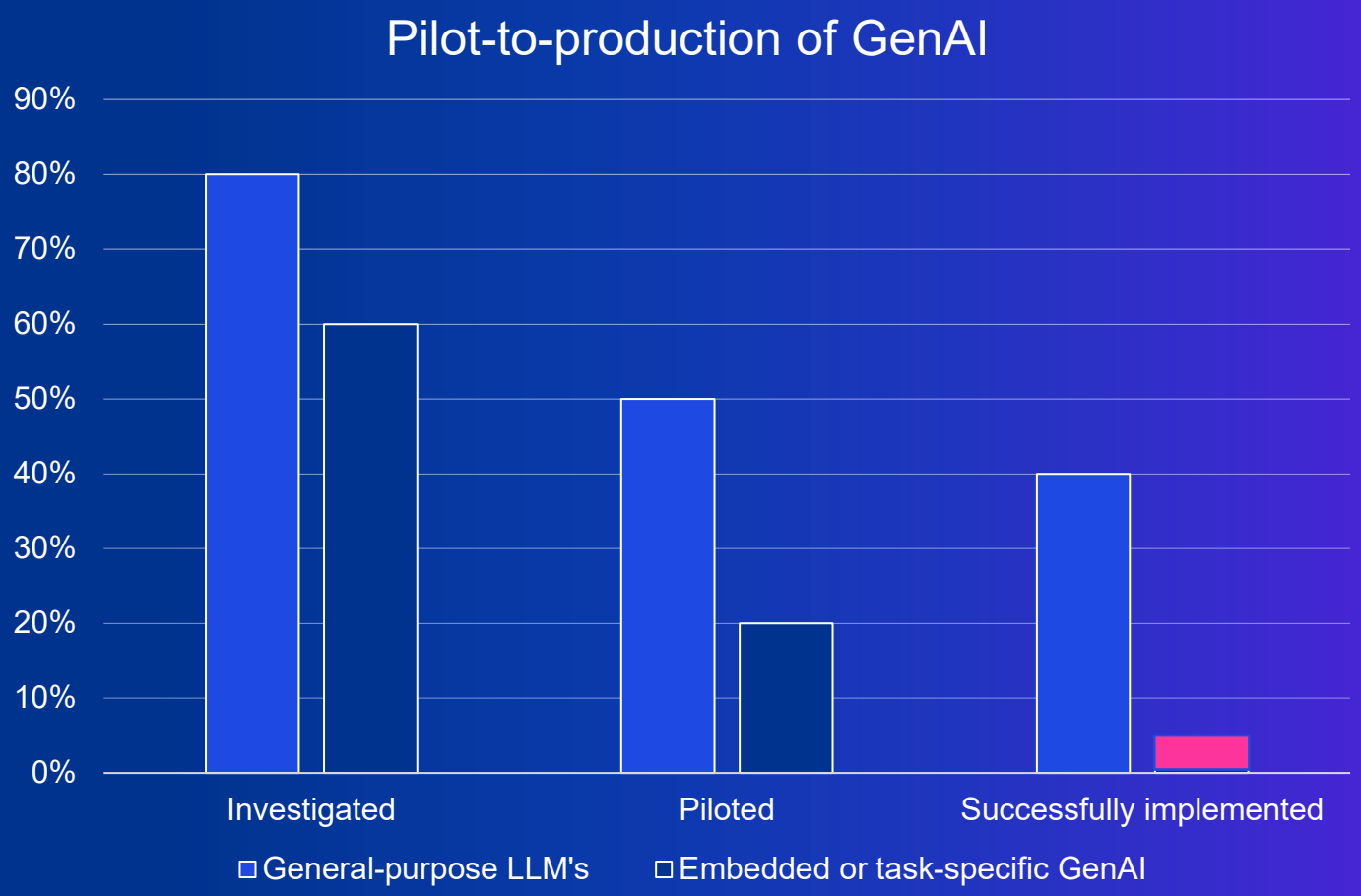
Limited Agentic enablement

Most teams are focusing on chat-enabled experiences with limited integrations, workflows or embedded contexts. A minority of clients have implemented concrete agents, tackling the "jobs to be done" of the tax team.

BE market vs. international trends

The Belgian market seems to be representative of the larger European market. US is clearly ahead of the game, with more publicly available data and less guardrails relating to data privacy and protection.

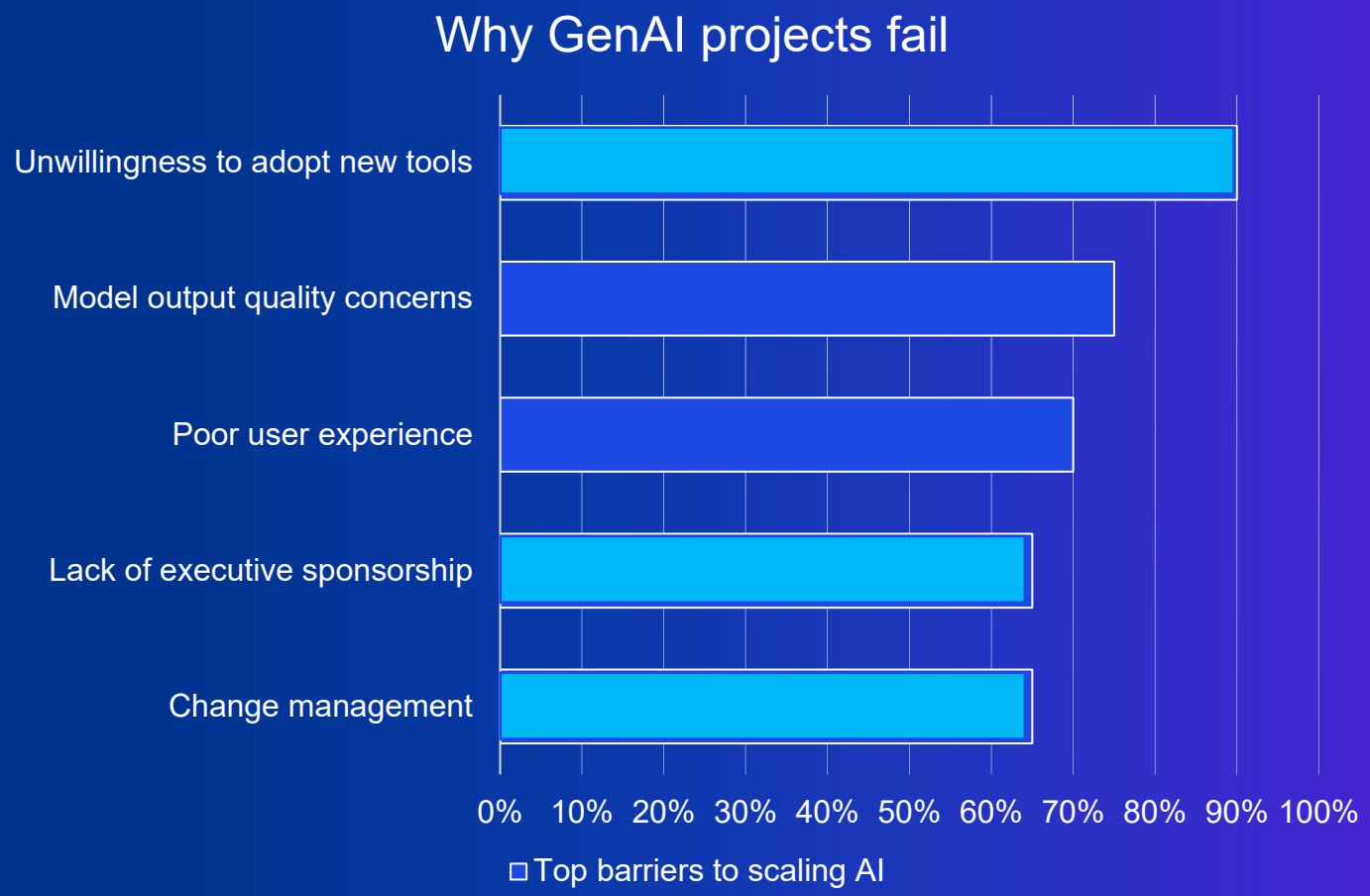
MIT Nanda – 95% of all AI projects fail...



Based on individual interviews, not official company reporting

Source: State of AI in business

MIT Nanda – 95% of all AI projects fail...



Based on individual interviews, not official company reporting

Source: State of AI in business

Aligning results with our own findings

Survey aligns with our own findings:

- Biggest gains can be found in solutions that **empower the tax team**, leveraging general-purpose LLM's that can be tailored
- **Mindset** is a critical success factor for implementing GenAI successfully
- **Bespoke solutions** without tailoring options have limited success rates

Essential factors for achieving success with GenAI

People

- Curious mindsets & critical thinking
- Use case awareness
- Subject matter expertise
- Prompting basics + support

Technology

- Buy or build: Define strategic direction
- Secure environment
- Integrate data and embed knowledge

Content

- Value-driven GenAI governance
- Relevant data sources (public, internal and paid content)
- Quality drives accuracy

02

Data management and the technology journey of the tax function

Positioning Technology & Data in the Target Operating Model

Why?

External Forces

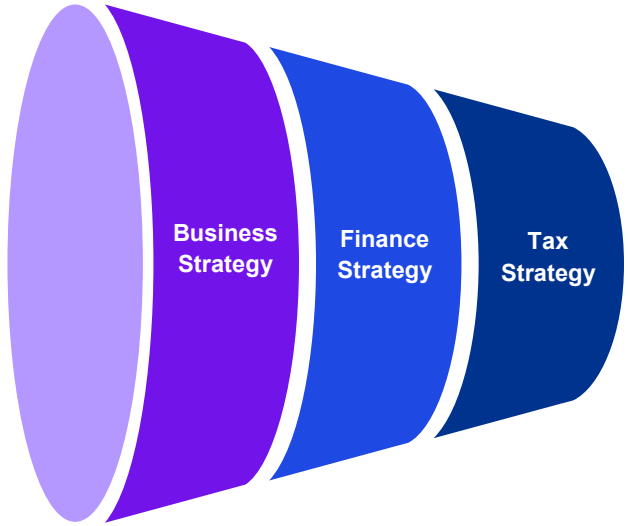
influence an organizations'

- Political & Regulatory
- Economic
- Social
- Technology

What?

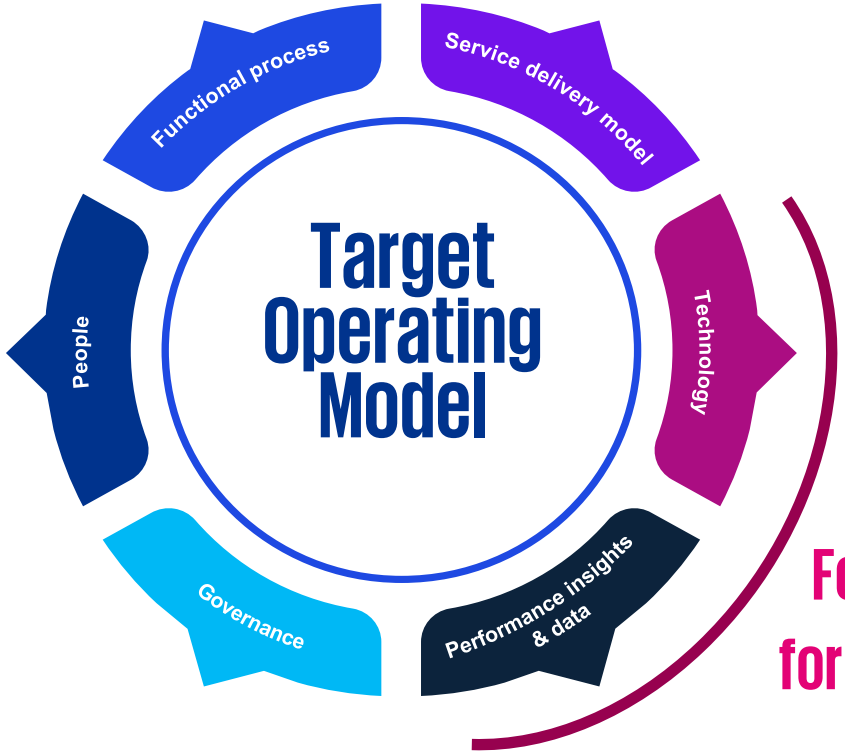
Strategy

which in turn influence an organizations'



How?

Target Operating Model



Focus for today

Global Technology & Data Trends

01 Global tax reporting will become **real-time** – data “first-time right” will be a must

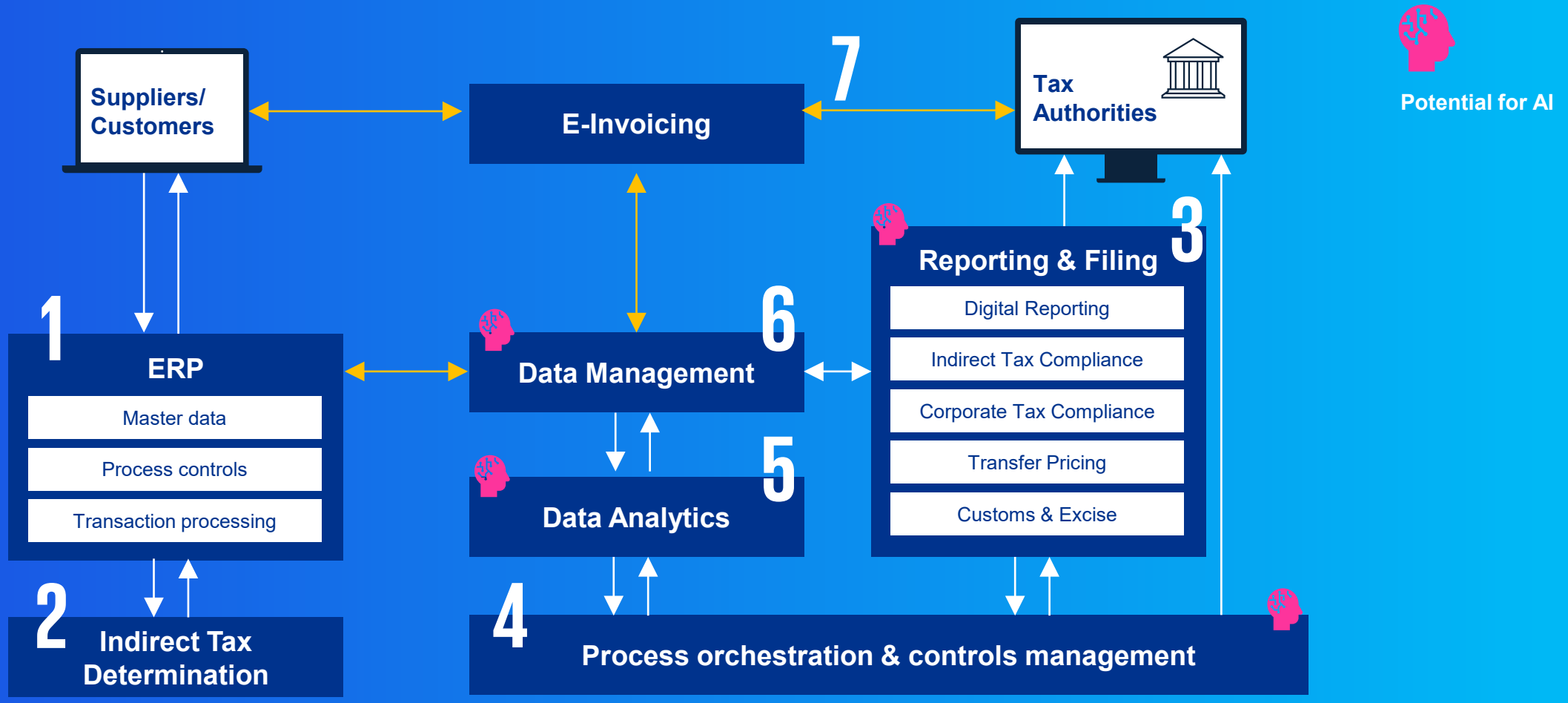
02 Investment in technology is shifting from a **“nice-to-have” to a “must-have”**
Excel alone is no longer sufficient for Pillar 2, E-invoicing, and real-time reporting compliance

03 A **connected tax solution architecture** should be designed with the flexibility to adapt to rapidly evolving tax regulations and technological advancements

04 **Artificial Intelligence (AI)** is set to transform the existing workforce, including the tax function. AI will be integrated in the end-to-end processes

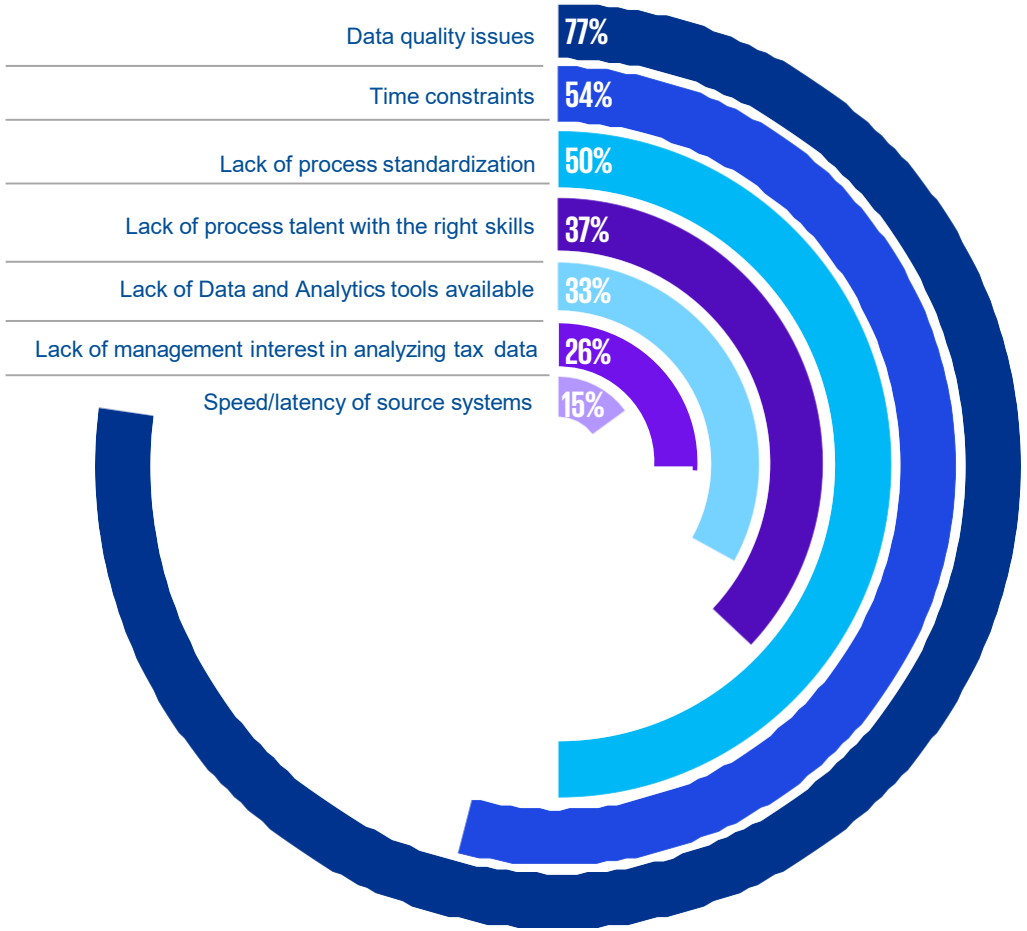
05 A **Common Data Model** is essential to ensure cross-functional alignment in tax reporting, as tax authorities increasingly cross-check VAT, CIT, and TP filings for consistency

Future-ready Tax Solution Architecture – Data at the heart

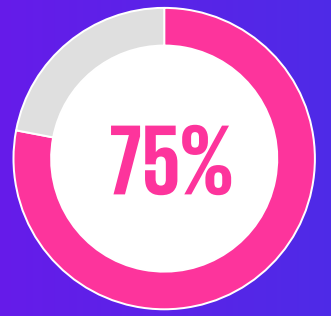


Key Data Challenges

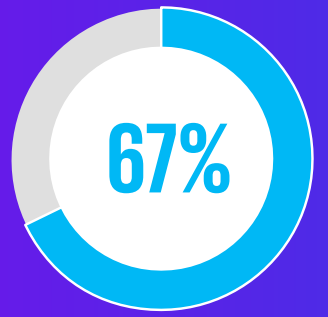
Key data challenges for tax



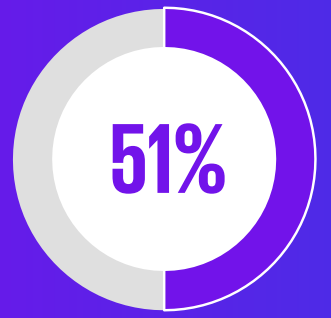
...with the right tools for the job



Analytic Tools
Respondents who are prioritizing the **implementation (27%)** or **increased use (48%)** of analytic tools.



Data Transformation Technologies
Respondents who are prioritizing the **implementation (31%)** or the **increased use (36%)** of data transformation software.

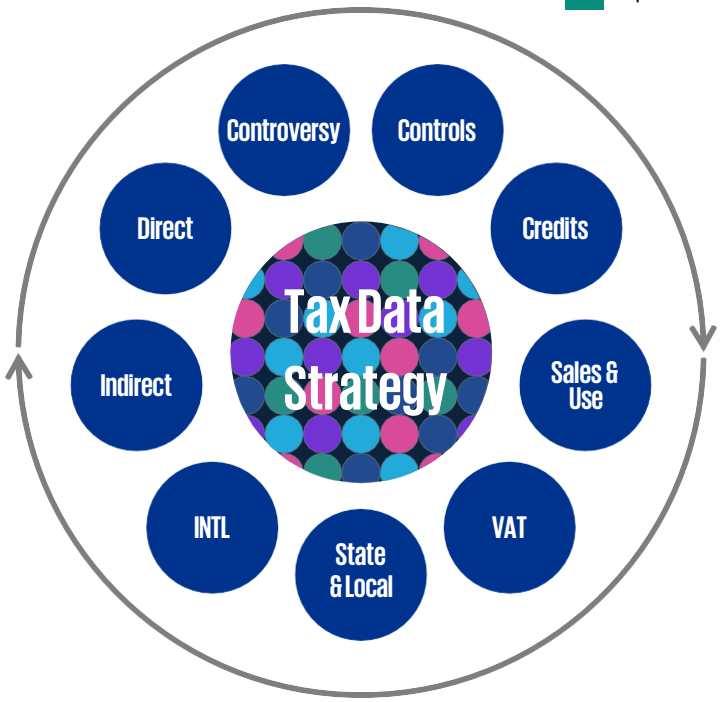


Workflow Tool and/or Document Management System
Respondents who are prioritizing the **implementation (22%)** or the **increased use (29%)** of a workflow tool/document management system.

Source: *Global Tax Function Benchmarking Survey, KPMG (2024, 2025)*

Data Management Strategy

- Significantly increased global tax controversy
- International tax changes and BEPS 2.0
- Global supply chain disruption
- Imperatives for digital transformation and digital reporting
- Multiple new environmental, social and governance (ESG) responsibilities
- Lack of controls to protect data (e.g., forwarded emails)



Siloed | Hierarchical structures

Current State

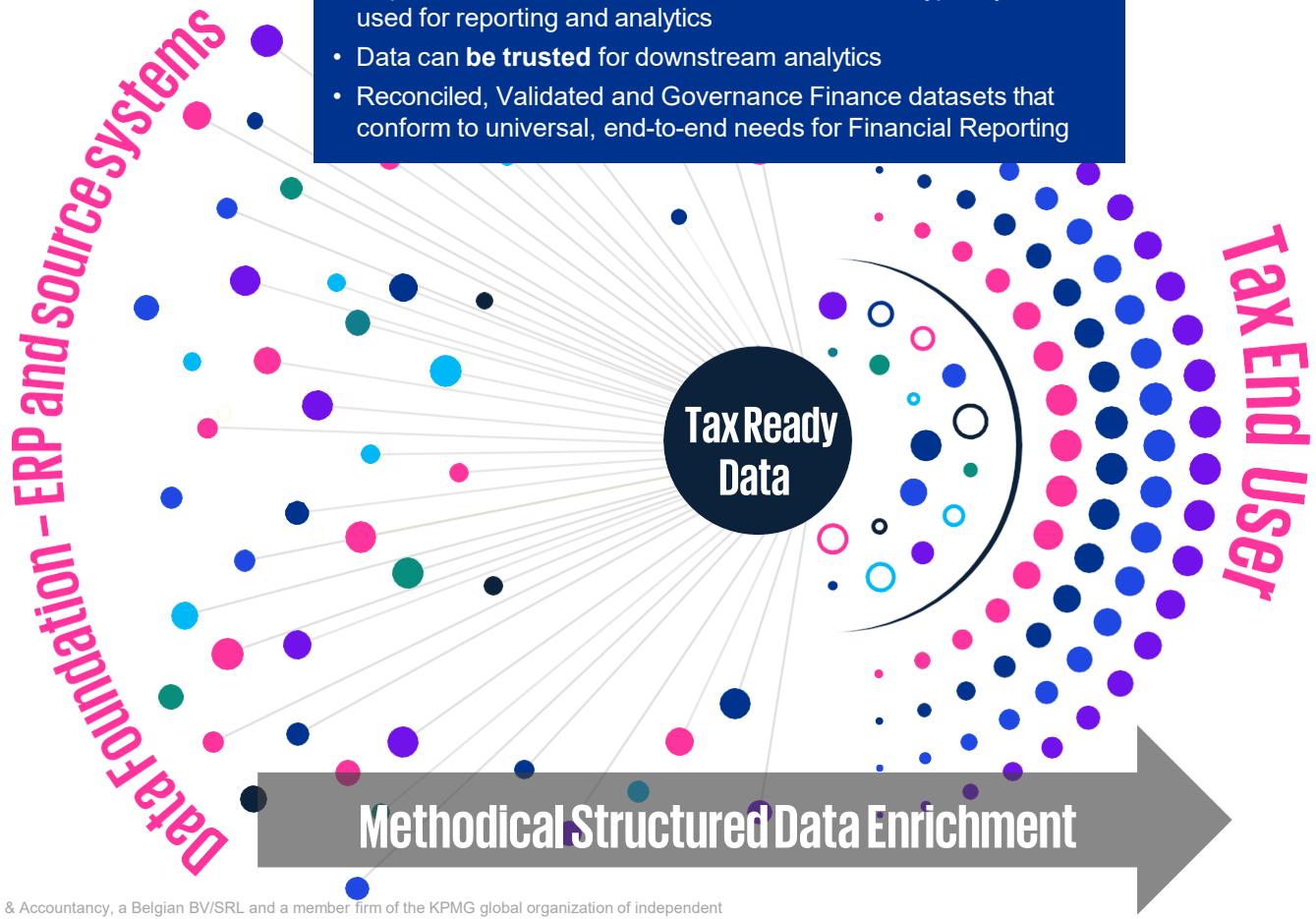
Data is managed in silos and is disconnected, creating nonstandard processes managed and executed within functions without synergies.

Organic | Networked | Collaboration focused

Target State

Standardized sourcing and operations is implemented around data and technology, with efficiency gained via a single source of reusable data.

From source data to data consumption



- Organizational data
- Transactional data
- Financial data
- Qualitative data
- Operational data

Tier One

- Contains **unvalidated source data**
- Maintains **the raw static and most transactional grain of data as sourced from the data** source (ERP, CRM)
- Is **appended incrementally** and grows over time
- Can be any combination of streaming and batch transaction

Tier Two

- Represents a **validated** enriched version of data typically used for reporting and analytics
- Data can **be trusted** for downstream analytics
- Reconciled, Validated and Governance Finance datasets that conform to universal, end-to-end needs for Financial Reporting

Premium layer

- Highly refined and aggregated data that is very specific to business needs
- Contains data that powers advanced business intelligence KPIs, AI Models
- Data is transformed into intelligence, rather than just information
- Continuous feedback loop to improve operations

Value creation through data management

OPPORTUNITIES

- Centralise and automate data extraction activity to enable “extract once use multiple times” principle
- Direct use of source data information (ERP) to reduce risk
- Integrate common data requirements for different processes e.g. statutory financial statements, GAAP conversion, CIT & Pillar 2, etc
- Compliance teams can compile complex requirements across finance teams at one time
- Combine data sets and enhance the quality of underlying data through a common data model
- Use of data & analytics and automation for risk based analysis
- Collaborative technology accessible to multiple stakeholders

Outcomes

- Reduced risk, improved audit trail and visibility of compliance data
- Typically 40-55% reduction in efforts in the compliance process
- Free up valuable resource to focus on value-added activity
- Focus on developing a tax digitization strategy responding to tax authorities
- A focused approach to compliance process risk management

2026 Tax Technology Landscape (illustrative)

Business processes

ERP Systems

SAP · ORACLE FUSION · workday · Microsoft Dynamics 365 · ORACLE JD EDWARDS

Tax Engines

Vertex
OneSource (TR)
Taxmarc
Meridian

Data management

Data transformation

SAP BW
SAP BDC
Snowflake
Databricks
Teradata
AWS Glue
Google BigQuery
Boomi
KNIME
Alteryx
Microsoft Power Suite

Monitoring & reporting

Tax Risk Management

SAP RAM
ServiceNow
MetricStream
Impero

Consolidation (EPM)

Tagetik
OneStream
Board
SAP BPC
Workiva
Anaplan

Analytics & Visualization

Power BI
Tableau
Qlik
SAP Analytics Cloud (SAC)
Celonis

Preparation & submission

Tax Provisioning & Reporting

Longview
CCH Integrator
Oracle HTP
Avalara CorpTax
SAP DRC
Orbitax
SAP PaPM
ThomsonReuters
Oracle TRCS

Operational TP Solutions

Exa
Optravis
Longview
SAP PaPM
Workiva
Thomson Reuters

E-invoicing

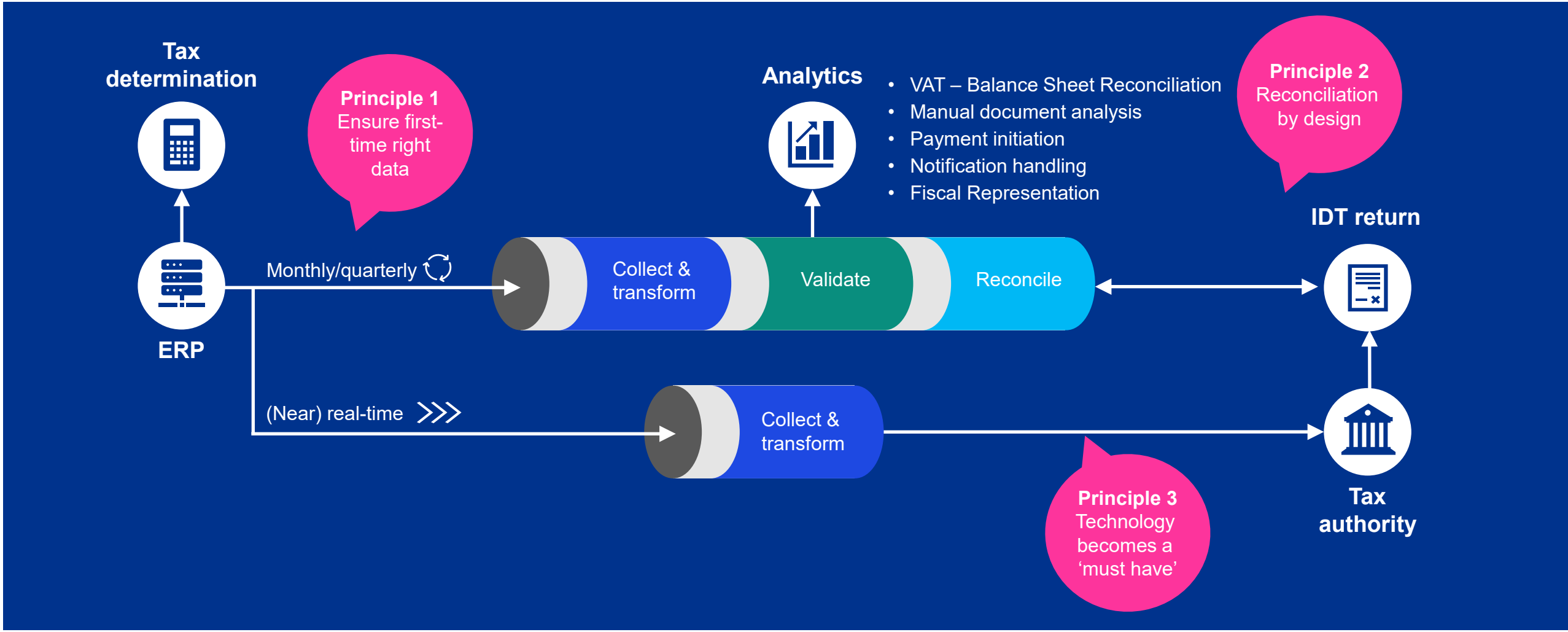
Edicom
TR / Pagero
Sovos
SAP DRC
Avalara

Tax Collaboration tools

SharePoint
Loctax
Keeyns
Big4 solutions

Tax-specific tools
Non tax-specific tools

Future indirect tax compliance shifts to real-time data sharing



03

(Indirect) Tax Technology Journey

External Barriers

Key Drivers

Complexity & Change

Global VAT rules shift frequently; manual processes can't keep pace or stay consistent.

Efficiency & Insight

Automation reduces workload, speeds close, and frees teams for strategic analysis

Scale & Diversity

Multiple ERPs, products, and markets make VAT determination exponentially harder.

Compliance & Real-Time

E-invoicing and digital audits require accurate data, validations, and auditability.

Internal Obstacles

Operational Challenges

Manual Processes & Data Quality

Manual entry drives errors and delays; incomplete master data causes misclassifications and failed validations.

Decentralized Rules & Change

Fragmented tax logic across systems hinders consistency and slows updates to evolving regulations.

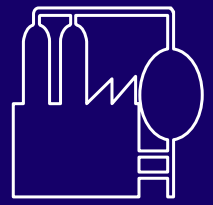
Reporting, Analytics & Visibility

Disparate data limits real -time insight, leading to reactive fixes and compliance risk.

Fueling Growth & Optimization

Organizations that modernize Indirect Tax have enabled the entire business to scale Faster, Safer and Smarter.

Value creators



Embedded Tax Logic

- Preconfigured rules:
  - AR
  - AP
  - Interco
- Eliminate decisions by non-tax people

Data Validation and Audit

- Capture
- Maintain
- Review
- Document
  - Know why your system made a specific decision
  - Document unique / One-off Transactions

Value creators

Scalable Integration

- Avoid (hard)coding
- Understandable logic
- Flexible
- Streamlined compliance

Operational Efficiency

- No Delayed invoicing
- No Recurring corrections
- Become a business partner

Growth Engines

Within your current ERP

VAT add-ons

Tax Engines

No Tax Content

Tax Content

Continues high efforts for both Tax and IT

Medium effort for Tax, low for IT

Low to no effort for both Tax and IT

Break – visit a technology stand!

1. Tax compliance management
2. Tailored GenAI agents for Tax
3. KPMG Pillar 2 Engine - KBAT
4. Risk & Controversies Hub
5. Transfer Pricing Technology
6. Agentic Invoice Processing
7. Grants & Incentives
8. The Indirect Tax Technology Journey
9. Trade Technology

04

Compliance management

Best practices for statutory & tax compliance management

A well-managed compliance framework requires global visibility, structured workflows, and robust documentation to ensure timely filings, reduce risk, and strengthen control over statutory and tax obligations.

Global view on compliance deadlines
Establish a centralized global compliance calendar covering all jurisdictions (CIT, VAT/GST, WHT, statutory accounts) & ensure real-time visibility for headquarters on upcoming deadlines and filing status.

Structured workflow management
Define clear roles and responsibilities and use workflow tools to track progress of each filing, approvals and validation steps status across jurisdictions

Strengthen documentation & audit Readiness
Maintain a centralized repository for compliance documentation and ensure consistent documentation standards across all jurisdictions.

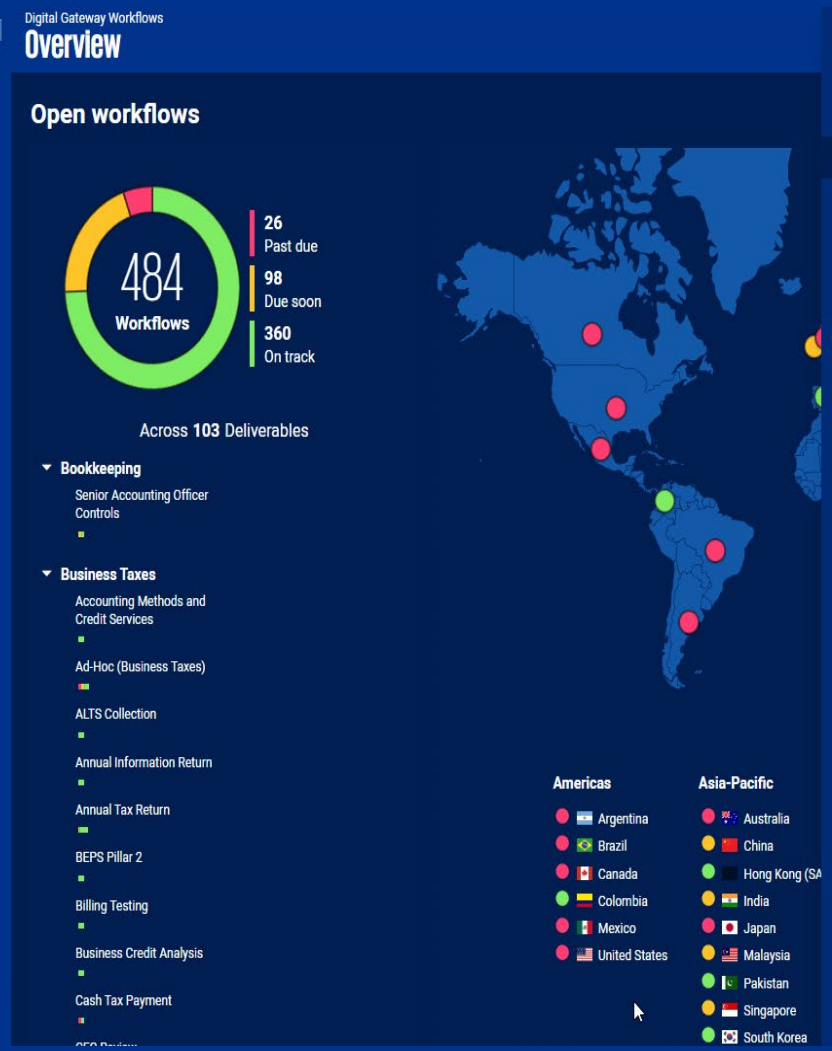
Monitoring deadlines

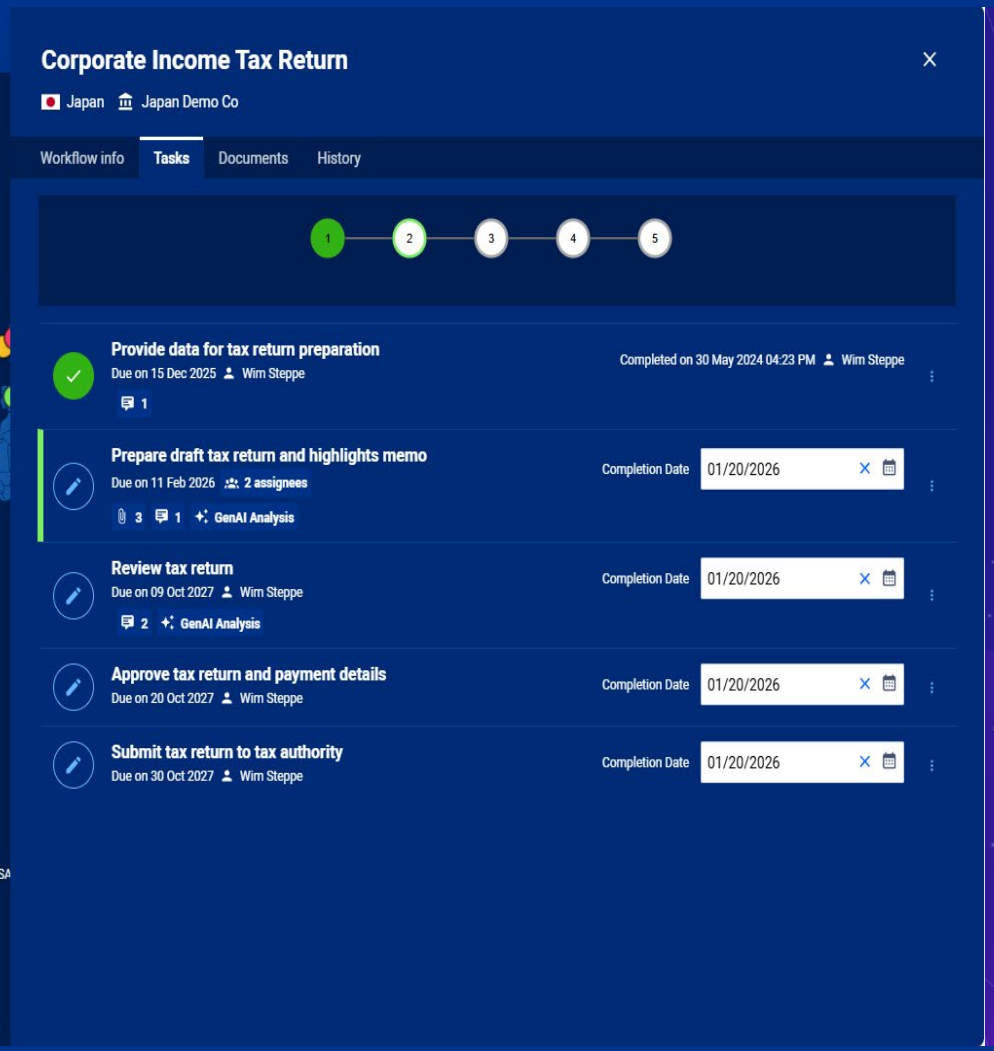
Real-time insights on statutory and tax compliance

Monitor deadlines and progress on global / regional documentation and compliance processes, including:

- Statutory Financial Statements
- Indirect Tax returns
- Corporate tax returns
- Other filings

Workflow Management

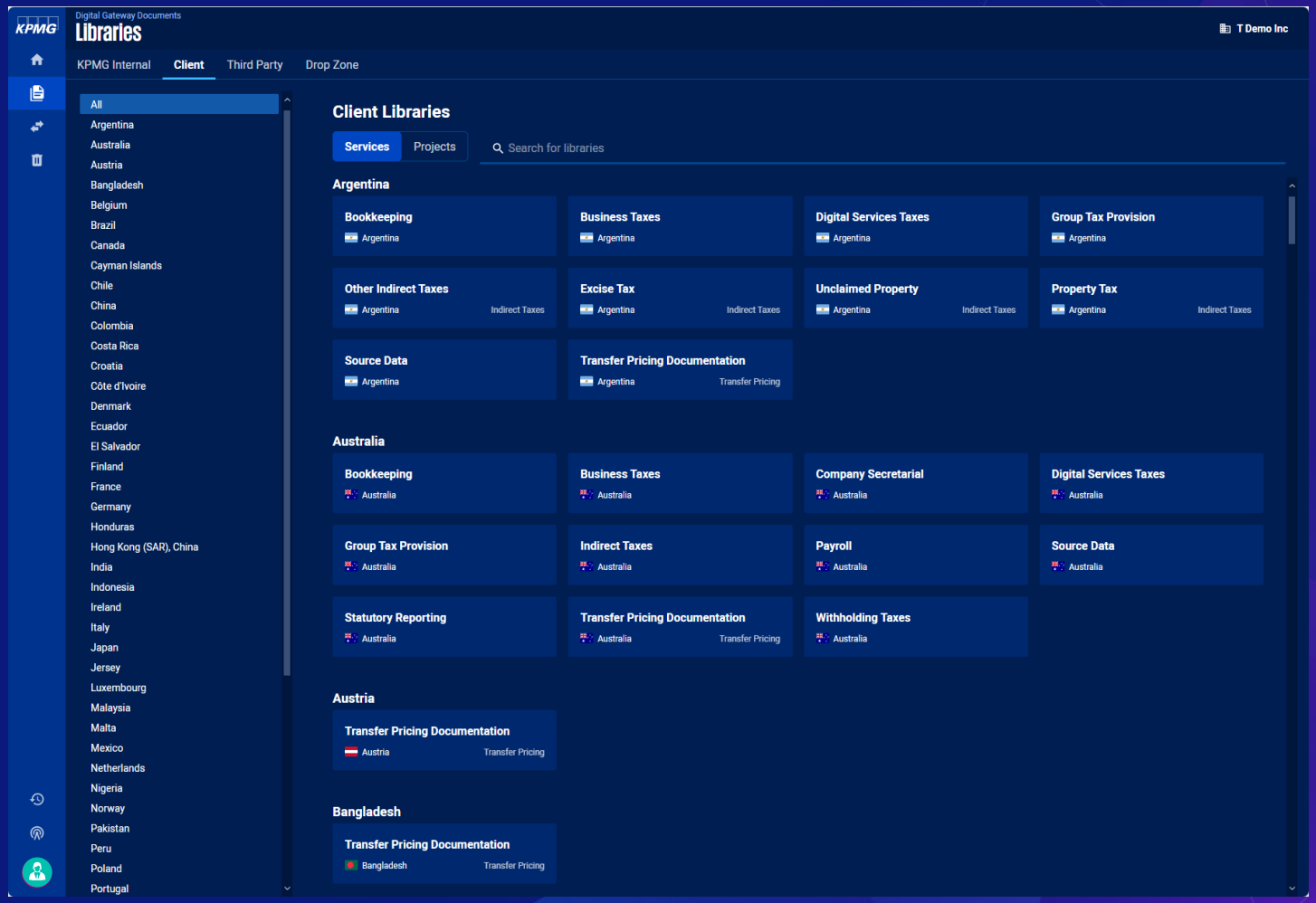




Effective workflow management offers following benefits:

- Visibility
- Accountability
- Efficiency
- Risk reduction

Document Management



Easily accessible and secure document storage

Upload, save and share working documentation, supplemental data and deliverables :

- Advanced user access rights
- Document labelling and tags

05

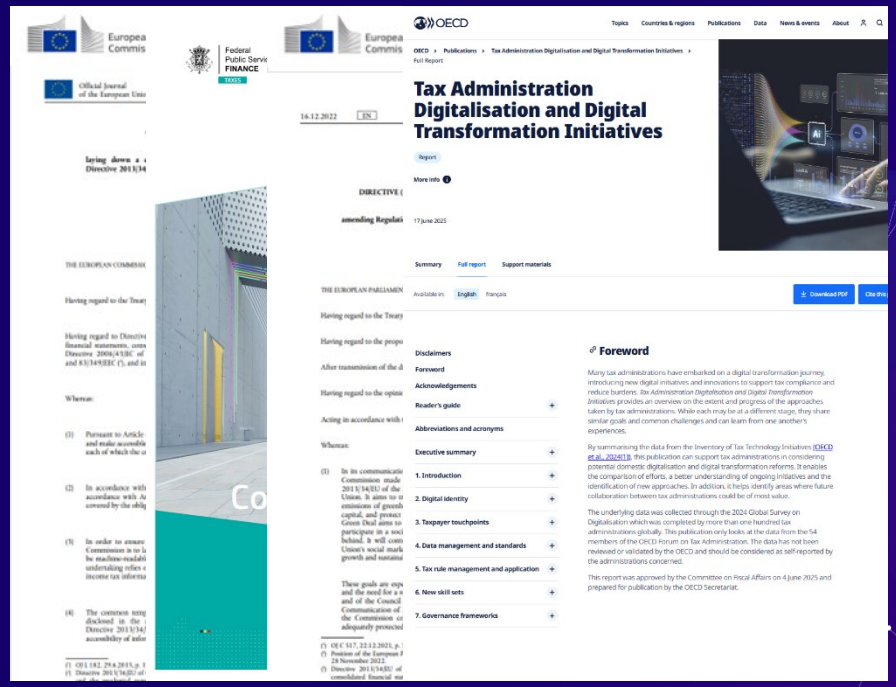
Risk & Controversies

The Tax Risk Agenda: Where are we today?

Structured internal risk management

Real-time tax issues discussions

Continuous monitoring



Key Drivers

New regimes and regulations

Tax authorities around the world are implementing new regimes, many of them based on OECD concepts, and with different requirements.

Transparency & real-time data

Heightened transparency demands and tax authorities' increasing use of real-time data, analytics and digital reporting to identify and target high-risk taxpayers.

ESG & Public Scrutiny

Integration of "responsible tax" into ESG agendas and growing scrutiny from investors, rating agencies and the public.

AI & Advanced Analytics

Tax Authorities are increasingly offering APIs to extract data from source systems, and using AI and advanced analytics.

The Tax Risk Agenda: Preparing for the Future

Tim Sarson, KPMG's UK Head of Tax Policy recently made some long-range predictions for how the tax environment may change over the next 10 years. Many of them were related for the tax risk agenda, including:

AI & Advanced Analytics: Processing

Increasingly sophisticated models with fewer humans in the loop may make it harder to identify issues and raises questions about governance and accountability for senior leaders.

Transparency & real-time data

The potential for all tax authorities and even the public to access your real-time data puts additional pressure on internal controls and error/UTP identification.

AI & Advanced Analytics: Disputes

AI could be used in the future for arbitration and estimating penalties. This brings to the fore the need for high volumes of good quality evidence, not only at the time but in historical data.

The KPMG Checklist

1. People, Processes, and Systems

Does your business have team members or advisors with the required expertise and experience, standardized and controlled processes, and systems appropriately designed with tax in mind?

2. Process Documentation

Tax processes should be formalised and documented; does your business have tax process maps?

3. Identification & monitoring of risks, notices, and controversies

There should be a risk, notice, and controversy identification and monitoring process that can be articulated to tax authorities.

4. Controls

Controls over risks should be documented within the risk & controls register. Controls should be designed effectively.

5. Testing

Tax authorities want to understand what testing has been performed over controls.

Design and operating effectiveness are both important considerations.

6. Tax Policy

Tax governance processes should be documented within an internal tax policy.

How has a published tax strategy been implemented internally? A tax policy is key to operationalising a public tax strategy.

7. Responsibilities & Accountabilities understood

A RACI matrix can be a powerful tool to identify gaps, articulating and formalising who is responsible for different parts of a tax process.

8. Regular engagement with the Board, Audit Committee

Tax authorities will often ask how often tax is discussed at Board or AC level. Regular Board engagement on tax is considered a hallmark of more effective tax governance.

The KPMG Checklist

1. People, Processes, and Systems

Does your business have team members or advisors with the required expertise and experience, standardized and controlled processes, and systems appropriately designed with tax in mind?

2. Process Documentation

Tax processes should be formalised and documented; does your business have tax process maps?

3. Identification & monitoring of risks, notices, and controversies

There should be a risk, notice, and controversy identification and monitoring process that can be articulated to tax authorities.

4. Controls

Controls over risks should be documented within the risk & controls register. Controls should be designed effectively.

5. Testing

Tax authorities want to understand what testing has been performed over controls.

Design and operating effectiveness are both important considerations.

6. Tax Policy

Tax governance processes should be documented within an internal tax policy.

How has a [illegible] strategy be [illegible] internally? A tax policy is key to operationalising a public tax strategy.

Structured internal risk management

Real-time tax issues discussions

Continuous monitoring

[illegible] understood

[illegible] different parts of a tax process.

8. Regular engagement with the Board, Audit Committee

[illegible] often ask [illegible] discussed at [illegible]. Regular Board engagement on tax is considered a hallmark of more effective tax governance.

Tax Risk and Controversy Hub

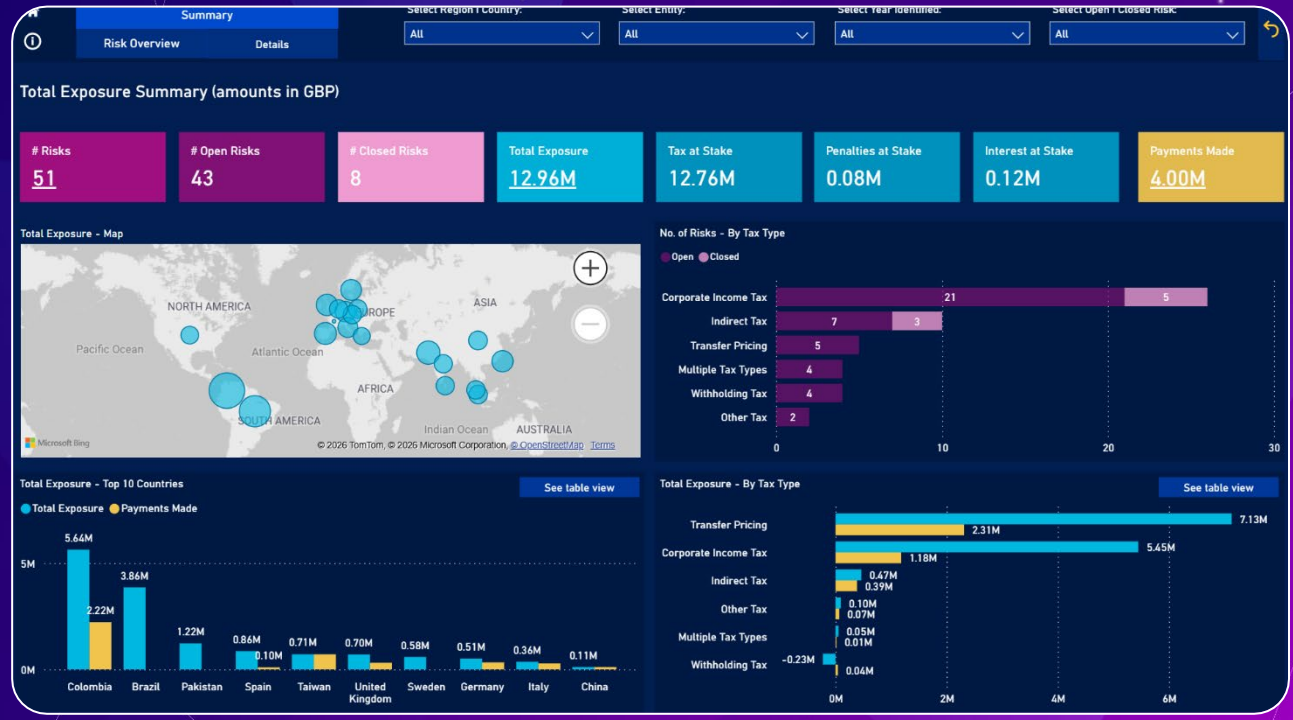
The Tax Risk and Controversy Hub helps organisations to identify, assess, and mitigate tax and business risks. The Hub facilitates collaboration within organisations and with their advisors, while tracking notices, risks, and controversies.

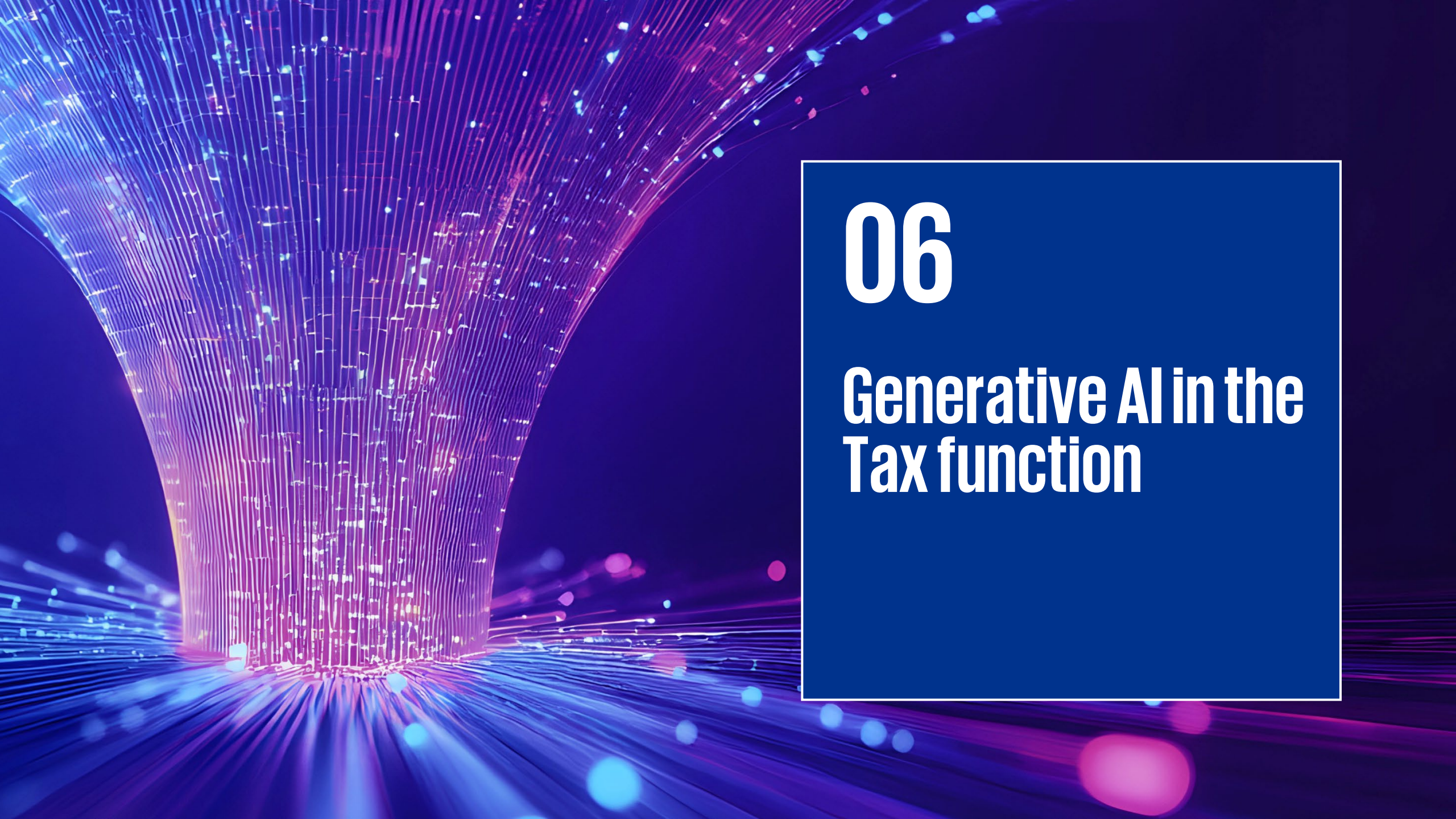
Collaboration
Enhances collaboration by providing a central platform with seamless communication features.

Security
A network of user permissions provides a secure environment for confidential data.

Customised data points
Option to create customised templates and data points to align with your team's processes.

Data-driven insights
Built-in analytics to provide oversight streamline management review.





06

Generative AI in the Tax function

Assessing the potential of GenAI for Tax

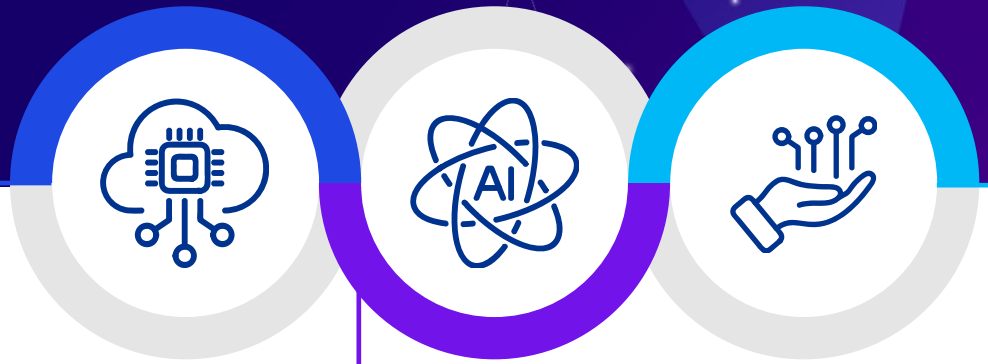
And requirements to get there

The promise of GenAI for Tax

Pre-trained

Generative AI is **pre-trained** and can solve a wide range of problems without the need to train models.

Consequently, the **investment for specific use cases is** significantly **lower** than with conventional AI.



Accessible

The capabilities of generative AI are easily usable by (non-tech) end users and the basic **feasibility of** new use cases can be **quickly validated** in a prototype.

'Superior'

Generative AI can digest huge quantities of data in limited timeframes, can pass the Turing Test and can be **more powerful** than human intelligence for the first time.

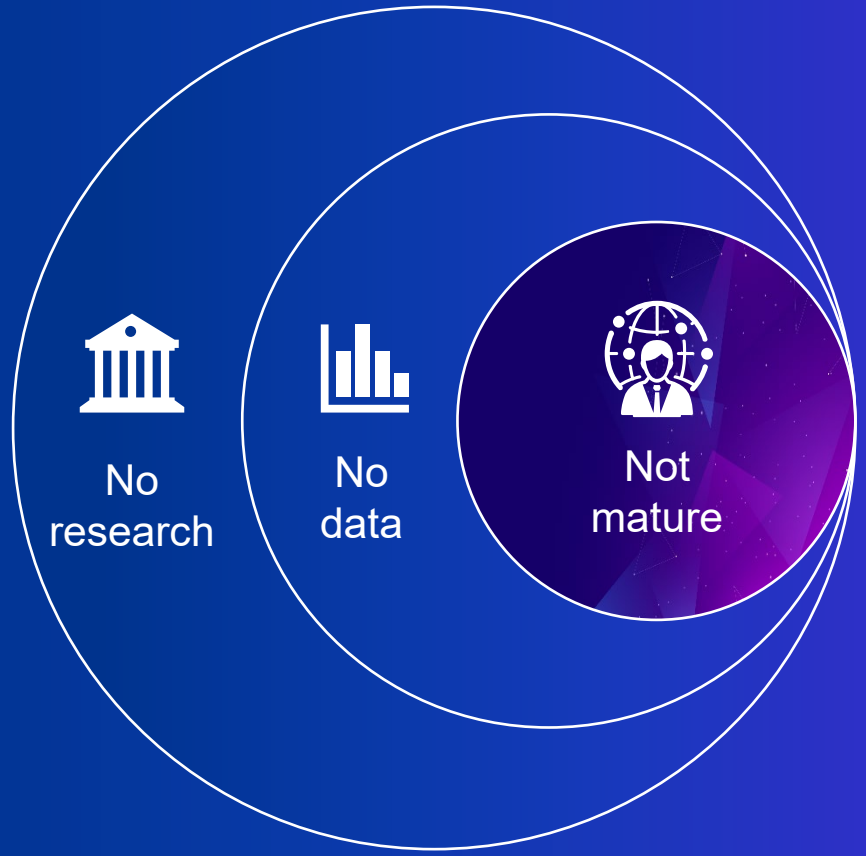
Assessing productivity impact on Tax

➡️ Assess the superiority claim for Tax

➡️ Assess the required conditions for this claim to hold

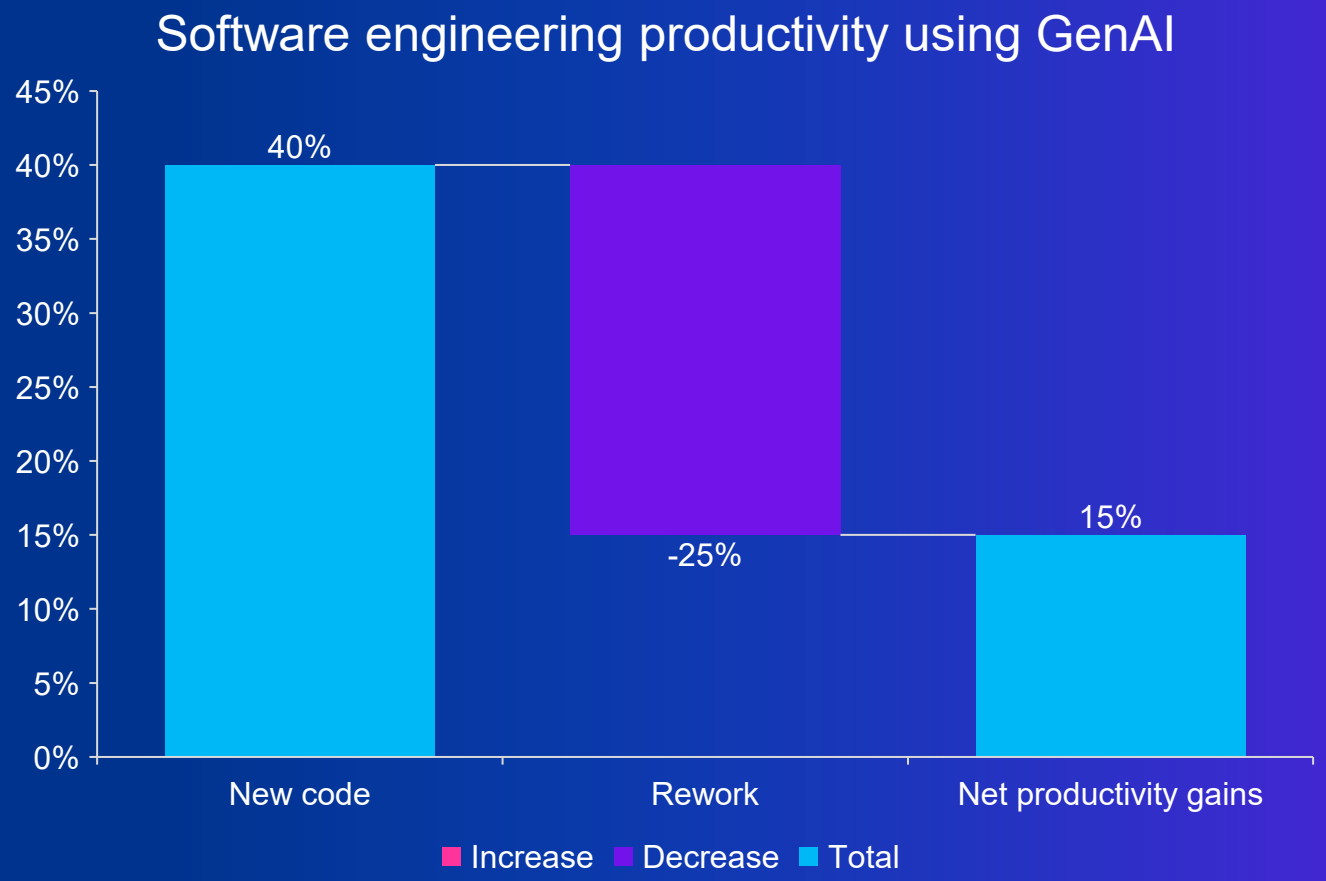
☑️ Hypothesis:
Coding and tax work are alike in that both are fundamentally **intellectual activities**.

Assessing productivity impact on Tax



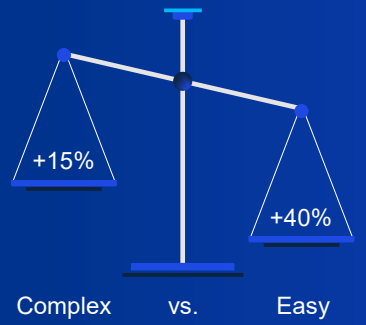
We will investigate the productivity impact on software engineers, and see whether we can apply these findings on the Tax function.

Stanford – impact on developer productivity



Source:
Stanford 09/2024 – Y. Denisov-Blanch e.a. - Predicting Expert Evaluations in Software Code Reviews
Does AI Actually Boost Developer Productivity? (100k Devs Study) - Yegor Denisov-Blanch, Stanford – YouTube

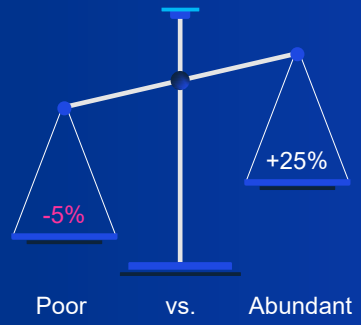
Stanford – impact on developer productivity



Task Complexity

Complex tasks require more human insights.

Repetitive tasks are easier to automate.



Importance of Data

Poor training data results in productivity **loss**

Abundant (qualitative) data and tuning give productivity **gains**

Models **weren't strong enough** to grasp complex problems with multiple dependencies

Source:

Stanford 09/2024 – Y. Denisov-Blanch e.a. - Predicting Expert Evaluations in Software Code Reviews

Does AI Actually Boost Developer Productivity? (100k Devs Study) - Yegor Denisov-Blanch, Stanford – YouTube

Success criteria for GenAI use cases

Reasons for failures

GenAI did not have access, or didn't grasp the entire problem statement
GenAI only executed, didn't plan ahead and didn't test hypotheses

Success criteria

Qualitative training data is available
Problems are clear and well-defined (either through context or prompting)

Given the correct conditions, study predicts potential productivity gains of **+70%**

Source:
Stanford 09/2024 – Y. Denisov-Blanch e.a. - Predicting Expert Evaluations in Software Code Reviews
Does AI Actually Boost Developer Productivity? (100k Devs Study) - Yegor Denisov-Blanch, Stanford – YouTube

Target: achieving 70% productivity gains for Tax

Reasons for failures

GenAI did not have access, or didn't grasp the entire problem statement
GenAI only executed, didn't plan ahead and didn't test hypotheses

Research is based on the state of technology from **before 2024** (GPT 4o, using chat windows)

Two revolutions have happened since then

Context window size

- 2024	2026
8k tokens (~18 pages)	1 mio. tokens (2.250 pages)

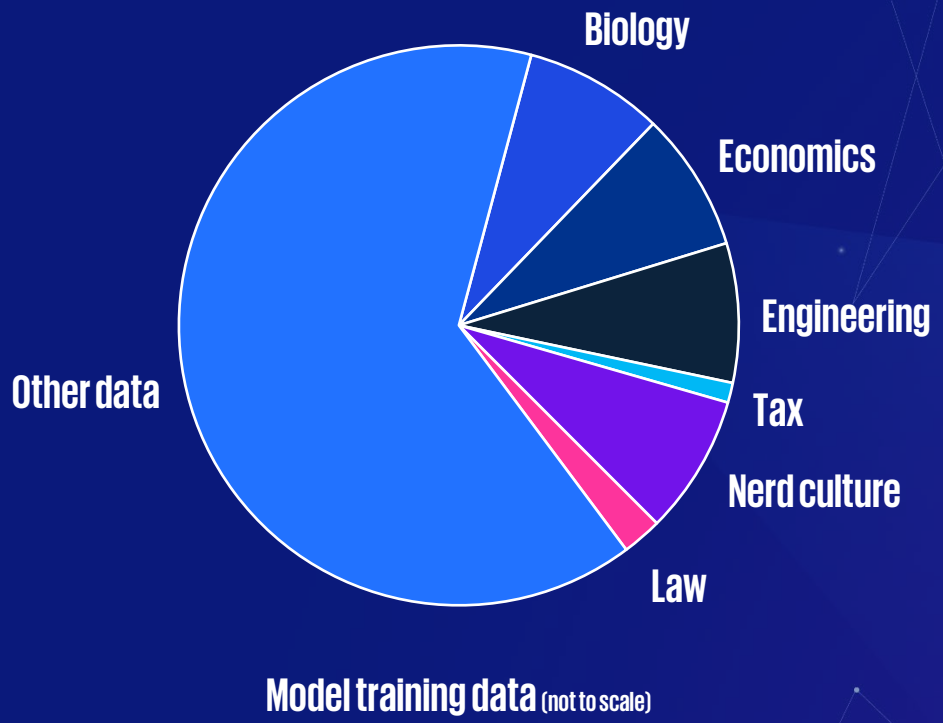
Context Awareness + Agentic

- 2024	2026
Chat window without context or execution plan	Agentic AI + awareness of local data

Source:
Stanford 09/2024 – Y. Denisov-Blanch e.a. - Predicting Expert Evaluations in Software Code Reviews
Does AI Actually Boost Developer Productivity? (100k Devs Study) - Yegor Denisov-Blanch, Stanford – YouTube

Achieve 70% productivity increase for Tax

Using a "generic" LLM solution



Success criteria

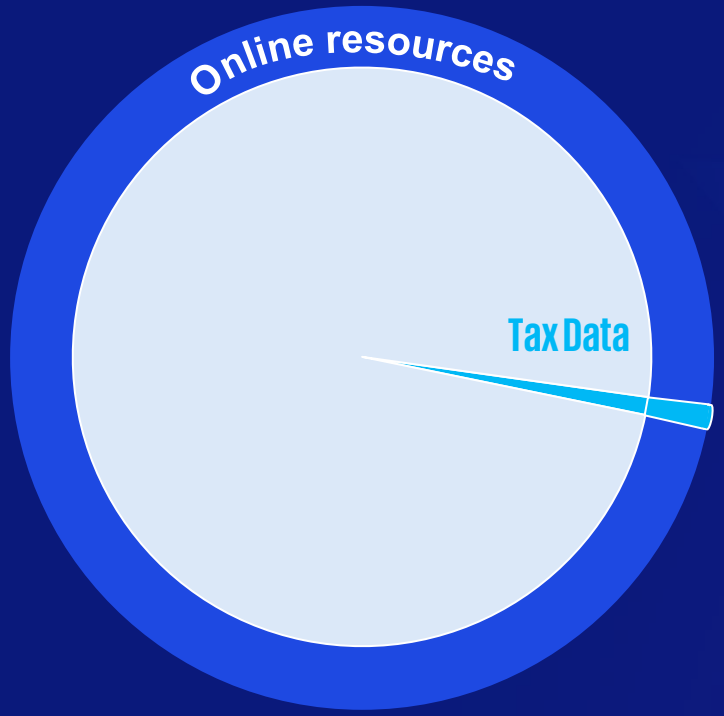
Qualitative training data is available
Problems are clear and well-defined (either through context or prompting)

Large Language Models (LLM's) are trained on publicly available data.

This training data has a cutoff date. Newer models = later cutoff date.

Achieve 70% productivity increase for Tax

Using a "generic" LLM solution



1. Prompting

Guide the AI model to the correct Tax data sources, exclude non-relevant facts.

2. Introduce online resources

For select (search / "scanner") use cases, or if the target web resource can be clearly defined. Otherwise not recommended.

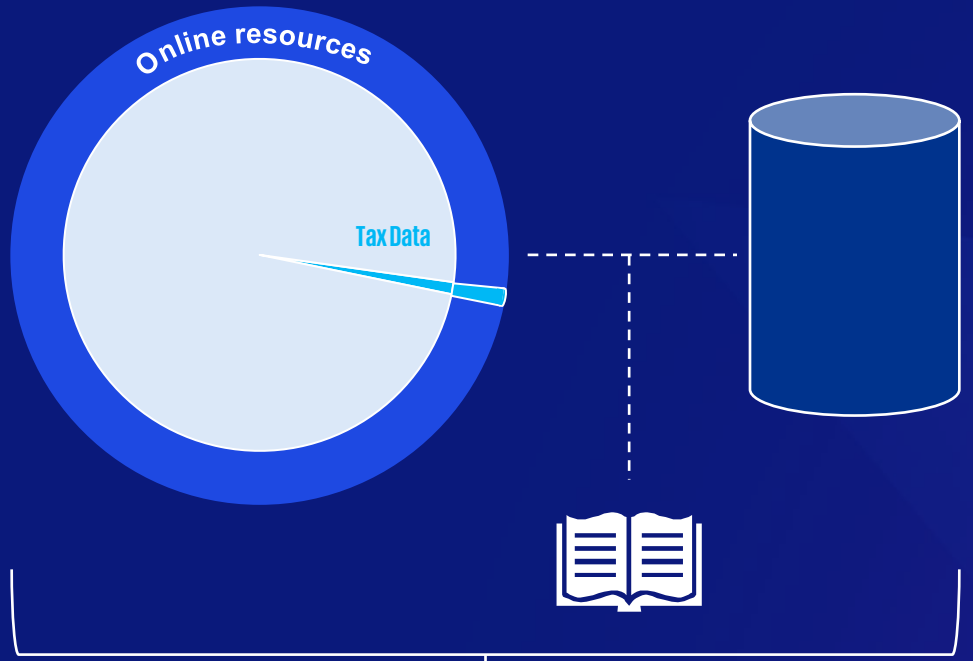
!! Potential issues

1) We added uncurated knowledge to our model
2) We didn't define any business rules, logic, workflow or expectations

➡️ **Rework and failed expectations are likely.**

Achieve 70% productivity increase for Tax

Using a "generic" LLM solution



1. Prompting

Guide the AI model to the correct Tax data sources, exclude non-relevant facts.

2. Introduce online resources

For select (search / "scanner") use cases, or if the target web resource can be clearly defined. Otherwise not recommended.

3. Add curated knowledge and reliable data

Leverage internal or external curated sources:
legislation, jurisprudence, internal FAQs, thought leadership,...

4. Add a rulebook

Embed subject matter expertise, define information hierarchies and clarify expectations from the AI model through prompts.

5. Add tools and systems

Add tools to compliment your GenAI models:
code runners, workflow engines, connectors,...

Context

Achieve 70% productivity increase for Tax

Using a "generic" LLM solution

1. Prompting

Guide the AI model to the correct Tax data sources, exclude non-relevant facts.

2. Introduce online resources

For select (search / "scanner") use cases, or if the target web resource can be clearly defined. Otherwise not recommended.

3. Add curated knowledge and reliable data

Leverage internal or external curated sources:
legislation, jurisprudence, internal FAQs, thought leadership,...

4. Add a rulebook

Embed subject matter expertise, define information hierarchies and clarify expectations from the AI model.

5. Add tools and systems

Add tools to compliment your GenAI models:
code runners, workflow engines, connectors,...

Context

Required skillset for the Tax team

1. Mindset

A “can-do” mindset, together with an eagerness to learn new things. Views AI as an assistant, not a threat.

2. Subject Matter Expertise

Is an expert of the matter at hand. Is able to locate and avaluate sources. Can build a reasoning to solve use cases.

3. Access to expertise

Technology experts enable the tax experts, evangelising best practices, knowing the ins- and outs of GenAI solutions used.

The current toolset of the Tax Professional

- Secure Chat Environment
- Search Assistant
- Meeting Assistant
- Research Agent
- Tailored AI

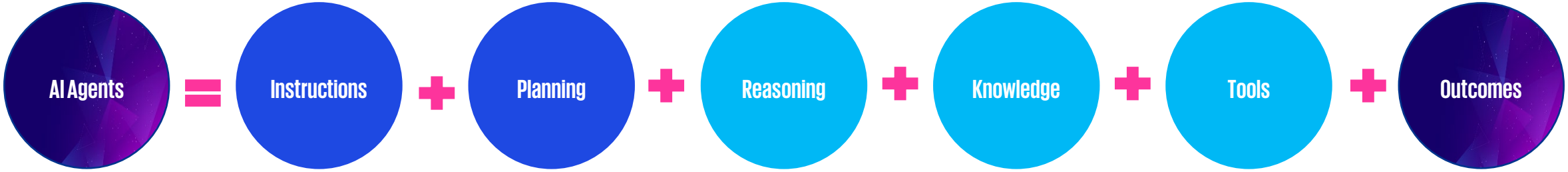
Prompting Skills (Beyond "act like an expert")

+

Context (=data management strategy)

Governance + Target Operating Model

The future toolset – Agentic AI and "coworkers"



Humans in and on the loop

Embedded coworkers with full context awareness

What's behind the corner

Facilitating collaboration

AI-powered agents enabling real-time cross-functional collaboration, breaking down silos and accelerating decision-making by providing grounded analyses in the language of the user.

Requirements builder

Orchestrating analyses & workflows

Agents can follow instructions according to a given plan, whilst still being flexible enough to deal with unexpected situations. They can leverage tools for advanced data reconciliations.

Tax reconciliation or analysis agent

Proactive capabilities

Agents can not only react, but also proactively act; checking for changing legislation and providing updates, or even living in your Outlook and looking up information on the fly.

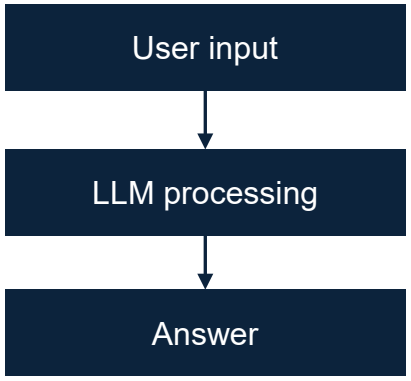
Embedded knowledge agent or news scanner

Practical application of GenAI in tax

Evolution of GenAI: From Chatbot to Agentic AI

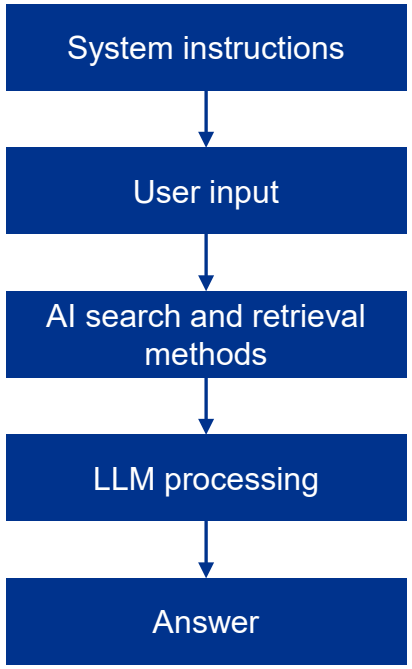
AI Chatbot

Use of pretrained Large Language Model knowledge for generalist tasks



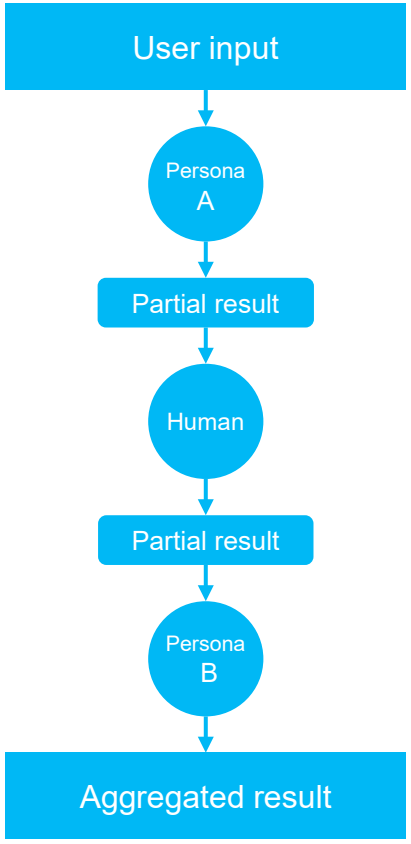
AI Persona

Use of own documents and context for specialized tasks



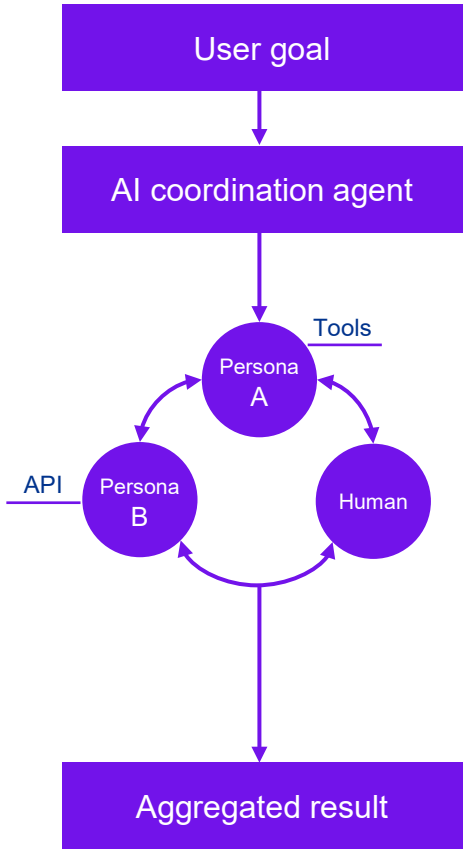
AI Persona flows

Predefined workflows with multiple specialized personas



Multi-AI Agentic System

Independent workflows between specialized personas



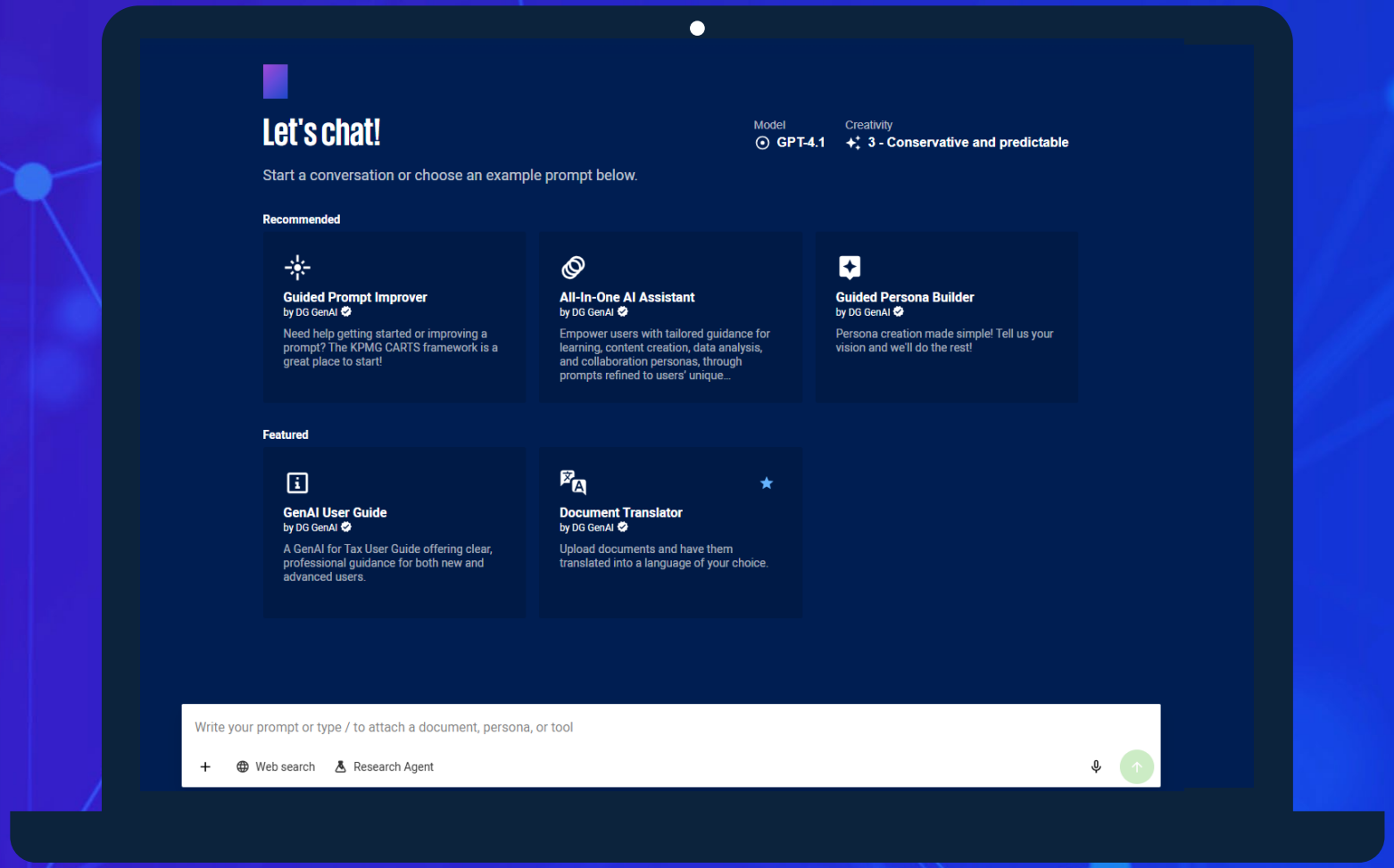
Difference between using personas and the general chat (1)

Questions related to the OECD TP Guidelines

Sources of knowledge are unknown

- Internet, blogs, news, facebook posts(?)

No context in place

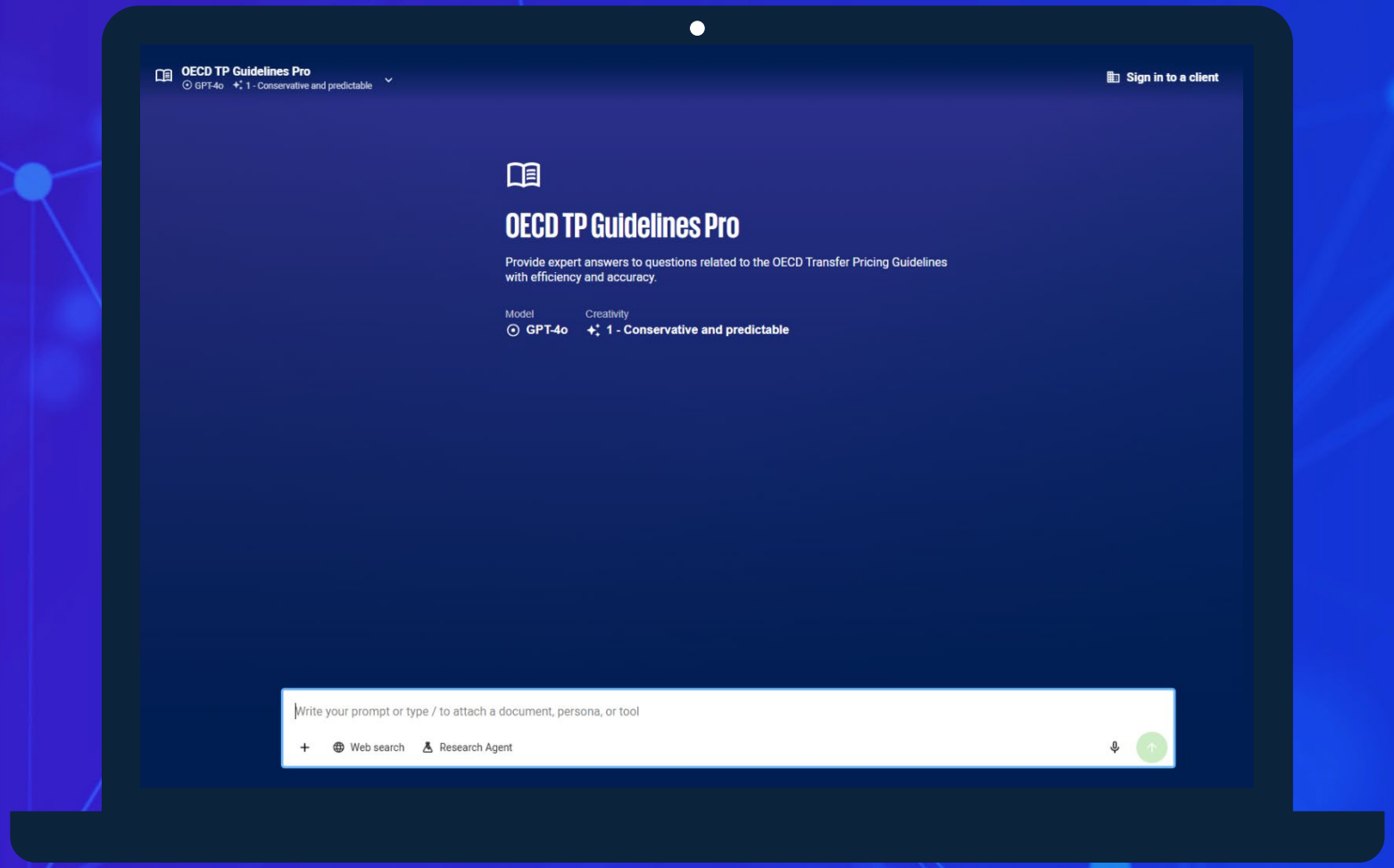


Difference between using personas and the general chat (2)

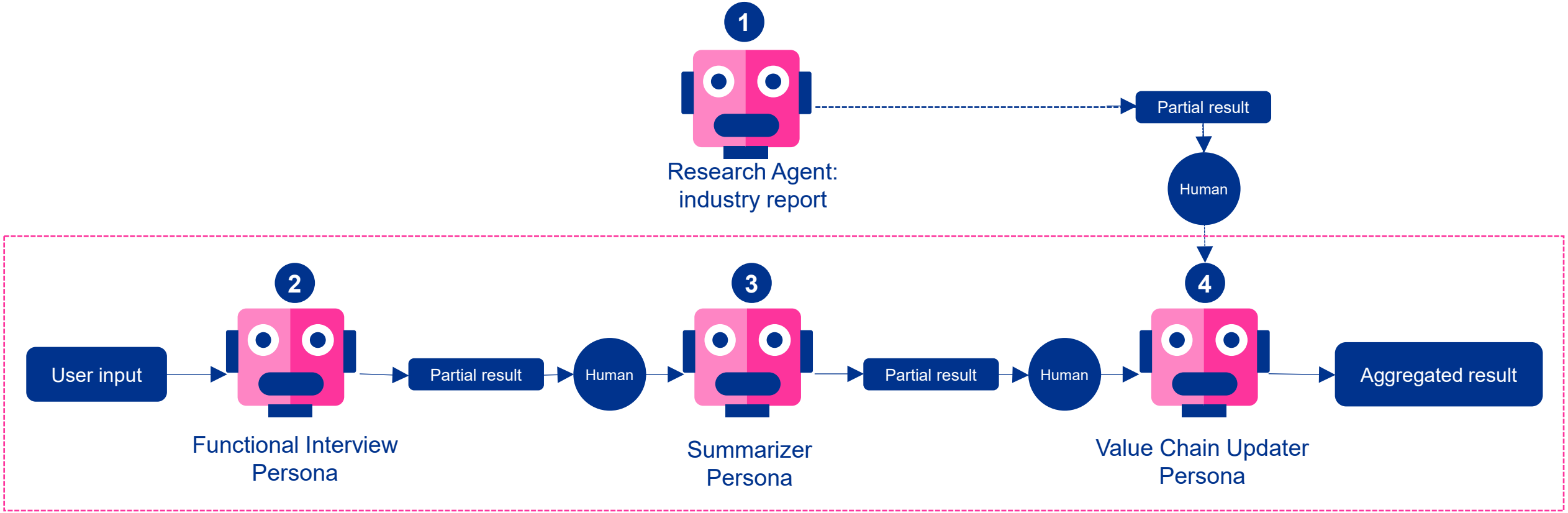
Questions related to the OECD TP Guidelines

Source: latest OECD TP Guidelines (and has instructions to only provide answers based on these)

Context in place (e.g. it knows I already have some TP knowledge)

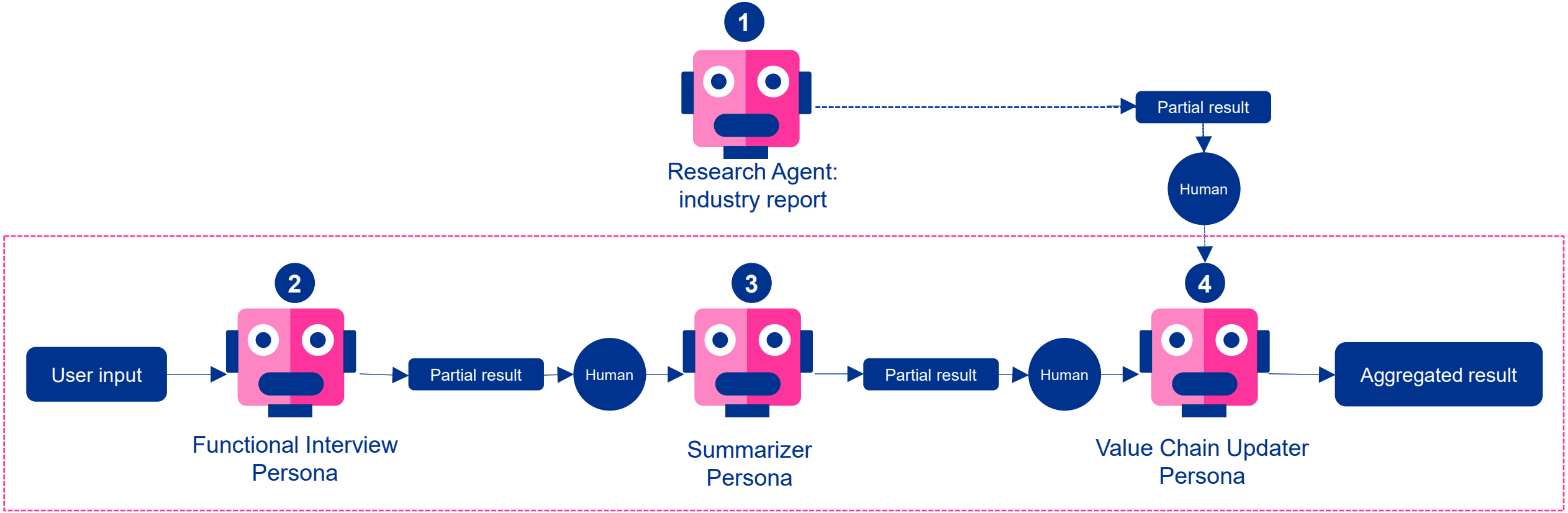


Persona Flow for Transfer Pricing
Value Chain Analysis Update



Demo

Persona Flow for Transfer Pricing
Value Chain Analysis Update



Personas explained

Persona	Core concept	Other TP applications
Research Agent	Collects and synthesizes online data into a structured narrative	Scenario planning. Research legislation across jurisdictions. Research on local court cases.
Functional Interview Persona	Interactive, adaptive questioning to collect factual and qualitative information	Replace Questionnaires and Forms. Internal sanity check of potential change in functions.
Summarization Persona	Converts interview/transcript into structured, concise summaries	Prepare summaries of your TP policy to share internally. Audit ready summaries. Consistent summary of a document you prepare regularly.
Value Chain/Heat map Persona	Translates qualitative and quantitative assessments into visual, interpretable insights	Model and/or visualize the impact of restructurings, mergers, or IP ownership changes on the group value chain.

Wrap-up

Break – visit a technology stand!

1. Tax compliance management
2. Tailored GenAI agents for Tax
3. KPMG Pillar 2 Engine - KBAT
4. Risk & Controversies Hub
5. Transfer Pricing Technology
6. Agentic Invoice Processing
7. Grants & Incentives
8. The Indirect Tax Technology Journey
9. Trade Technology