



# At-a-glance highlights for tax leaders in the financial services sector

## Global Tax Function Benchmarking Survey

KPMG International conducts an ongoing survey of tax leaders that enables benchmarks across tax function structure and resourcing, performance measurement and metrics, use of technology and data, and initiatives supporting ESG. Below are some of the highlights of the survey data by respondents in the financial services sector.

### Structure and resourcing

- Most Chief Tax Officers (CTOs) or tax leaders report to:



Chief Financial Officer (CFO)

- Most common organizational design:



Hybrid (combines type of tax-based and function-based structures)

- Expected resourcing model changes in the next 5 years:

Tax Headcount — Home Country/ Jurisdiction



60%

Increase

Contractors



52%

Stay the same

Tax Headcount — Non-Home Country/ Jurisdiction



50%

Stay the same

Use of SSCs or GBS or CoEs\*

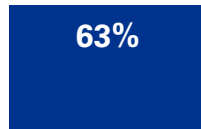


54%

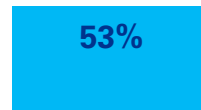
Stay the same

### Transformation, technology and data

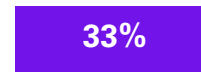
- Top 3 benefits of tax transformation/technology initiatives cited:



Reduced process cycle time or effort



Improved data management and an improved ability to analyze

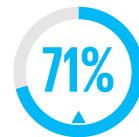


Reduction of tax liabilities/identification of future tax savings

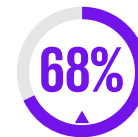
- Anticipated technology use increases in the next 5 years:



Overall leverage of enterprise finance IT systems



Use of condition system data or a data warehouse



Tax sensitization of GL, other accounts of business forecasting system



Most challenging data issue experienced cited is accessibility.

### ESG and the tax function

- 53% of organizations in the financial services industry have a policy that considers the ESG impacts of tax-related business decisions.

- Of those with policy that considers ESG impacts:



More than half report that Tax is consulted but not really involved in company ESG strategy.

- Top 3 immediate term Tax ESG priorities include:

44% Developing/updating company's public tax strategy/policy

38% Developing process/tool to capture tax payment data (e.g., country by country tax report data or total tax contribution)

25% Improving company's tax governance and controls to ensure company's Tax ESG commitments are met

Only 1% use data and analytics tools to prepare ESG analysis.

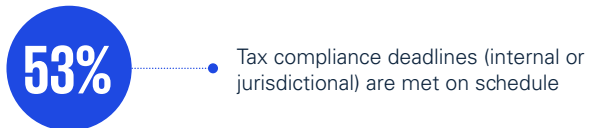
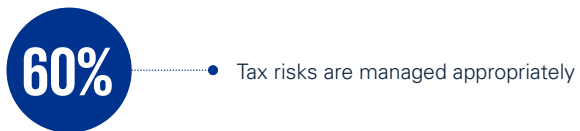
\* SCC: Shared Service Centers, GBS: Global Business Services, and COE: Centers of Excellence.

## Strategy, performance and business impact

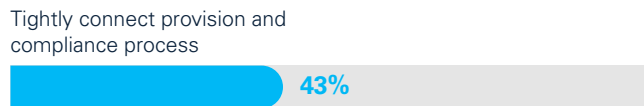
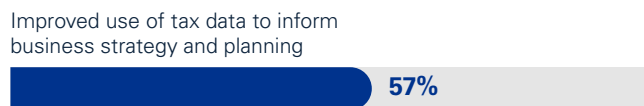
- Most tax leaders in the financial services industry describe their tax function's primary strategy as aligned to:



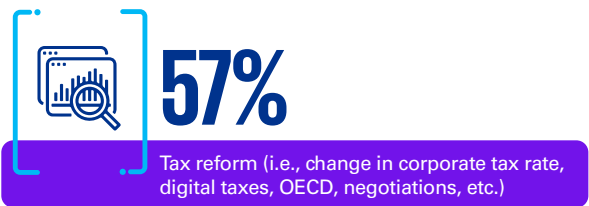
- Performance is often measured by the impact the tax function has on the business across a range of metrics, with these topping the list of importance:



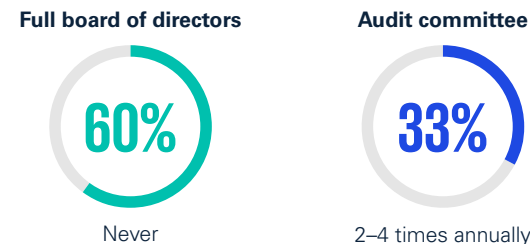
- Top 3 desired process improvements:



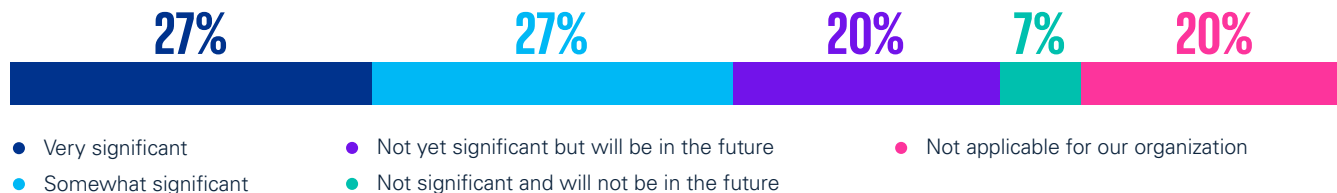
- Top disruptor to the organization in the last year:



- Frequency of CTO meetings with:



- Expected significance of BEPS Pillar 2 on the organization:



### Contacts



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