

**Deloitte.**



# Our Financial Contribution to Society

## Deloitte's Tax Transparency Report

October 2024

# Introduction



## Message from Markus Weber

In 2024, the landscape of tax transparency continued to evolve, driven by the need for businesses to demonstrate their contributions to the societies in which they operate. With heightened expectations from stakeholders, governments, and society at large, organizations are being called upon to provide clear, accurate, and accessible information about their tax strategies, contributions, and the broader economic impact they generate. This evolution reflects a deeper understanding that transparent tax practices are essential for fostering trust and accountability and play an important role in funding the sustainable transition.

Switzerland's commitment to achieving net zero by 2050, in line with the Paris Agreement, has led many companies to set their own decarbonization goals. In this context, businesses increasingly recognize that their approach to taxes and their contributions are integral to their broader ESG (Environmental, Social, and Governance) commitments. Transparent tax practices are no longer just a corporate obligation; they are essential to building a more equitable and accountable global economy.

### Upcoming regulatory developments

Looking ahead, significant regulatory changes are set to further shape the landscape of corporate tax and tax transparency. The implementation of Pillar 2 of the OECD/G20 Inclusive Framework on Base Erosion and Profit Shifting (BEPS) is particularly noteworthy.

Pillar 2 introduces a global minimum tax rate, aiming to address tax challenges arising from the digitalization of the economy and ensuring that multinational enterprises pay a fair share of taxes wherever they operate.

Additionally, the upcoming public Country-by-Country Reporting (CbCR) in the European Union and Australia represents a significant attention towards greater transparency.

These regulations require large multinational companies to disclose key tax information, including profits, taxes paid, and other economic data on a country-by-country basis, accessible to the public. Additionally, the EU sustainability regulations such as CSRD, which affect also non-EU companies that fulfil certain requirements,

highlight the role of tax, indicating that when this is identified as a material topic it warrants disclosures.

### Deloitte commitment

Deloitte has committed to science-based net-zero emissions with 2040 goals for our own operations, validated by the Science Based Targets initiative (SBTi). We are embedding sustainability into policies and practices throughout the organisation and measuring performance against our goals. Additionally, as of 2022, we have been redirecting the subsidies acquired through the CO2 levy redistribution to activities that further promote sustainability. In 2023 Deloitte received CHF 238'000 from the CO2 levy redistribution.

### Deloitte Tax Transparency report

At Deloitte, we believe that a transparent tax strategy is not merely a regulatory requirement but a cornerstone of a sustainable business. By providing insights into our tax contributions and policies, we aim to contribute meaningfully to the global discourse on tax responsibility.

The following tax transparency report shows aggregated data for our two Swiss entities, Deloitte AG and Deloitte Consulting AG (together referred to as "Deloitte Switzerland"). Through this report, we reaffirm our commitment to paving the way for a fairer and more transparent global economy.

**Markus Weber**  
Chief Operating Officer

# Tax policy, risk management and governance

Deloitte Switzerland is part of the global Deloitte network and as such follows, aligns and reports with guidelines issued by Deloitte Global and Deloitte North South Europe (NSE). In this context, every Deloitte member firm geography adheres to international and local tax rules. Deloitte's tax policy is rooted in compliance with relevant tax legislation, regulations, local practice and international tax standards. The principles that guide our tax policy are detailed below.



## Commitment to compliance

We comply with the letter and the spirit of the law. To ensure we meet our obligations on a complete and timely basis, we have adopted processes to file all applicable tax returns or filings and to pay taxes due. Further, we comply in all material aspects with relevant tax laws, rules and regulations.



## Supporting responsible taxpayer engagement

We make a significant contribution to the Swiss tax authorities each year. Further, we provide our clients with responsible tax solutions as they navigate business decisions and address compliance and transparency matters.



## Responsible attitude towards our tax affairs

We have no wholly owned or controlled entities in the Deloitte Switzerland structure with an effective tax rate of 10% or less, and have no entity incorporated or established in any of the EU "blacklist/non-cooperative" jurisdictions. Further, we do not adopt positions on tax returns, filings, or otherwise, if those positions create a material risk or jeopardize our good standing with tax authorities. We continue to require the Deloitte partners to certify annually that their personal returns have been filed and taxes due paid on a timely basis.



## Approach and engagement with Swiss Tax authorities

We engage with the Swiss Tax authorities in good faith and on a timely basis. We provide tax authorities with the information required transparently and in a timely manner. As a member of economiesuisse, EXPERTsuisse, the Swiss Bankers Association (SBA), the Asset Management Association Switzerland, the Swiss-American and British-Swiss chambers of commerce, we collaborate closely with these organisations, contributing to advance the public tax discourse.



## Cross-border activities

With respect to the cross-border employee remote working or telecommuting, we have effective processes and procedures in place to identify cross-border travel or working arrangements and have consulted with the local Deloitte Chief Tax Officer (CTxO) or the CTxO's designee as to our obligations in the country in respect of such travel or working arrangements. Additionally, we comply with the filings recommended by the local Deloitte member firm in respect of cross-border compliance, including any applicable VAT filings.



## Tax policy ownership and oversight

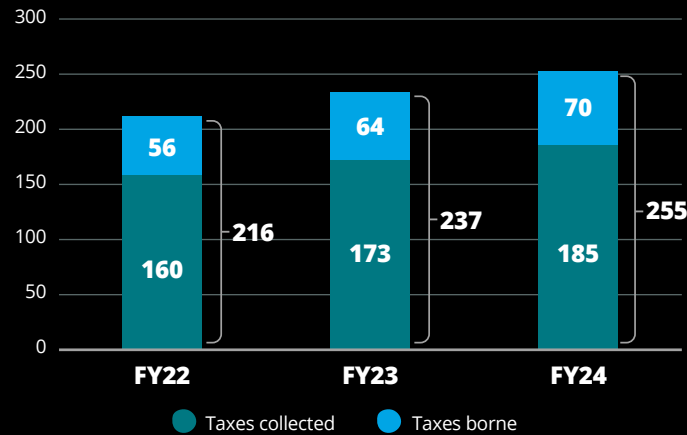
To ensure adequate oversight, we have appointed a qualified CTxO responsible for our own tax compliance. On an annual basis, our CEO and our CTxO certify to the NSE member firm CTxO our compliance with Deloitte policies.

# A comparison of taxes borne and taxes collected

Our goal at Deloitte is to create value for both our clients and our people. The data outlined below illustrates that our most significant financial contribution pertains to taxes we incur in the areas of employment and social security. Additionally, for employees who are not Swiss citizens or G-permit holders, we manage the collection of employment taxes on behalf of the tax authorities. Deloitte's commitment to

social responsibility extends beyond our core operations. In addition to the taxes shown below, Deloitte actively contributes to society through fair compensation packages. We estimate the additional federal, cantonal and communal tax contribution by Deloitte employees that are not taxed at source to be approximately **CHF 62 million in 2023**.<sup>1</sup>

**Total tax administered by Deloitte in Switzerland (CHF millions)**

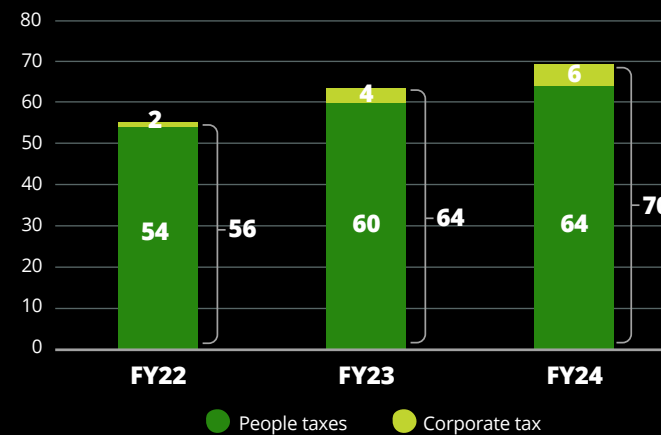


**Total tax administered** sum of taxes borne and taxes collected

**Taxes collected** refers to the total amount of taxes that a company collects from third parties on behalf of the government or tax authorities and remits to the appropriate authorities. These taxes do not influence Deloitte's financial results however Deloitte bears the administrative cost and risk of calculation error.

**Taxes borne** refers to the taxes Deloitte is directly responsible for, and which impact the after-tax profit, including corporate income taxes, other sales taxes, capital taxes, employer-paid payroll taxes, and other taxes that constitute costs to the company.

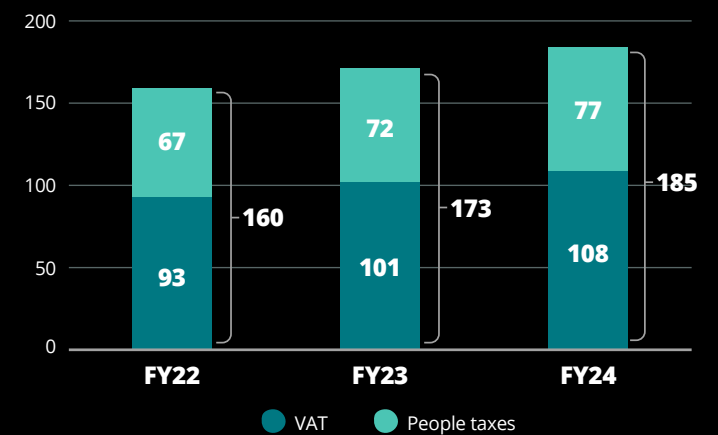
**Taxes borne by Deloitte (incl. social security contribution) in Switzerland (CHF millions)**



**People taxes borne** refers to taxes borne by Deloitte in relation to employment and social security contributions.

**Corporate tax** refers to the taxes borne by Deloitte in Switzerland and levied at the federal, cantonal or communal level on profit and capital. These include corporate income tax paid on a cash basis, i.e., the amount of income tax paid during the relevant financial year.

**Taxes collected by Deloitte in Switzerland on behalf of others (CHF millions)**



**VAT** refers to VAT charged on and collected by Deloitte on the sale of goods and services to their client and paid to the relevant tax authorities.

**People taxes collected** refers to taxes collected by Deloitte in relation to employment, and social security contributions including withholding tax levied on income paid to certain Deloitte employees. These figures do not include the taxes that Deloitte's employees pay in Switzerland and other countries of domicile.

<sup>1</sup> In providing this tax estimation we have only considered income taxes (e.g., wealth tax is not included). Further, the numbers presented are approximated and do not differentiate based on marital status, or religion nor do they consider any applicable tax deductions.

The Deloitte logo is displayed in a bold, white, sans-serif font. The word "Deloitte" is followed by a small green dot. The background of the entire page is a dark grey with a dense pattern of white line-art icons representing various business and financial concepts such as charts, lightbulbs, gears, and documents.

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