

One minute with...

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What's keeping you busy at work?

A great deal. Tax has never been higher on the business and political agenda. What with the OECD proposals on digital taxation, US reform, the EU mandatory disclosure rules, BEPS, Brexit, (I could go on), the tax landscape is looking increasingly crowded. With so many significant changes in the recent past and more fundamental reforms coming down the pipeline, 'busy' takes on a whole new meaning. Busy can be good, but it is also crucially important to keep looking up and out.

Taxing the digital economy, in particular the work of the OECD, is the area I am both watching carefully and spending most of my 'thinking time' on. I keep coming back to the same recurring theme that whatever business you are involved in, if you don't already think of your organisation as a player in the digital economy you soon will. In fact, I use the phrase 'digital economy' with reluctance because it suggests a discrete 'digital' sector. In reality, we have all gone digital already to some extent.

Where do you see corporate international tax reform heading?

That is a tough question. Digital is at the crux of it all, but it has two faces; first, how to tax increasingly digitalised economies; and second, how to embrace digital to improve compliance.

In terms of taxing digitalised economies, I think we are at a pivotal point where it could go in two radically different directions. If the OECD work can come to a consensus solution in relatively short order, and that solution sees widespread adoption and a concerted effort to avoid real pitfalls such as double taxation, then I think it all looks good. We will be on the cusp of an exciting new phase in international tax. If no consensus can be reached, it may be difficult to avoid some quite damaging unravelling of the international tax system as unilateral measures proliferate.

In terms of compliance, I think we will see tax administrations embracing the opportunities of digital to enhance compliance yields and reduce tax fraud. This will involve increasing

transparency, increasing sharing of data between administrations and real time assessment and payment of tax. Critical to fully embracing its power will be trust between the taxpayer and the tax authority that data is secure and that it is used appropriately.

What advice would you give to policy makers?

Keep it balanced. The tax environment of a country turns on the three axes of policy, law making and administration. Keeping those balanced and working in concert is foundational in creating a competitive tax system that encourages investment and growth. We are beginning to see the UK slip down the rankings in terms of its tax competitiveness, and we can point to specific policies or areas of tax administration that are partially responsible.

At the moment, there is too much complex law being rushed through, which is creating uncertainty both as to interpretation and administration. With Brexit on the horizon, it is vitally important that these axes of influence work together to provide an environment where enterprise and innovation can flourish. Everyone needs to work hard to make that happen.

What do you know now that you wish you'd known at the start of your career?

The stereotypical image of a tax adviser is someone with their nose stuck in the legislation arguing points of detail within sections and sub-sections. This work is undoubtedly important, but if you raise your eyes and look further afield that is when tax becomes vital. Tax plays a profound role in enabling an economy and its citizens to flourish. The interplay of tax policy and competition, of sovereignty and globalisation, are the things that make the tax debate so very important. It took a while for my appreciation of these aspects to develop. But once I understood this, it brought a very real sense of responsibility for what I do.

I'd tell my younger self to join the dots sooner. Tax is about thinking big, not thinking small. ■

What's ahead

July

30 Case: CA scheduled to hear taxpayer's appeal in *R oao Aozora GMAC Investment Ltd v HMRC* (HMRC guidance and double tax relief).

31 Case: UT scheduled to hear HMRC's appeal in *The Core (Swindon) v HMRC* (are cleansing juices beverages?).

Compliance: Companies House should have accounts of private companies with 31 October 2018 year-end and plcs with 31 January 2019 year-end; second 5% surcharge for unpaid 2017/18 balancing payments; 2018/19 second instalment SA liabilities; tax credits claims finalised and renewed; CTSA returns for accounting periods ended 31 July 2019.

August

1 Compliance: Payment of corporation tax liabilities for periods ended 31 October 2018 if not liable to pay by instalments; outstanding 2017/18 self-assessment tax returns now subject to a penalty of £300 or 5% of tax due whichever is higher.

2 Compliance: Filing date for form P46(Car) for quarter ended 5 July 2019.

5 Compliance: Quarterly report by employment intermediaries for period 6 April to 5 July 2019.

7 Compliance: Due date for VAT return and payment for 30 June 2019 quarter (electronic payment).

9 Consultation: Comments close on draft regulations to amend the new hybrid capital instruments rules.

14 Compliance: Quarterly corporation tax instalment payment for large companies; monthly EC sales list (paper returns).

19 Compliance: Pay PAYE/construction industry scheme for month ended 5 August 2019 if by cheque; file monthly return.

20 Consultation: Comments close on draft legislation on employment allowance eligibility reforms.

21 Compliance: Online monthly EC sales list; Intrastat: supplementary declarations for July 2019.

22 Compliance: PAYE/National Insurance/student loan payments if paid online.

27 Consultation: Comments close on draft UK regulations on EU tax dispute resolution directive.

For a 'what's ahead' which looks further ahead, see taxjournal.com (under the 'trackers' tab).

Next edition:

Tax Journal now takes its customary August break. The next print edition will be published on 30 August. Visit taxjournal.com for news coverage in the meantime.