

# Global Tax Department Benchmarking

## At-a-glance insights for Financial Services (FS) tax leaders

KPMG International conducts an ongoing survey of tax leaders around the world, which considers ranges of responsibilities, department composition, budget structures and other data points to help tax leaders assess their departments today, and consider how to evolve them for the future. Below are some of the highlights of the survey with a specific lens on the financial services sector.

### Structure

> Central tax departments most often fall within the:



> Most Chief Tax Officers (CTOs) or Tax Leaders report to:



> Just under half of tax departments in FS are responsible for global reporting while a high proportion are responsible for domestic reporting compared to global averages (i.e. 61% global reporting and 78% domestic reporting):



> Only 36% of tax departments in FS use a shared service center (SSC), of these 75% have increased utilization.

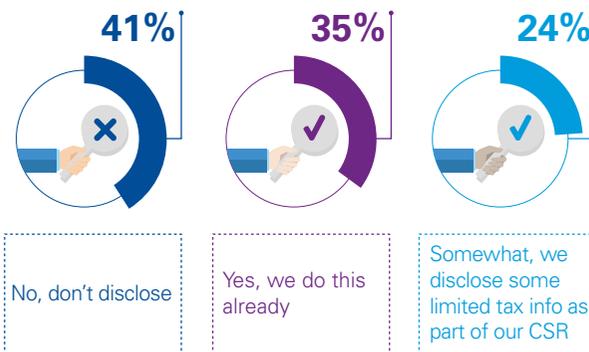


### Responsible tax

> Most tax departments have a code of conduct to frame their risk tolerance and tax decisions.



> Public disclosures of tax information:



\*Note: Percentages might not add up to 100% due to rounding

**55% of the companies who don't currently disclose, plan to do so in the future.**

### Wishlist

> Tax technology and additional personnel topped the list for tax leaders when asked where they would invest if they had an additional budget.



Source: KPMG Global Tax Benchmarking Survey, 2021

> Tax leaders ranked the following process improvement priorities as important over the next 5 years:



## Technology

75%



of respondents plan to increase their use of enterprise finance IT systems for tax purposes.

70%



of respondents plan to increase their investment in tax specific technologies.

26%



of respondents are planning to invest in compliance software.

23%



of respondents are planning to invest in use of off-the-shelf provision systems.

## Department performance

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

89% Accuracy of returns and avoidance of penalties (versus 75% globally)

81% Tax risks are managed appropriately (versus 85% globally)

81% Tax compliance deadlines are met on schedule (versus 75% globally)

79% Tax risks are consistent with corporate risk profile (versus 72% globally)

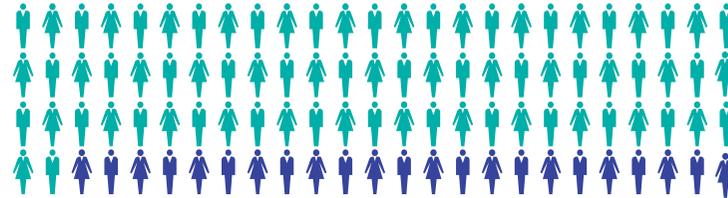
73% Business units are satisfied with tax services provided (versus 67% globally)

## Business impact

➤ Most tax departments have oversight from a board member (or board-level individual) as tax continues to rise in importance on the board agenda.

77%

Yes, board member has tax oversight



23%

No, board member doesn't have oversight of tax

➤ Today, tax departments are often consulted on the overall business strategy for the organization. 51% of respondents have seen an increase in involvement in the last 2 years.



■ Not very/not at all involved  
 ■ Somewhat involved  
 ■ Well involved  
 ■ Completely involved

\*Note: Percentages might not add up to 100% due to rounding

➤ Most companies have a tax strategy or overarching tax governance policy document that covers tax risks, which is reviewed annually.



70% of respondents have a documented tax strategy



54% review it annually



38% review it on an adhoc basis

Source: KPMG Global Tax Benchmarking Survey, 2021

\*Note: Percentages might not add up to 100% due to rounding  
 \*\*Data as of June 2021

[home.kpmg/socialmedia](https://home.kpmg/socialmedia)



Some or all of the services described herein may not be permissible for KPMG audit clients and their affiliates or related entities.

© 2021 Copyright owned by one or more of the KPMG International entities. KPMG International entities provide no services to clients. All rights reserved.

KPMG refers to the global organization or to one or more of the member firms of KPMG International Limited ("KPMG International"), each of which is a separate legal entity. KPMG International Limited is a private English company limited by guarantee and does not provide services to clients. For more detail about our structure please visit [home.kpmg/governance](https://home.kpmg/governance).

The information contained herein is of a general nature and is not intended to address the circumstances of any particular individual or entity. Although we endeavor to provide accurate and timely information, there can be no guarantee that such information is accurate as of the date it is received or that it will continue to be accurate in the future. No one should act on such information without appropriate professional advice after a thorough examination of the particular situation.

The KPMG name and logo are trademarks used under license by the independent member firms of the KPMG global organization.

Designed by Evalueserve. | Publication name: Global Tax Department Benchmarking | Publication number: 137594B-G | Publication date: June 2021