OECD’s Base Erosion and Profit Shifting (BEPS) initiative and the “Global Tax Reset”
2018 Survey summary results
OECD’s BEPS initiative—fifth annual survey

Overview of the 2018 survey

The purpose of Deloitte’s 2018 survey was to gauge multinationals’ views on the progress of the implementation of the BEPS project recommendations and their views on consequential developments within their organizations given the changing tax landscape. The survey was conducted in January 2018 and shows evolution of the views since the start of the BEPS debate.

447 people from 39 countries responded to the 2018 survey, including 157 respondents from the United States, 56 from the United Kingdom, and 23 from the Netherlands.

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OECD’s BEPS initiative—fifth annual survey

Key findings

**Substantial change is expected**

- **68%** anticipate significant legislative and treaty changes in their country.
- **76%** of Boards became more actively engaged in tax governance.
- But only **31%** secured (plan to) additional resource.

**External forces are impacting tax strategy**

- **76%** are concerned about the media, political and activist group interest in corporate taxation.
- **76%** are more aware about reputational risk in relation to cross-border tax planning.
- **66%** changed the way they conduct cross-border tax planning.

**The compliance burden is increasing**

- **91%** expect that BEPS-related transfer pricing reporting requirements will substantially increase corporate tax compliance burden.
- **80%** expect public country-by-country reporting in the next few years.
- **48%** are concerned about lack of domestic guidance on BEPS-related legislative changes.

**Scrutiny is growing**

- **86%** believe tax structures are under greater scrutiny.
- **85%** expect that tax authorities will increase tax audit assessments as a result of the BEPS debate.
- **59%** developed additional policies in response to the increased corporate tax scrutiny.

**Cross-border coordination is lacking**

- **59%** expect unilateral changes in their country without coordination with other countries.
- **78%** expect double taxation from the unilateral changes.
- Only **21%** expect consistent interpretation of the proposed changes to the transfer pricing guidelines.
OECD’s BEPS initiative—fifth annual survey
Representative responses on main hurdles

Organizations have varying views on which of the BEPS Actions present the biggest challenge for their business.

“Actually, all of the BEPS Actions lead to the increase in compliance and preparation work and is expected to increase the operation cost of the business.” (Controller/CFO – APAC)

“Digital Economy because they still do not understand that the world cannot be run on 19th century tax legislation.” (International Tax Director – EMEA)

“Action 13 because of the varied approaches of the different countries.” (Tax Director/Tax VP – Americas)
OECD’s BEPS initiative—fifth annual survey
Representative responses on significant areas of change for businesses

Respondents had varying answers as to what the most significant areas of change would be for their business. Highlights of the feedback included:

1. “The compliance burden of CbC reporting. The gradual shift from active tax planning to a focus on compliance.” (International Tax Manager – EMEA)

2. “The wider commercial and finance teams understanding the BEPS project and living and breathing it rather than thinking it’s purely a tax issue.” (Tax Director/Tax VP – EMEA)

3. “Compliance obligations and publicly available information.” (Tax Director/Tax VP – Americas)

4. “Smaller economies will become less attractive for multinationals as business locations.” (Tax Director/Tax VP – EMEA)

5. “Organizational changes to ensure treaty benefits cannot be denied.” (Tax Director/Tax VP – APAC)
OECD’s BEPS initiative—fifth annual survey
Representative responses on main hurdles to the final BEPS reports

When asked what surprised them the most, organizations had different reactions to the final BEPS reports:

1. “I would not say surprised but I am disappointed that nothing has really been done to address double taxation in a practical way to ensure tax authorities don't abuse the rules.” (International Tax Manager - EMEA)

2. “Different perspectives by accountants and tax lawyers.” (Tax Director/Tax VP – Americas)

3. “No collective action and no international consensus between countries. Some countries are even implementing new measures that seem contradictory to BEPS (i.e., US tax reform). Every country believes BEPS will increase its tax base, none view that it could decrease its tax base to be benefit of another State.” (Tax Director/Tax VP – EMEA)

4. “The speed of the way countries are adopting the changes through their own legislation.” (International Tax Director – AP)