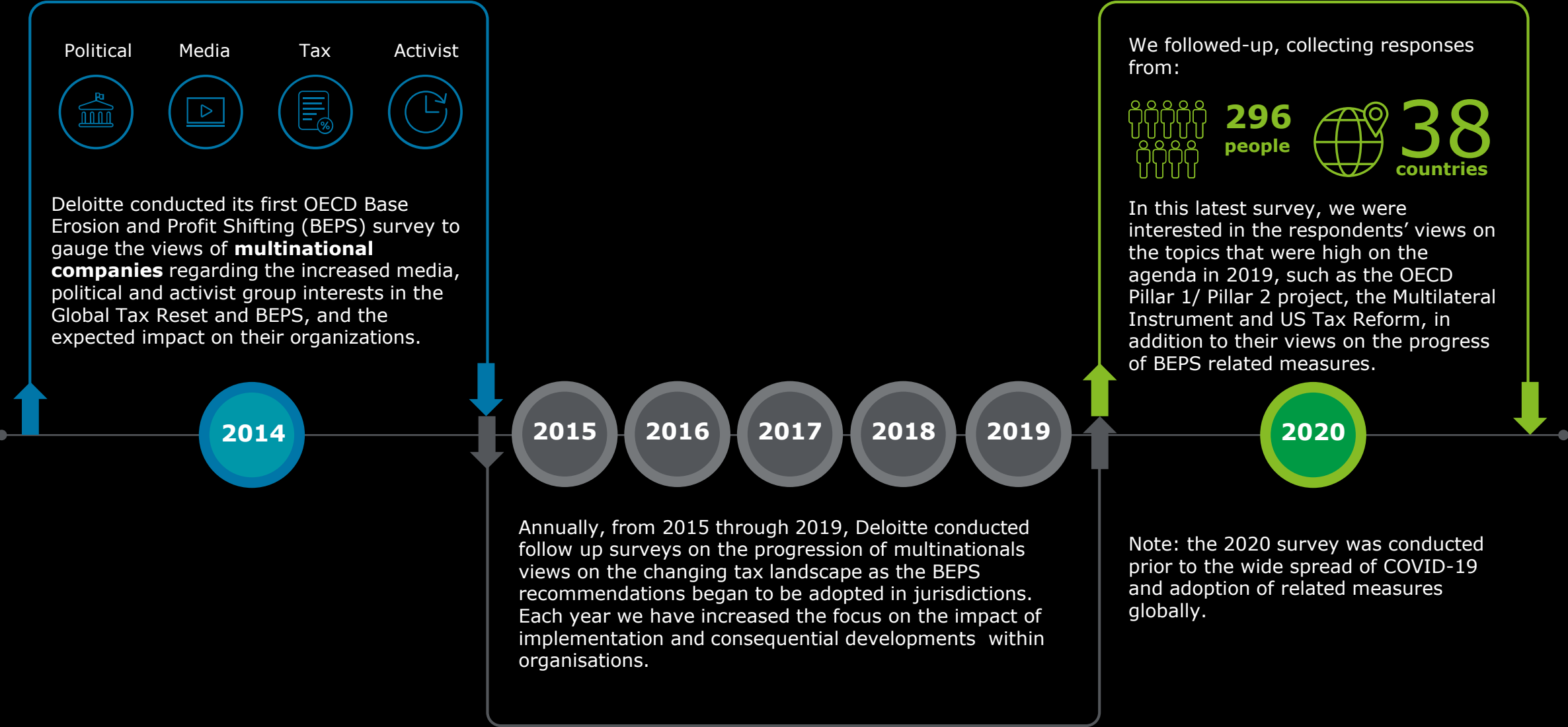


Finding opportunity in the midst of uncertainty


Deloitte's 2020 global survey results on the OECD's Base Erosion and Profit Shifting (BEPS) initiative and the next wave of Global Tax Reset

June 2020

Global Tax Reset —full results of Deloitte’s seventh annual multinational survey



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2020 survey respondents

2020 survey respondents



Survey responses

The survey was conducted from 29 January to 4 March 2020 (i.e. prior to the full global impact of the Covid-19 crisis manifesting), with a target audience of tax and finance managers and executives from multinational companies. 296 people from 38 countries responded to the 2020 survey.



Respondent's role

- Tax Director/Tax VP 162
- International Tax Manager 43
- International Tax Director 41
- Controller/CFO 26
- Other 24

Survey Respondents

Top responses by country

- | | | | |
|------------------|----|-------------|----|
| • United States | 93 | • Denmark | 12 |
| • Germany | 28 | • France | 8 |
| • Canada | 23 | • Japan | 7 |
| • United Kingdom | 21 | • Finland | 6 |
| • Switzerland | 20 | • Ireland | 6 |
| • Netherlands | 12 | • Australia | 5 |
| | | • Italy | 5 |
| | | • Other | 50 |



Top responses by industry

- | | |
|----------------------------|----|
| • Manufacturing | 82 |
| • Telecom/Media/Technology | 44 |
| • Other | 38 |
| • Financial services | 29 |
| • Consumer business | 26 |
| • Energy & Resources (E&R) | 26 |
| • Life Sciences | 17 |
| • Retail | 13 |
| • Health care | 12 |
| • Private equity | 5 |
| • Real estate | 4 |



Survey results

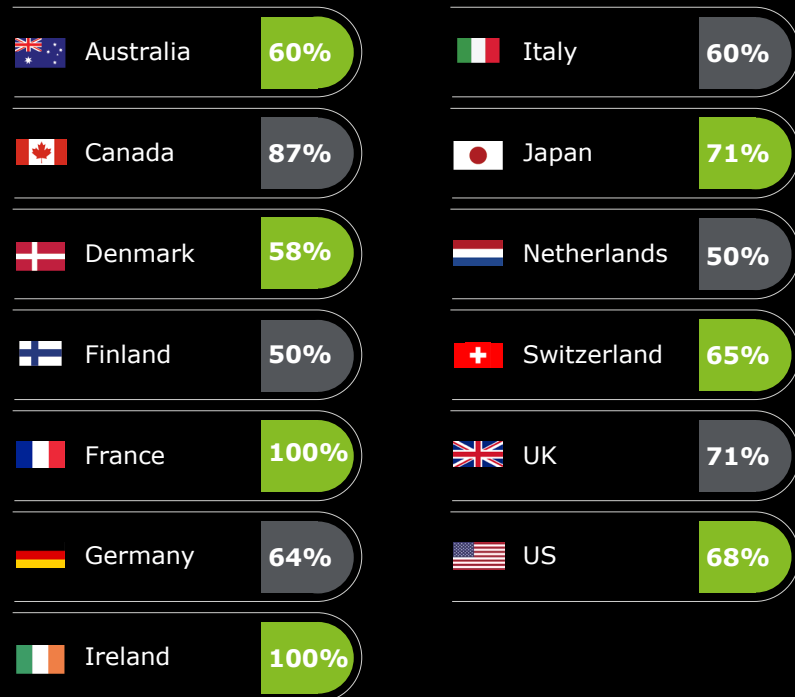
Overall and by country

Question 1

71% agree or strongly agree that their organization is concerned about the continuing high interest of media, political and activist groups in corporate taxation.

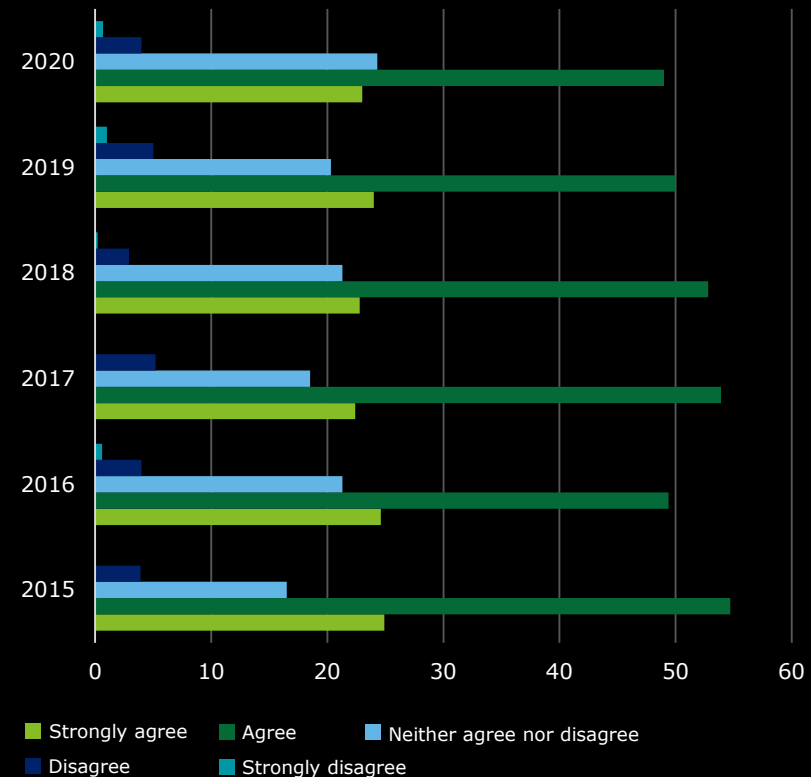
Country-specific agree/strongly agree results

Question 1: My group is concerned about the interest of media, political and activist groups in corporate taxation.

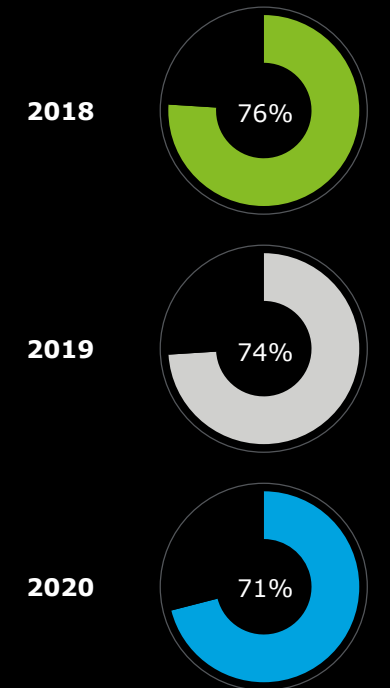


Note: Information above includes only selected countries. Percentages above refer to participants who selected "agree" or "strongly agree".

Results history



Response trend



Agree/strongly agree responses remained high, but decreased slightly (by 3 percentage points) from 2019.

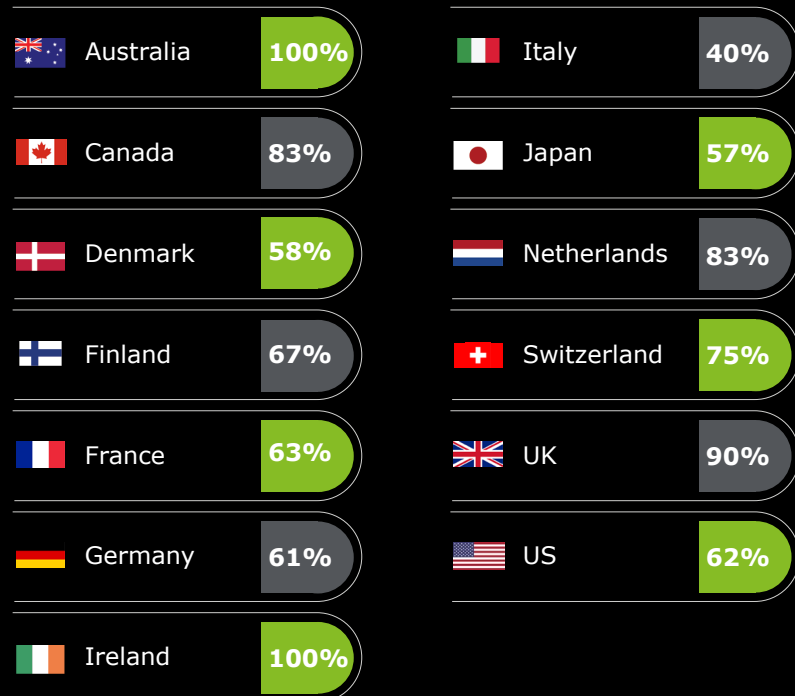
The level of concern remains high, with varying trends by country. For example, there are drops in Australia from 92% and in the Netherlands from 67%, however, there are also increases in the UK from 46%, in France from 71%. Industry-wise, E&R appear to be the most concerned (at 88%), followed by retail (85%), financial services (83%); real estate seems to be least concerned at 25%.

Question 2

71% agree or strongly agree that C-suite and/or Board of Directors of their organization is actively engaged in establishing and/or approving their organization's tax strategy and in assessing and monitoring risk in this area.

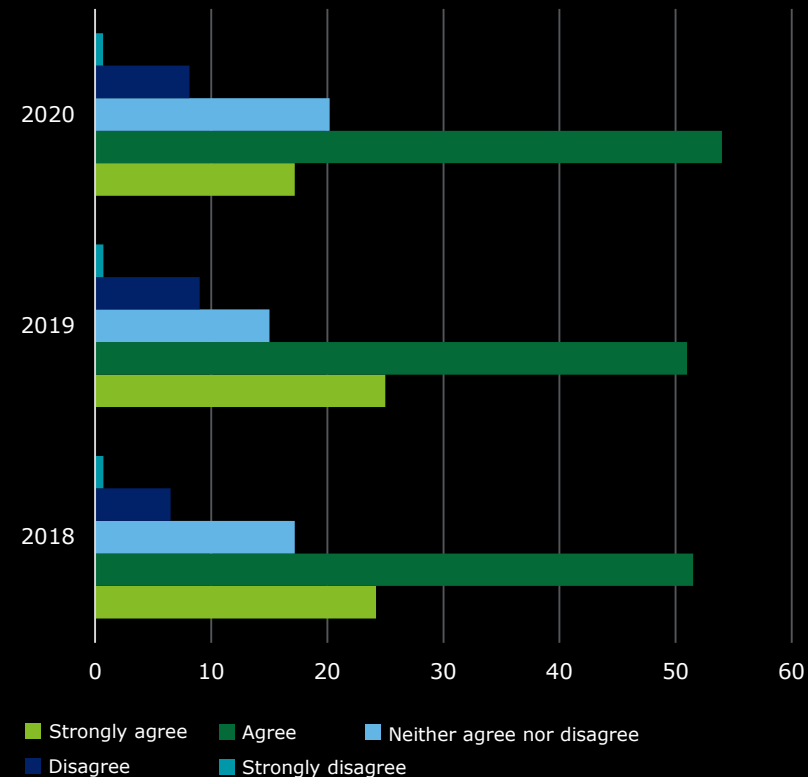
Country-specific agree/strongly agree results

Question 2: The C-suite and/or Board of Directors of my group is actively engaged in establishing and/or approving my group's tax strategy and in assessing and monitoring risk in this area.

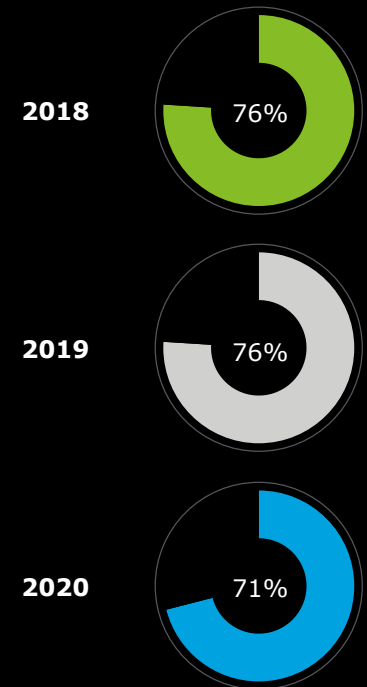


Note: Information above includes only selected countries. Percentages above refer to participants who selected "agree" or "strongly agree".

Results history



Response trend



Agree/strongly agree responses remained high, but decreased (by 5 percentage points) from 2019.

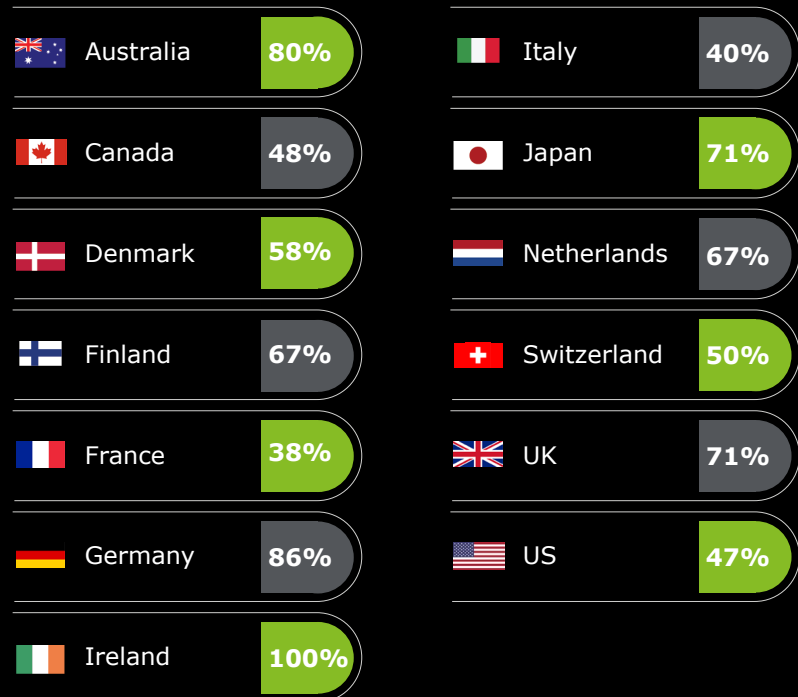
The overall level of C-suite/Board engagement remains high but has decreased slightly from 2018-2019. Results vary fairly significantly by country. Notable movements are drops in the Netherlands (from 100%), the US (from 69%) and France (from 71%) and increases in the UK (from 69%) and Germany (from 43%). Industry-wise, real estate shows the highest level of response at 100% (potentially explaining the lowest concern at the previous question), followed by E&R (85%).

Question 3

60% agree or strongly agree that their group has implemented additional corporate policies and procedures in response to the increased scrutiny related to corporate taxation.

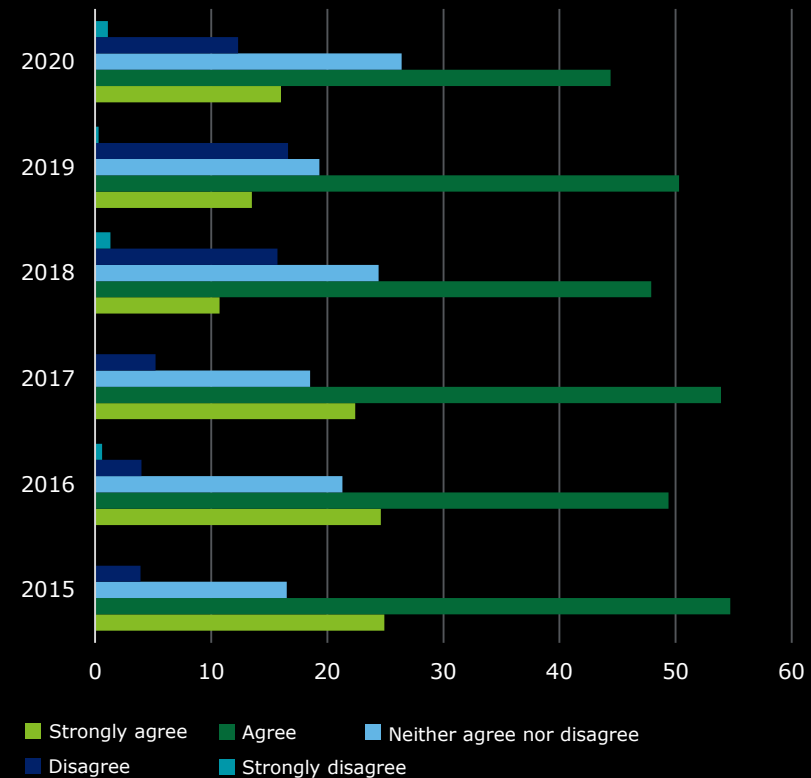
Country-specific agree/strongly agree results

Question 3: My group has implemented additional corporate policies and procedures in response to the increased scrutiny related to corporate taxation.

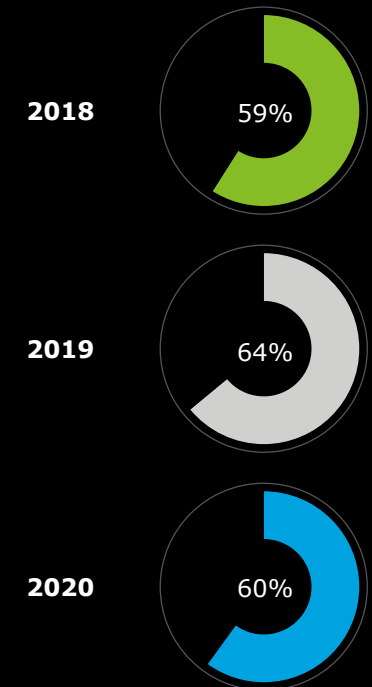


Note: Information above includes only selected countries. Percentages above refer to participants who selected "agree" or "strongly agree".

Results history



Response trend



Agree/strongly agree responses remained high, but decreased (by 4 percentage points) from 2019.

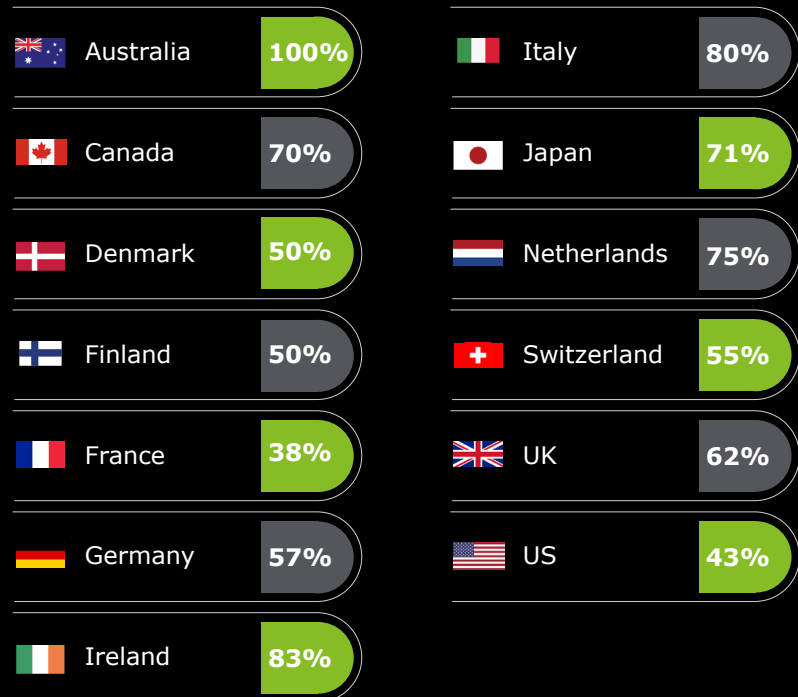
The level of implementation of additional policies remains broadly stable showing just a small decrease. This might be because many organizations had already implemented changes in prior years. The notable movements are drops in the US (from 59%), Canada (from 54%) and an increase in Germany (from 71%)

Question 4

57% agree or strongly agree that in their organization tax strategy is now part of the corporate responsibility agenda and not just a matter of compliance.

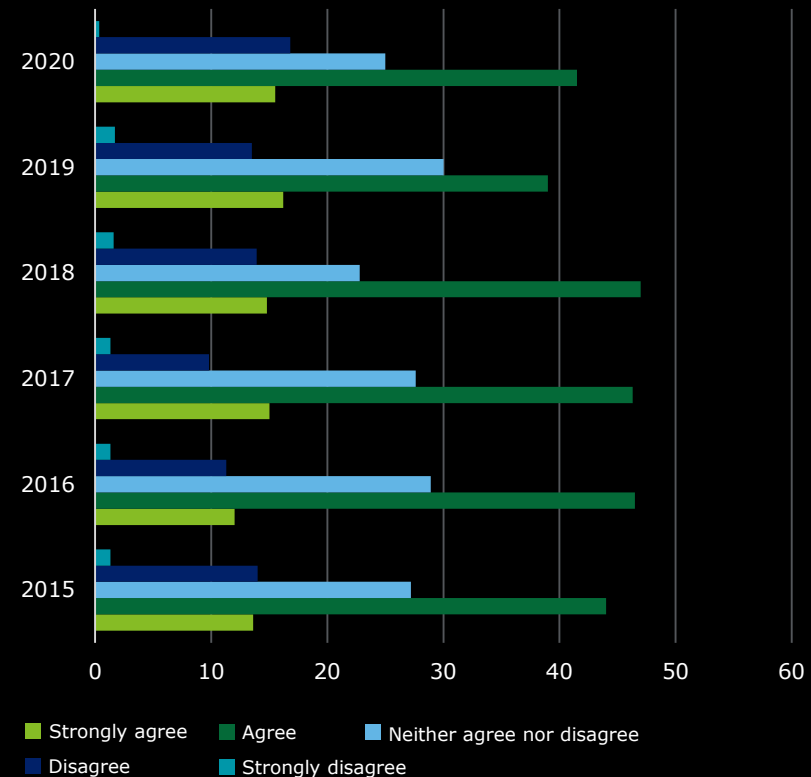
Country-specific agree/strongly agree results

Question 4: In my group, tax strategy is now part of the corporate responsibility agenda and not just a matter of compliance.

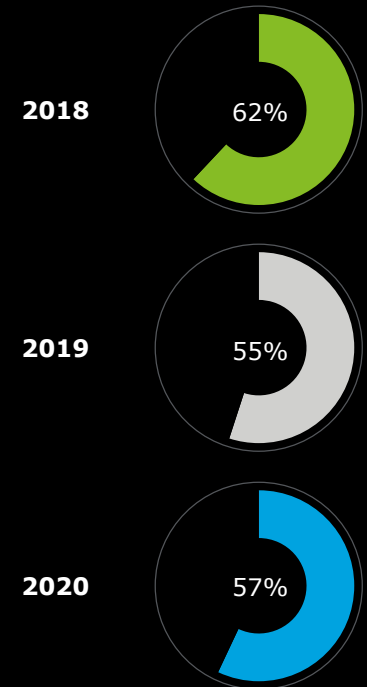


Note: Information above includes only selected countries. Percentages above refer to participants who selected "agree" or "strongly agree".

Results history



Response trend



Agree/strongly agree responses remained high, and increased (by 2 percentage points) from 2019.

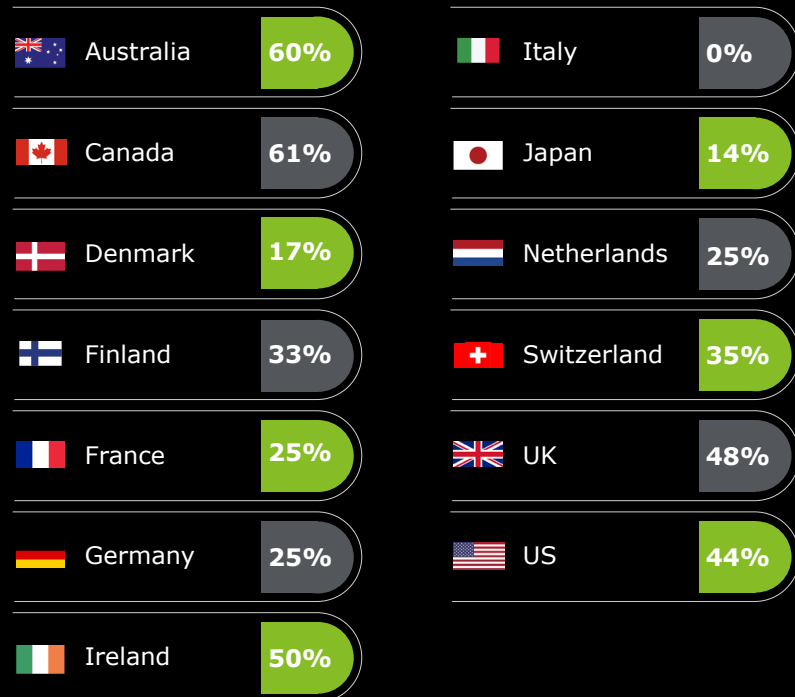
There is a small increase from 2019. Notable movements are increases in Australia (from 56%), the Netherlands (from 50%), France (from 14%) and Canada (from 58%), offset by drops in the UK (from 77%) and the US (from 51%). Financial services show the highest response at 72%. The increase from 2019 could be due to a number of factors, such as the OECD Pillar 1/Pillar 2 project, the introduction of the EU Mandatory Disclosure Regime and/or resumed BEPS discussion

Question 5

39% agree or strongly agree their group has implemented significant changes to cross border structures as a result of the changes related to the BEPS project.

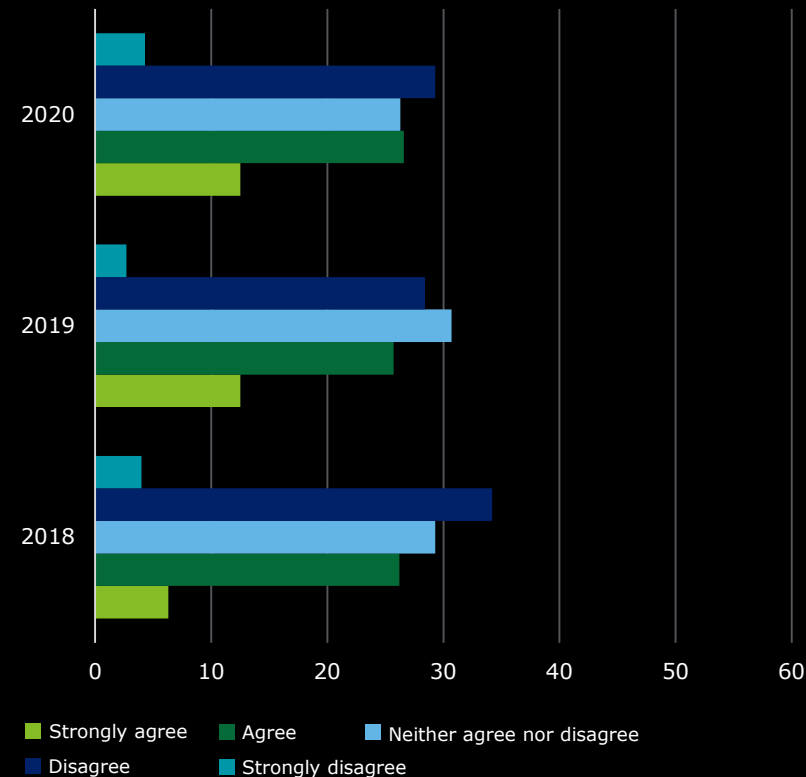
Country-specific agree/strongly agree results

Question 5: My group has implemented significant changes to our existing cross border structures as a result of the changes related to the BEPS project.

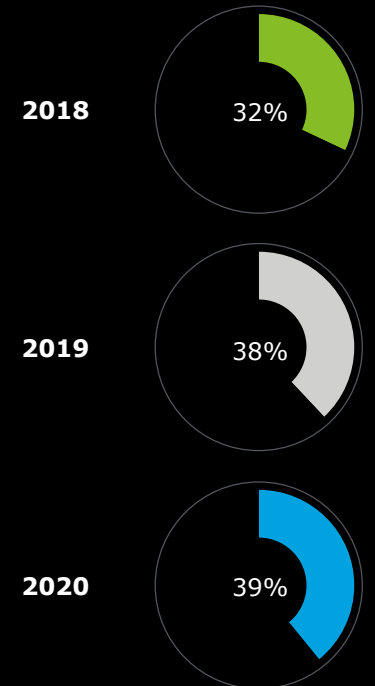


Note: Information above includes only selected countries. Percentages above refer to participants who selected "agree" or "strongly agree".

Results history



Response trend



Agree/strongly agree responses remained high, and increased slightly (by 1 percentage points) from 2019.

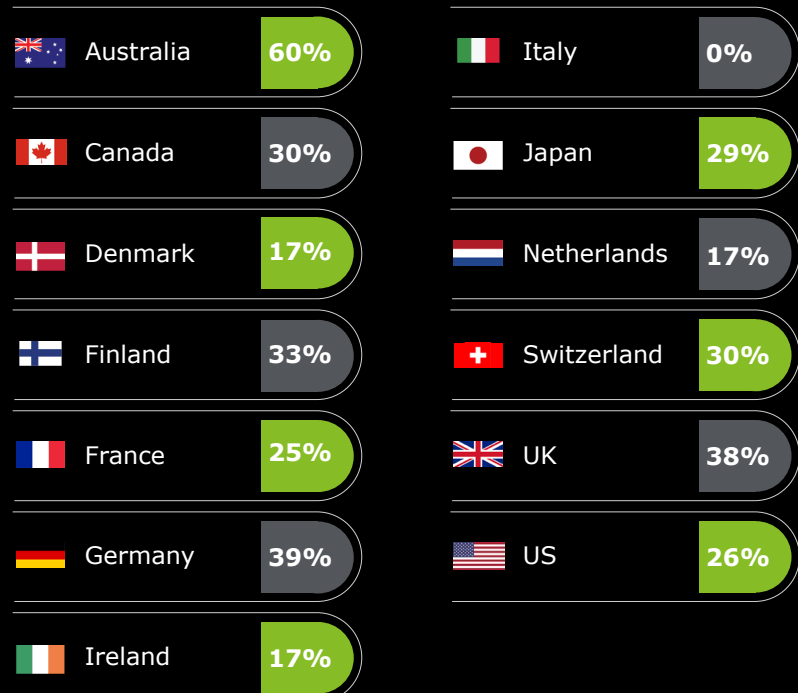
The continued increase is to be expected as many BEPS and related anti-avoidance measures have by now been enacted across the globe. Notable movements are increases in the UK (from 23%), France (from 14%), the Netherlands (from 17%), Germany (from 0%) and Australia (from 36%). The relatively small overall increase is due to the small increases in the largest respondent countries to this question (the US and Canada). Also, in some countries changes to cross border structures may be driven by changes to domestic law and not necessarily related to the BEPS project.

Question 6

32% agree or strongly agree that their organization has secured additional resources/headcount for their tax group (or is planning to do so) wholly or partly as a result of the changes arising due to the BEPS project.

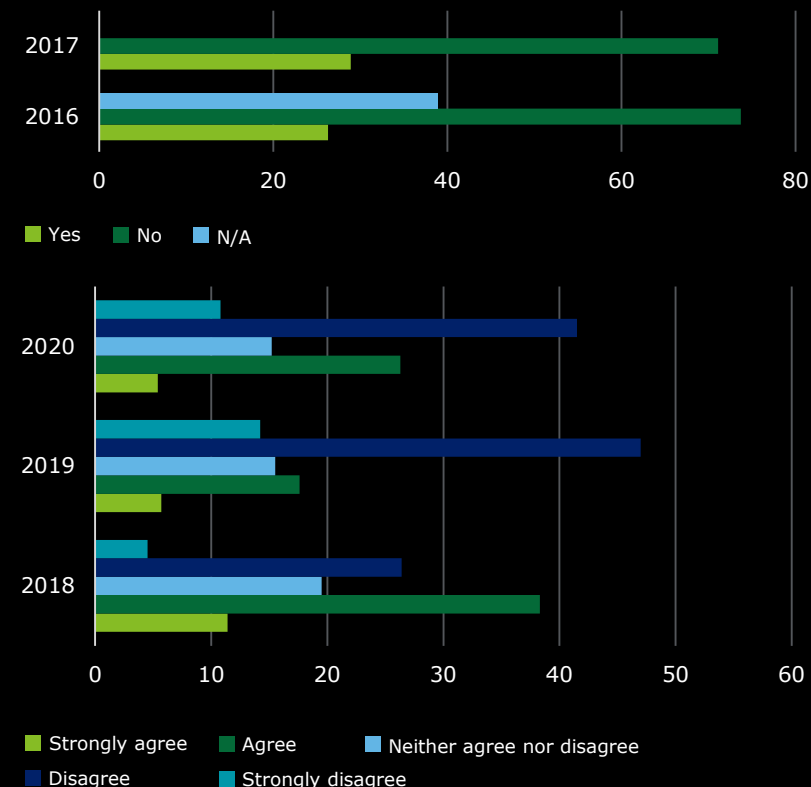
Country-specific agree/strongly agree results

Question 6: My group has secured additional resources/headcount for our tax group wholly or partly as a result of the changes arising due to the BEPS project.

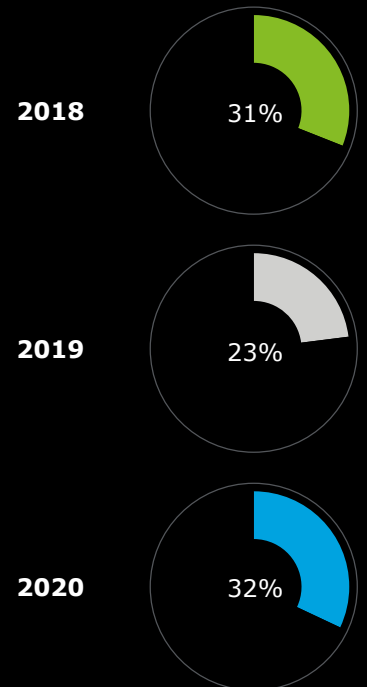


Note: Information above includes only selected countries. Percentages above refer to participants who selected "agree" or "strongly agree".

Results history



Response trend



Agree/strongly agree responses remained high, and increased (by 9 percentage points) from 2019.

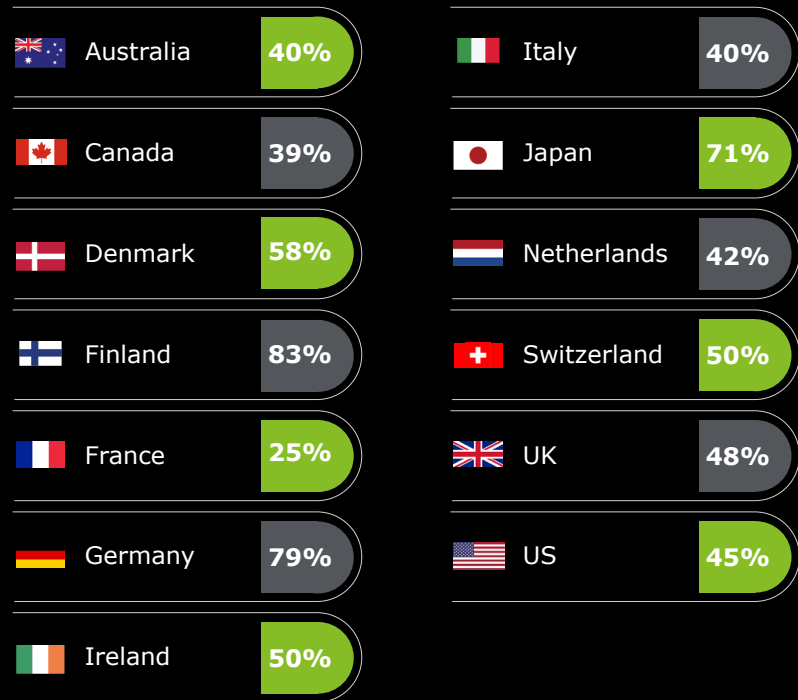
After a drop in 2019, the level of strongly agree/ agree responses increased back above the 2018 level. Notable movements are the increases in Australia (from 20%), Germany (from 0%), Switzerland (from 17%), the UK (from 23%), and a drop in the Netherlands (from 67%). Industry-wise, healthcare shows the highest level of strongly agree/agree at 50%. The increase after a drop in 2019 is interesting and could be due to similar factors that contributed to the increased importance of tax strategy (Question 4).

Question 7

47% agree or strongly agree their group has or intends to increase its investment in tax-related technology wholly or partly as a result of the changes arising due to the BEPS project.

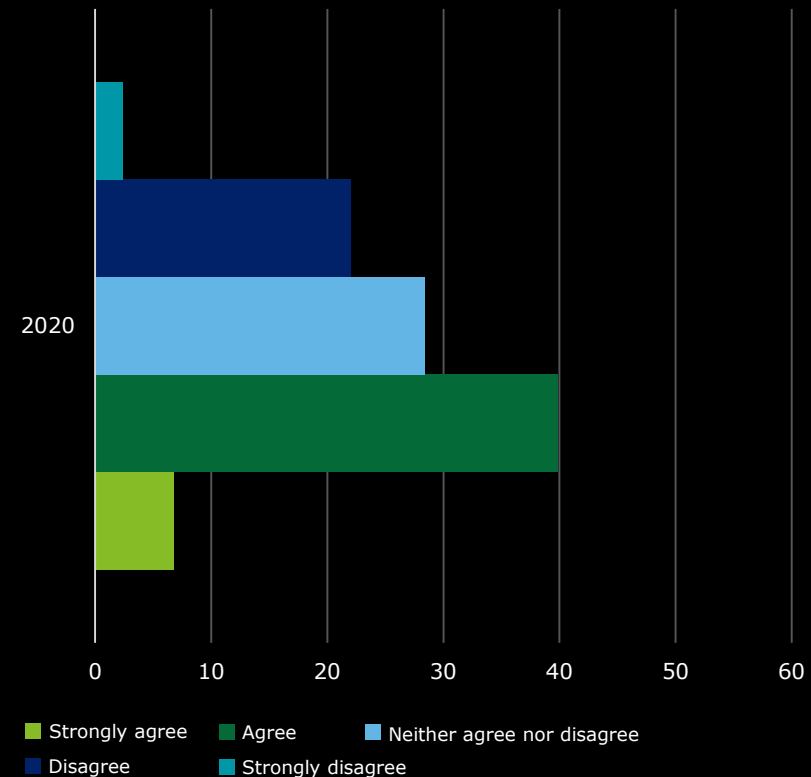
Country-specific agree/strongly agree results

Question 7: My group has or intends to increase its investment in tax-related technology wholly or partly as a result of the changes arising due to the BEPS project.

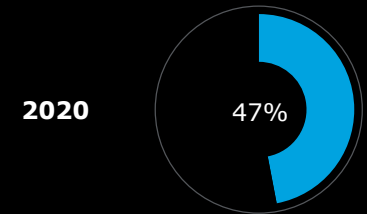


Note: Information above includes only selected countries. Percentages above refer to participants who selected "agree" or "strongly agree".

Results history



Response trend



Almost half of the respondents plan to invest in tax-related technology to assist with BEPS related changes, leading with Finland, closely followed by Germany and Japan. France stands at the lowest (25%). Industry-wise, retail shows the highest response at 62%. It is interesting to compare the increased investment in technology with the resourcing for the tax group: e.g. a high proportion of respondents from Finland plan to invest in tax technology but only 33% plan to increase headcount (42% vs 17% for the Netherlands). Australia, on contrary, seems to favor additional headcount (60% vs 40%). France seems indifferent (25% and 25% for both)

Question 8

24% agree or strongly agree their group has or intends to co-source or outsource some tax group functions wholly or partly as a result of the changes arising due to the BEPS project.

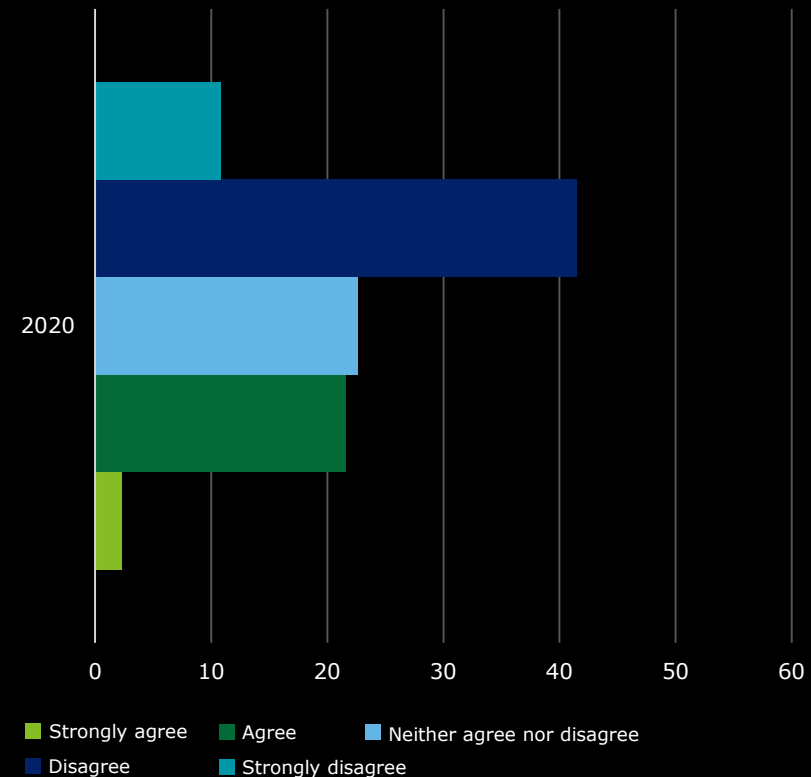
Country-specific agree/strongly agree results

Question 8: My group has or intends to co-source or outsource some Tax Group functions wholly or partly as a result of the changes arising due to the BEPS project.

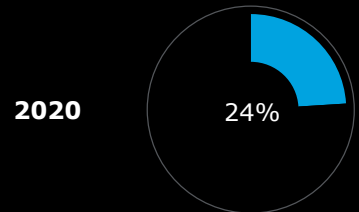


Note: Information above includes only selected countries. Percentages above refer to participants who selected "agree" or "strongly agree".

Results history



Response trend



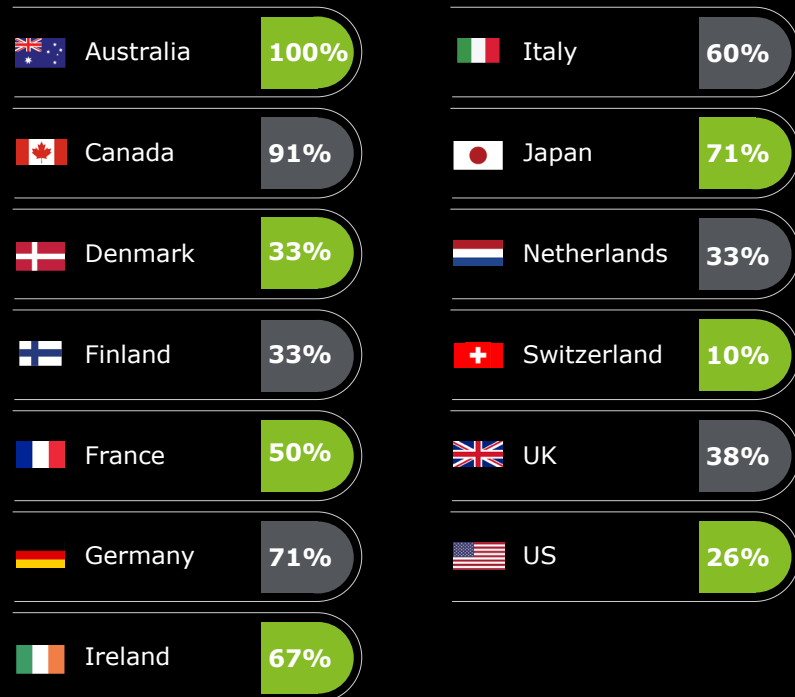
A quarter of the respondents intend to rely on outsourcing or co-sourcing, with Finland and the US leading at 33% and 30%, respectively. In the retail industry, however, the response rate is above average at 46%.

Question 9

46% agree or strongly agree that the tax authority in their organization's country of residence has become increasingly more rigorous in tax examinations.

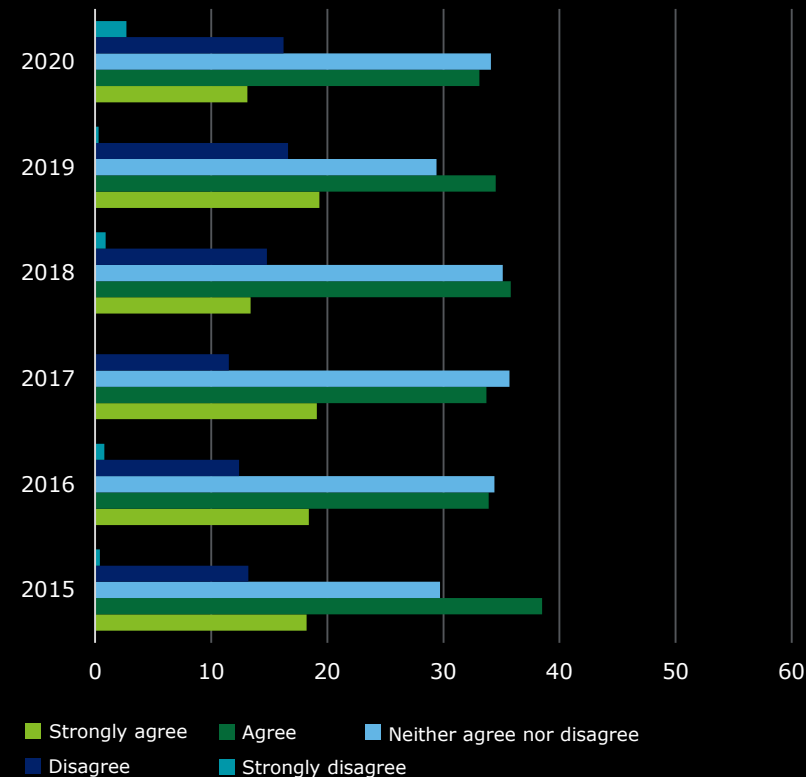
Country-specific agree/strongly agree results

Question 9: In my group parent company's country of residence, the tax authority has become increasingly more rigorous in tax examinations.

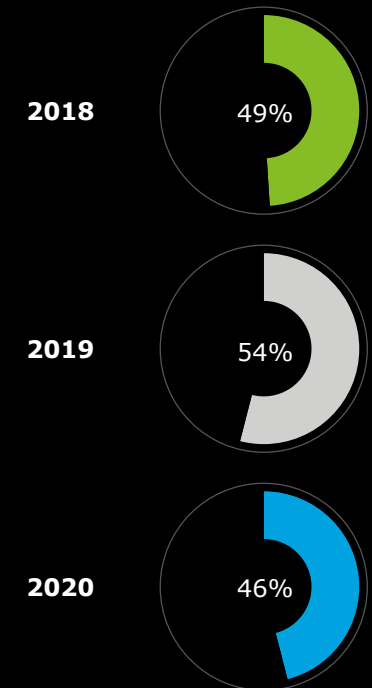


Note: Information above includes only selected countries. Percentages above refer to participants who selected "agree" or "strongly agree".

Results history



Response trend



Agree/strongly agree responses remained high, but decreased (by 8 percentage points) from 2019.

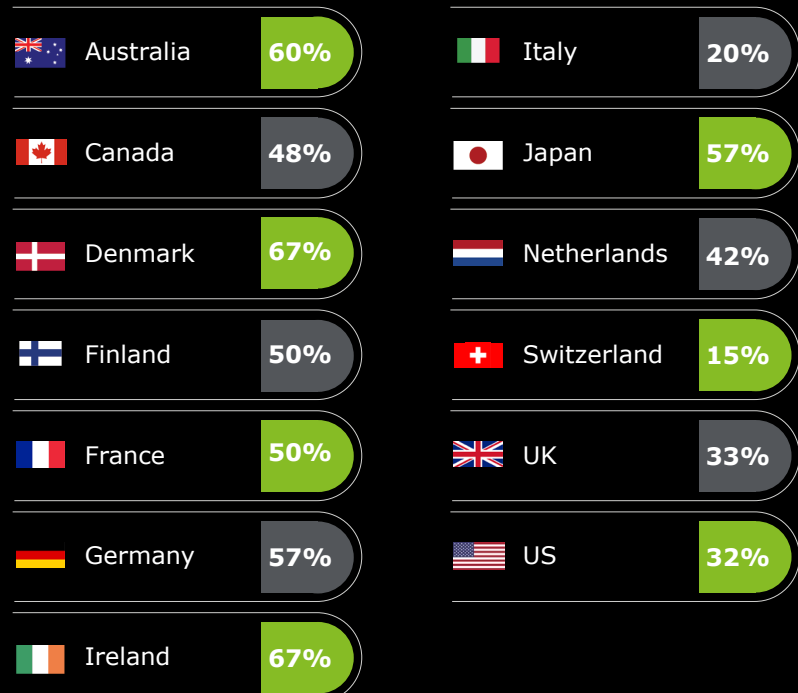
This is a sizeable drop from 2019. The notable movements are increases in Germany (from 29%), Canada (from 83%), Australia (from 92%) and decreases in the US (from 34%), the UK (from 46%), the Netherlands (from 50%), France (from 86%). The overall reduction may be due to the more rigorous BEPS-based approaches becoming 'the new normal' for many tax authorities. Industry-wise, real estate show a far above average response at 75%.

Question 10

42% agree or strongly agree that greater scrutiny is being applied by the tax authority in my group's parent company's country of residence surrounding the level of substantive business operations conducted in low tax countries as a result of the BEPS project.

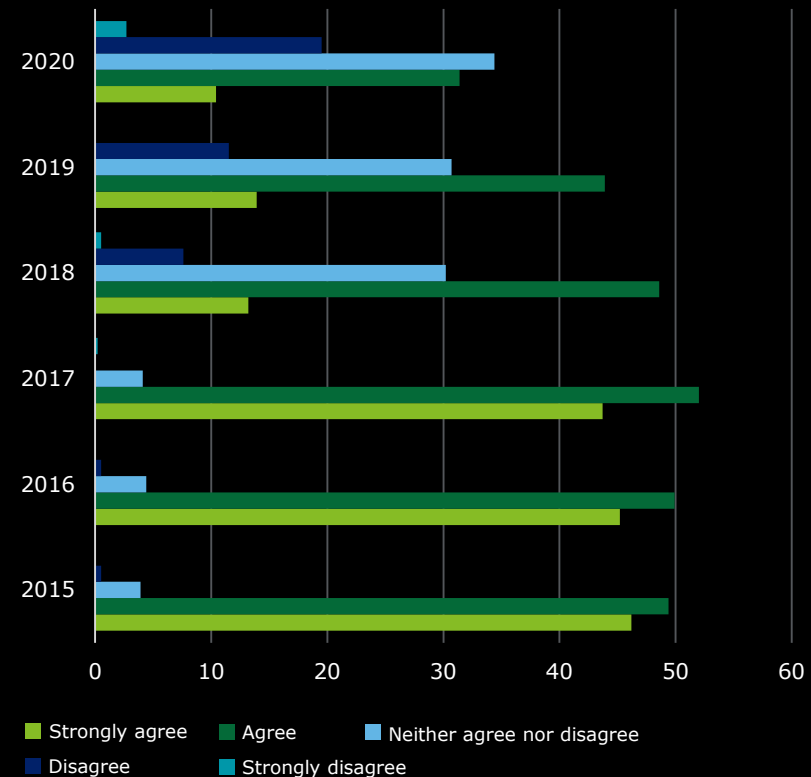
Country-specific agree/strongly agree results

Question 10: Greater scrutiny is being applied by the tax authority in my group's parent company's country of residence surrounding the level of substantive business operations conducted in low tax countries as a result of the BEPS project.

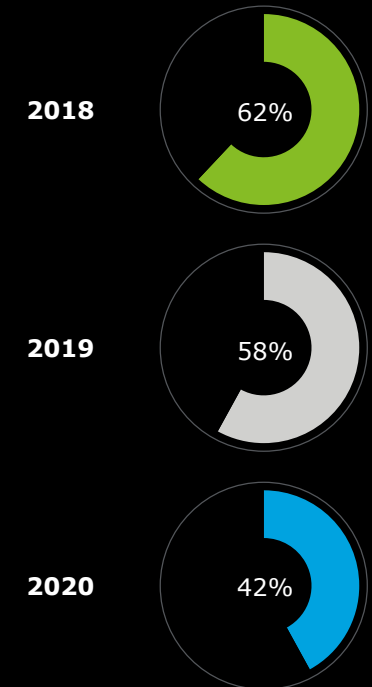


Note: Information above includes only selected countries. Percentages above refer to participants who selected "agree" or "strongly agree".

Results history



Response trend



Agree/strongly agree responses remained high, but decreased (by 16 percentage points) from 2019.

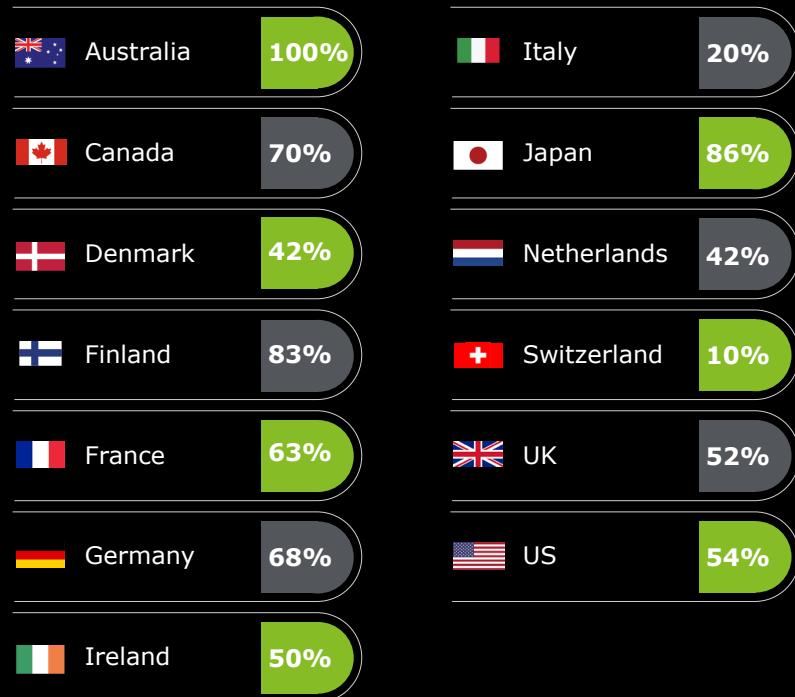
The decreasing trend is more significant in 2020, this might be in part due to the groups changing their corporate structures and location of their business operations. It may also be that the level of scrutiny is not increasing but staying at a high level. Notable movements are an increase in Germany (from 29%) and decreases in Australia (from 96%), the Netherlands (from 83%), the UK (from 54%), Switzerland (from 67%), France (from 86%)

Question 11

54% agree or strongly agree that in their group's parent company's country of residence, the tax authority is increasing its use of data gathering and data analytics tools.

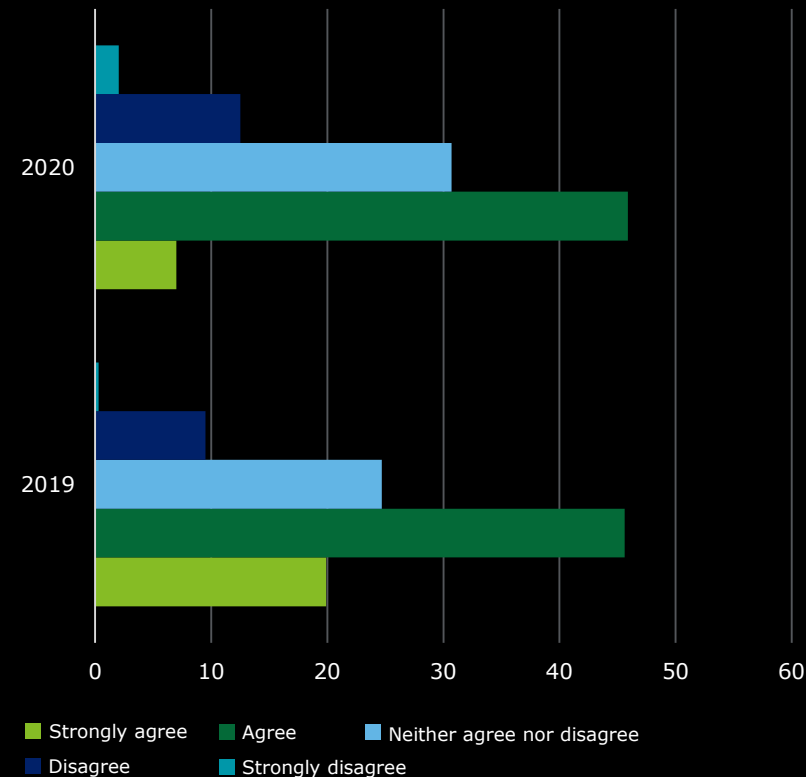
Country-specific agree/strongly agree results

Question 11: In my group's parent company's country of residence, the tax authority is increasing its use of data gathering and data analytics tools.

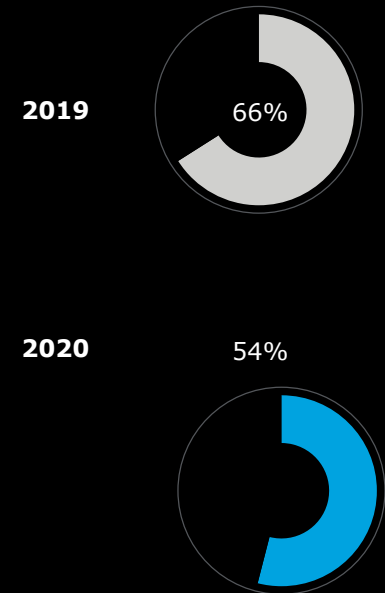


Note: Information above includes only selected countries. Percentages above refer to participants who selected "agree" or "strongly agree".

Results history



Response trend



Agree/strongly agree responses remained high, but decreased (by 12 percentage points) from 2019.

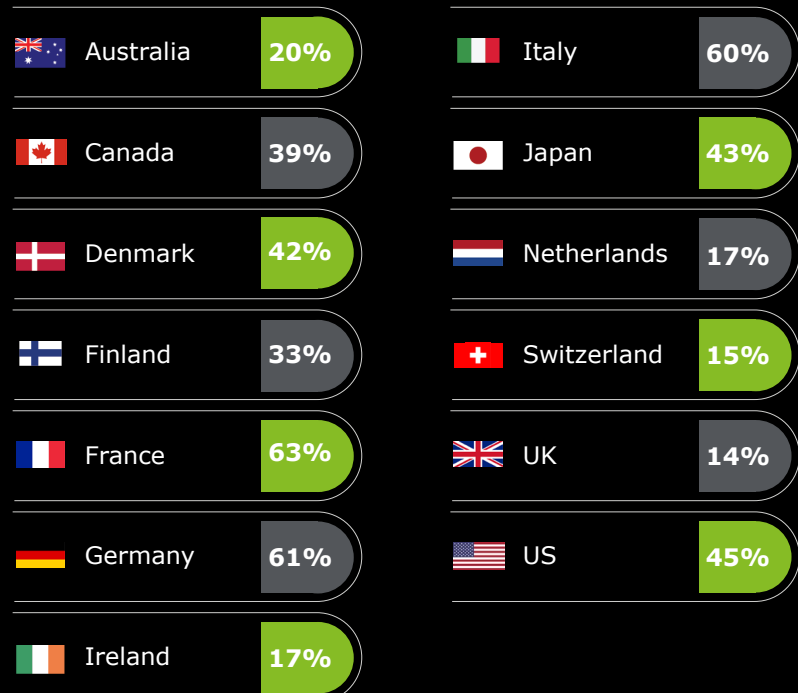
There is a downward trend in 2020, which is somewhat surprising. It may be that individual experiences vary. There are notable drops in the UK (from 85%), Switzerland (from 25%), France (from 71%) and increases in the Netherlands (from 33%), Germany (from 43%) and the US (from 47%).

Question 12

40% agree or strongly agree that their group is concerned about lack of guidance from the tax authority in my group's parent company's country of residence about BEPS-related legislative changes.

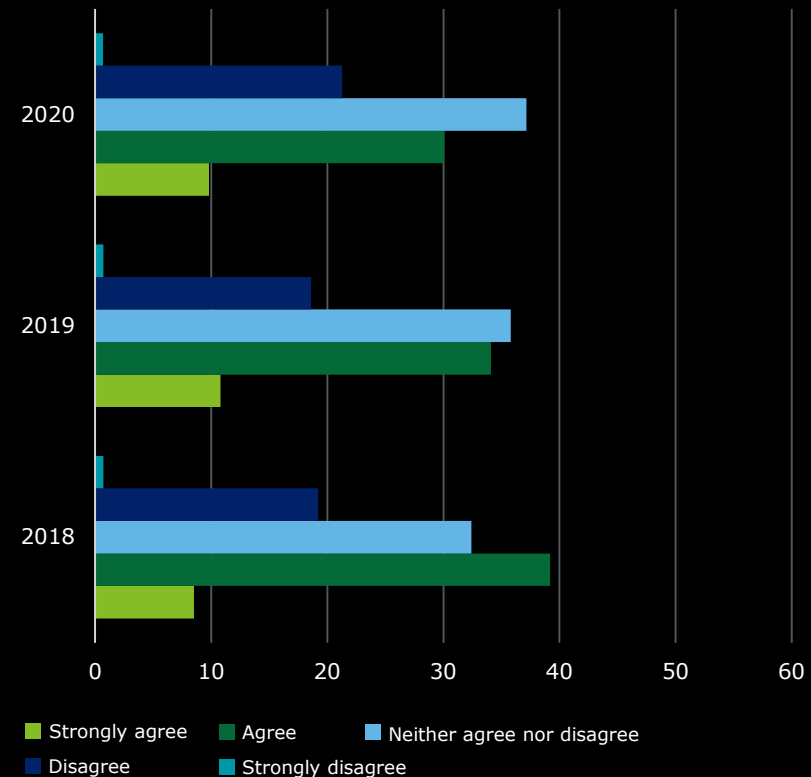
Country-specific agree/strongly agree results

Question 12: My group is concerned about lack of guidance from the tax authority in my group's parent company's country of residence about BEPS-related legislative changes.

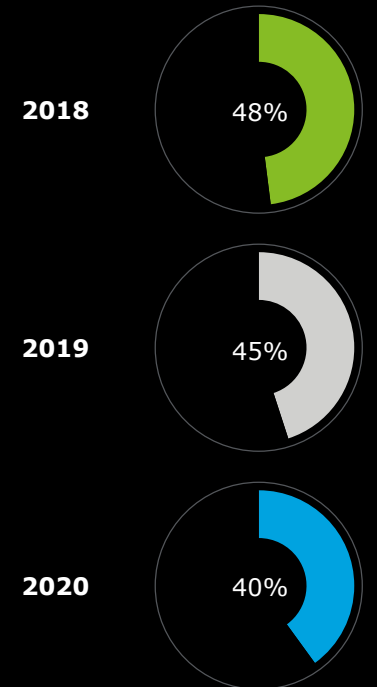


Note: Information above includes only selected countries. Percentages above refer to participants who selected "agree" or "strongly agree".

Results history



Response trend



Agree/strongly agree responses remained high, but decreased slightly (by 5 percentage points) from 2019.

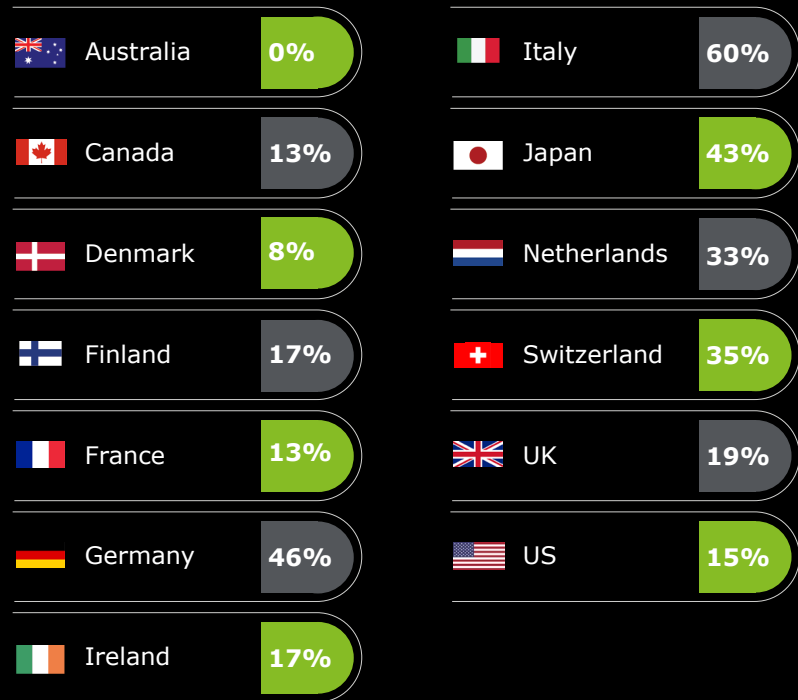
The overall trend continues to decrease, this is likely to be evidence of more guidance being issued by tax authorities across the globe. The notable movements are increases in Germany (from 14%) and decreases in the UK (from 54%), the US (from 53%), Canada (from 46%), Australia (from 32%)

Question 13

23% agree or strongly agree that given the changing landscape, their group is obtaining more bilateral advance pricing agreements (APAs).

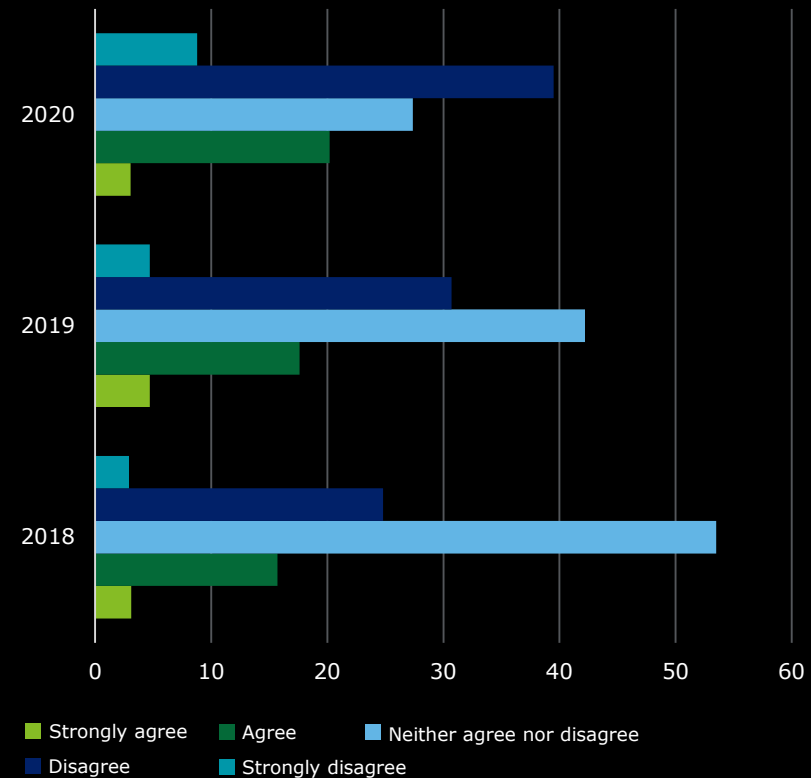
Country-specific agree/strongly agree results

Question 13: Given the changing landscape, my group is obtaining more bilateral APAs.

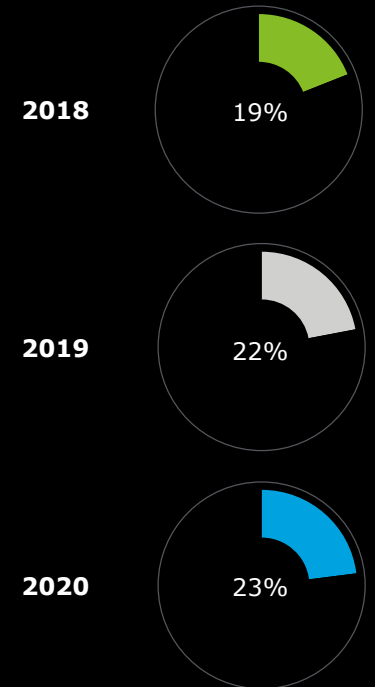


Note: Information above includes only selected countries. Percentages above refer to participants who selected "agree" or "strongly agree".

Results history



Response trend



Agree/strongly agree responses remained high, and increased slightly (by 1 percentage points) from 2019.

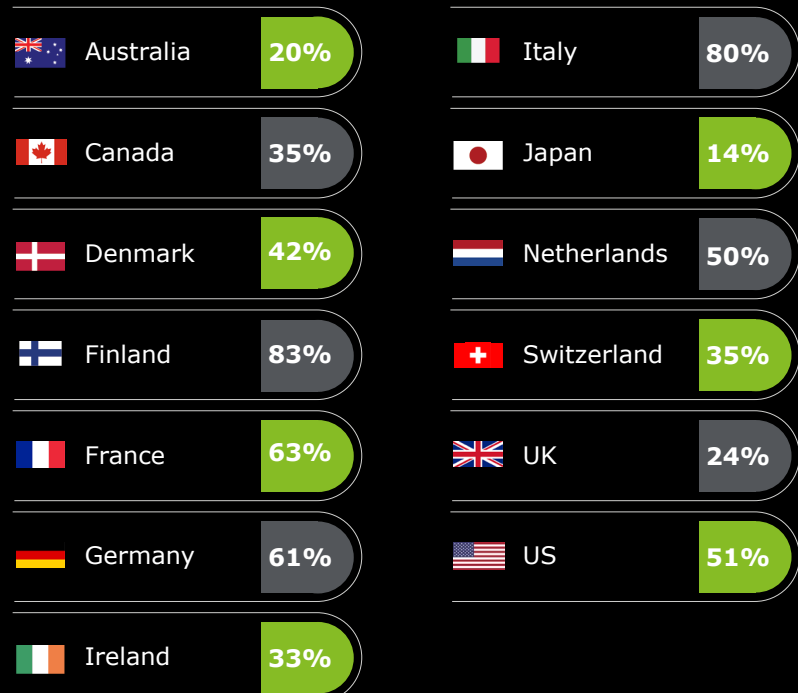
The impact remains relatively low, with a minor increase, which may be indicative of the lengthy process requiring significant time/resource investment. The notable movements are increases in Switzerland (from 8%), Germany (from 14%), France (from 0%) and decreases in the Netherlands (from 50%), the US (from 23%) and Australia (from 12%). It may be that future potential changes under the OECD Pillar 1/Pillar 2 work is dampening enthusiasm for bilateral APAs, as there is potentially reduced longevity or certainty from them.

Question 14

44% agree or strongly agree that their group has experienced instances of double taxation as a result of unilateral tax law changes.

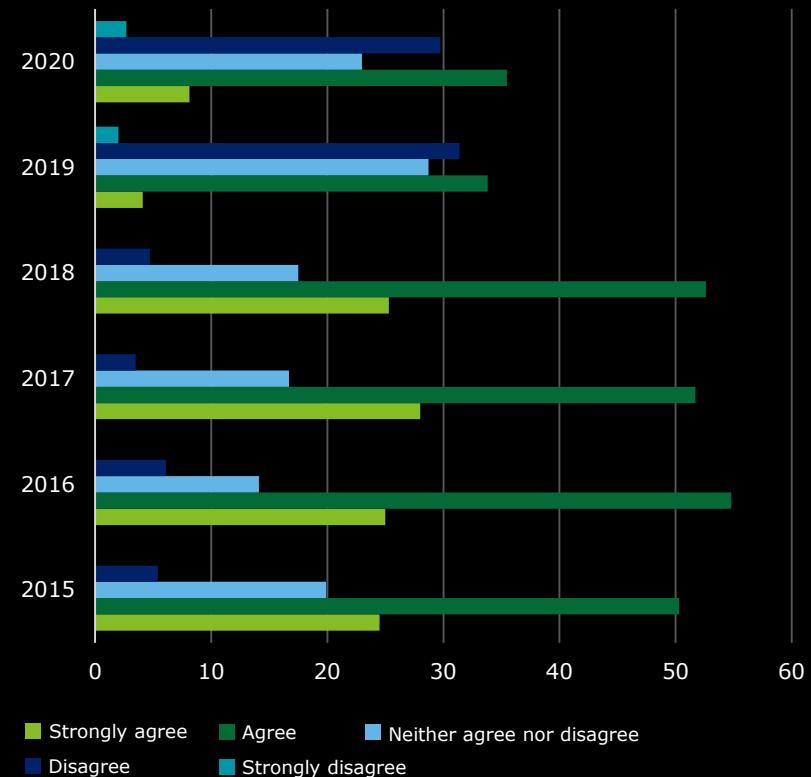
Country-specific agree/strongly agree results

Question 14: My group has experienced instances of double taxation as a result of unilateral tax law changes.

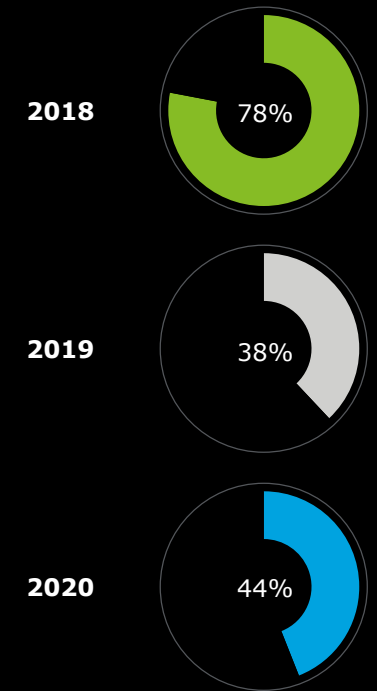


Note: Information above includes only selected countries. Percentages above refer to participants who selected "agree" or "strongly agree".

Results history



Response trend



Agree/strongly agree responses remained high, and increased (by 6 percentage points) from 2019.

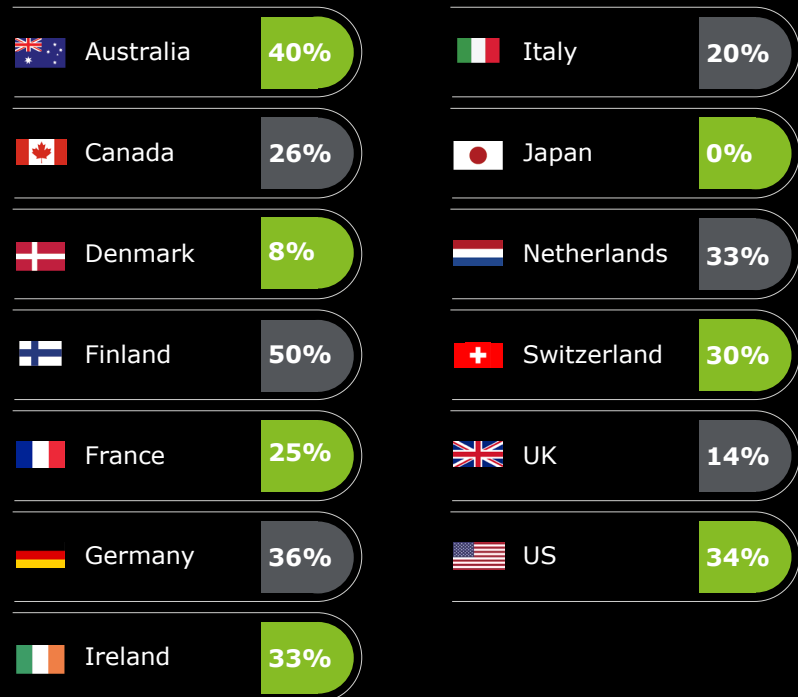
There is an increase in 2020, possibly due to more countries implementing more unilateral tax measures, although the actual level of double taxation is quite low compared with the level anticipated in 2018 (the 2018 survey asked respondents about anticipated double taxation). The notable movements are increases in the US (from 42%), the Netherlands (from 33%), France (from 29%), Germany (from 29%) and a decrease in Switzerland (from 75%).

Question 15

28% agree or strongly agree that their group has experienced instances of double taxation from some of the BEPS changes.

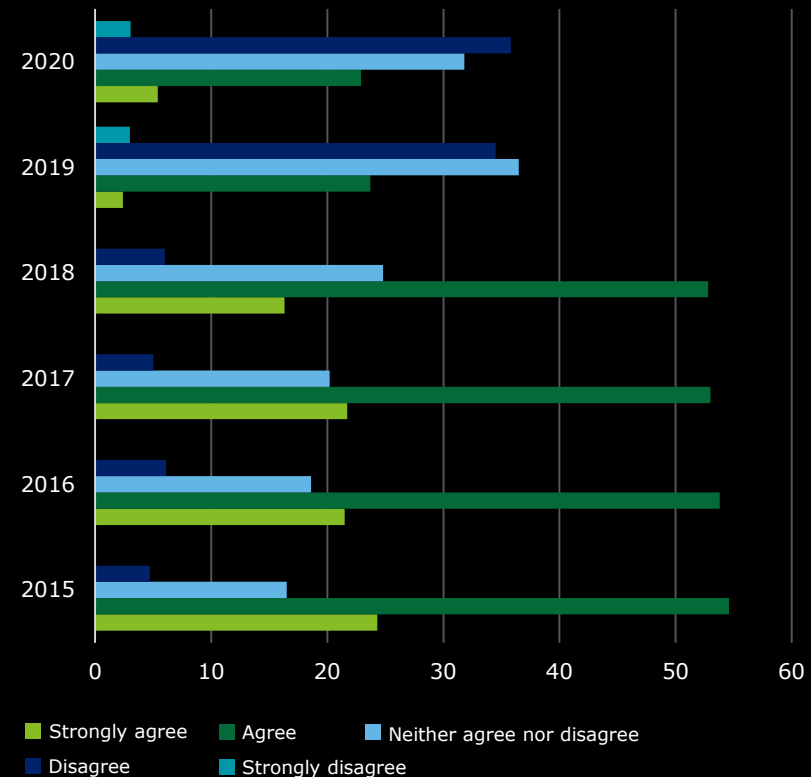
Country-specific agree/strongly agree results

Question 15: My group has experienced instances of double taxation from some of the BEPS changes.

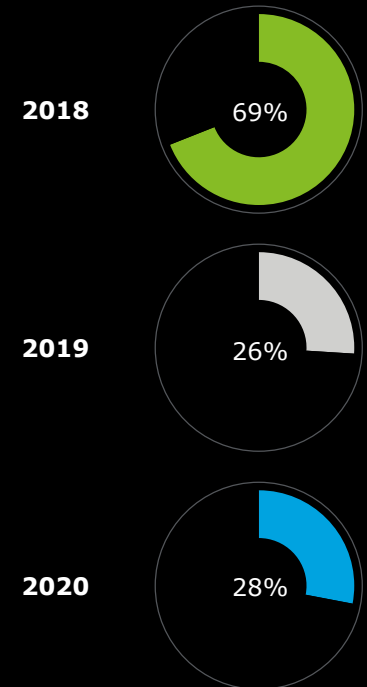


Note: Information above includes only selected countries. Percentages above refer to participants who selected "agree" or "strongly agree".

Results history



Response trend



Agree/strongly agree responses remained high, and increased (by 2 percentage points) from 2019.

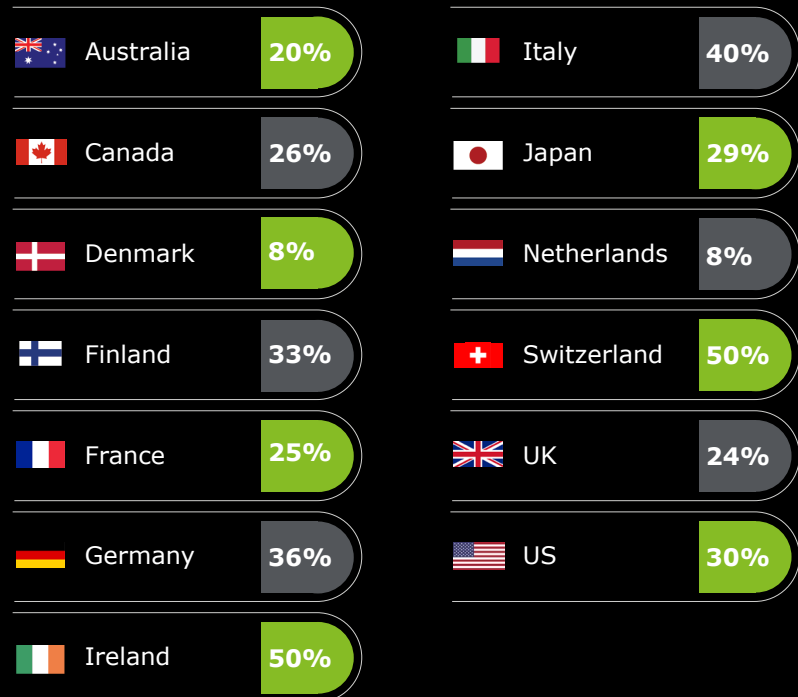
Similar to the previous question, the actual level of BEPS-related double taxation experienced is less than half of what was anticipated in 2018. The notable movements are increases in Australia (from 16%), Germany (from 0%), the Netherlands (from 17%), and decreases in the UK (from 31%) and France (from 43%). Industry-wise, consumer business shows the highest level of response at 46%.

Question 16

30% agree or strongly agree that their group has been involved in cross-border tax disputes which resulted from countries' uncoordinated implementation of the BEPS measures.

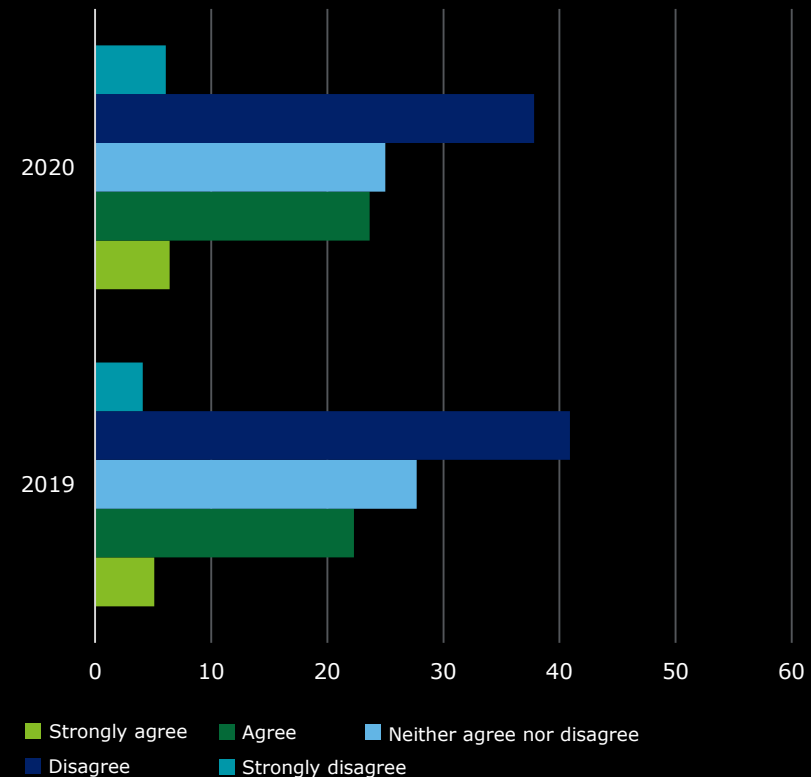
Country-specific agree/strongly agree results

Question 16: My group has been involved in cross-border tax disputes which resulted from countries' uncoordinated implementation of the BEPS measures.

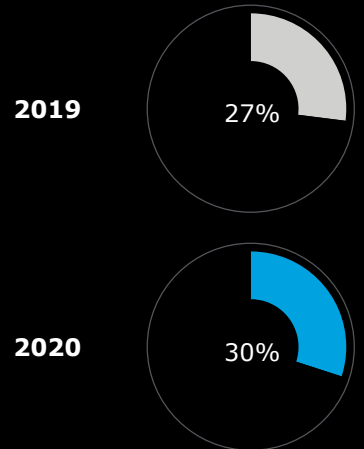


Note: Information above includes only selected countries. Percentages above refer to participants who selected "agree" or "strongly agree".

Results history



Response trend



Agree/strongly agree responses remained high, and increased slightly (by 3 percentage points) from 2019.

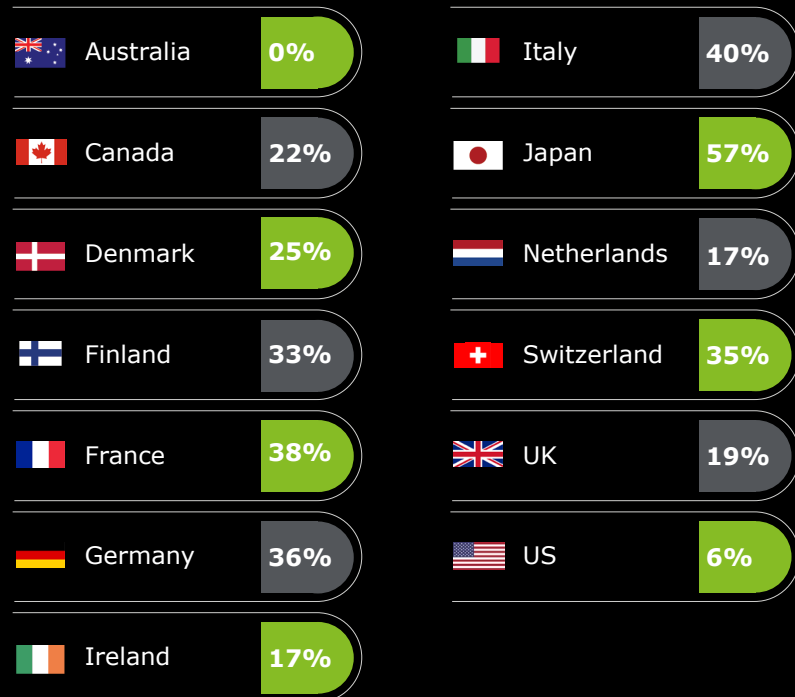
The level of 'agree/strongly agree' responses remains relatively low, although there is a small increase, and it may be that the measures are still too recent to give rise to disputes; this may increase in the coming years. Interestingly, half of respondents from Switzerland and Ireland have experienced BEPS-related cross-border disputes, while in the Netherlands and Denmark the level is far below average. Industry-wise, healthcare shows the highest level of response at 50%.

Question 17

23% agree or strongly agree that most tax administrations are interpreting the changes to the Transfer Pricing Guidelines in a consistent manner.

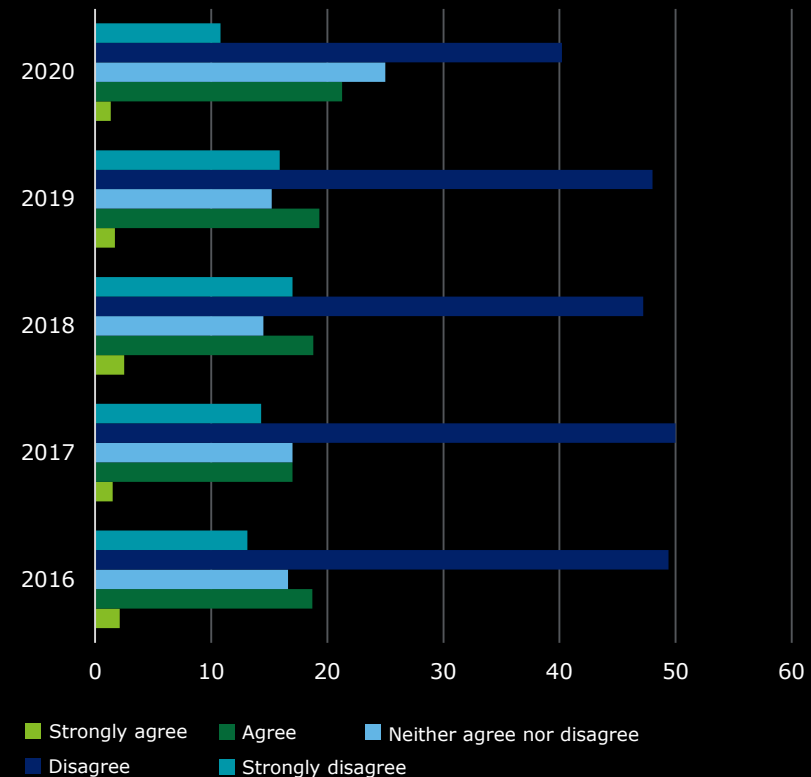
Country-specific agree/strongly agree results

Question 17: I believe that most tax administrations are interpreting the OECD Transfer Pricing Guidelines changes in a consistent manner.

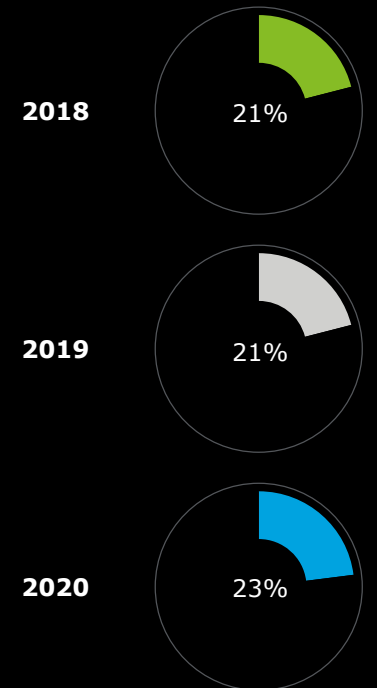


Note: Information above includes only selected countries. Percentages above refer to participants who selected "agree" or "strongly agree".

Results history



Response trend



Agree/strongly agree responses remained high, and increased slightly (by 2 percentage points) from 2019.

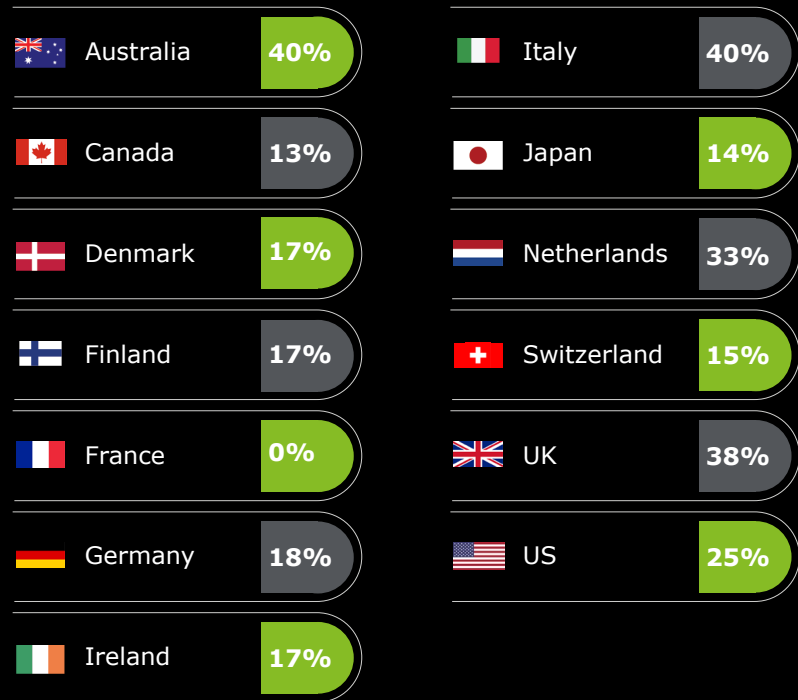
While on average there is a small increase, there are significant fluctuation on a country level. This result is consistent with the high number of tax disputes related to transfer pricing. Respondents from Japan appear to be the most optimistic (57%), unlike those in Australia (a drop from 8%), other notable drops are in the Netherlands (from 83%) and Germany (from 57%). At the same time, other countries are more hopeful, e.g. France (from 14%) and Switzerland (from 8%).

Question 18

20% agree or strongly agree that their organization will be impacted by the European Commission's recent state aid decisions.

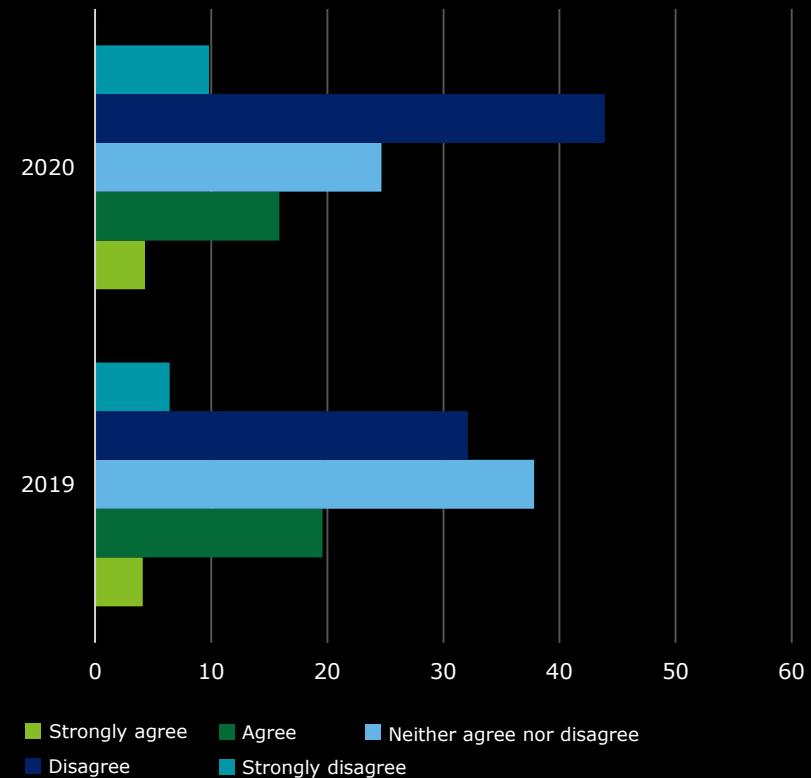
Country-specific agree/strongly agree results

Question 18: My group has been impacted by the European Commission's recent State Aid decisions.

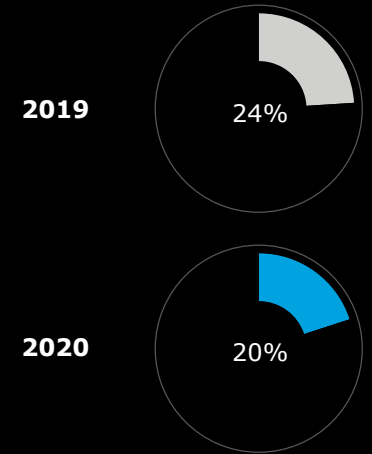


Note: Information above includes only selected countries. Percentages above refer to participants who selected "agree" or "strongly agree".

Results history



Response trend



Agree/strongly agree responses remained high, but decreased (by 4 percentage points) from 2019.

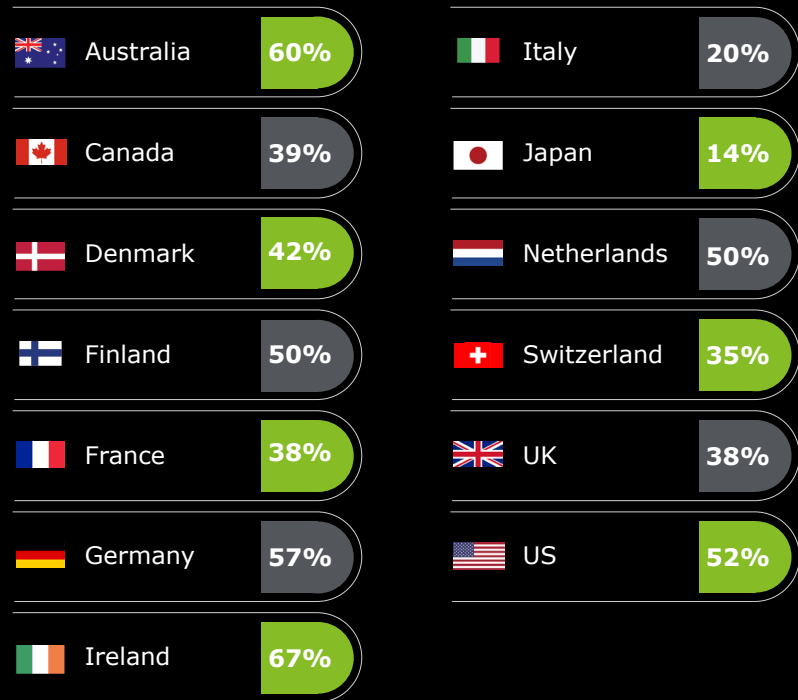
On average there is a small decrease, however most countries retained their average level of response. Interestingly, the non-EU respondents show the largest fluctuations: an increase in Australia (from 12%) and a drop in Canada (from 29%). Retail industry expects the highest impact at 46%.

Question 19

45% agree or strongly agree that their organization is anticipating higher withholding tax obligations as a result of treaty changes, whether under the MLI or renegotiation of double tax treaties.

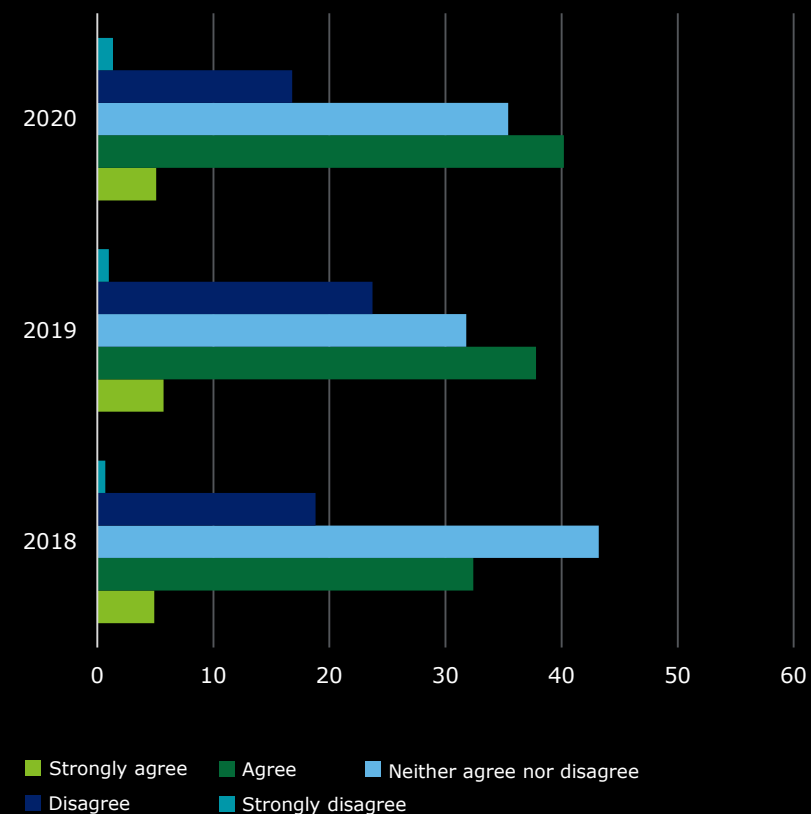
Country-specific agree/strongly agree results

Question 19: My group is anticipating higher withholding tax obligations as a result of treaty changes, whether under the multi-lateral instrument (MLI) or renegotiation of double tax treaties.

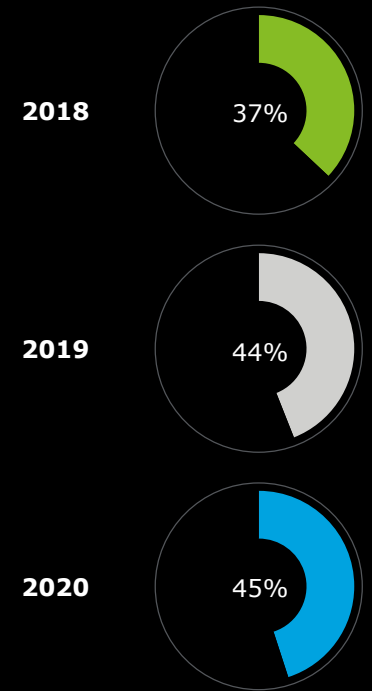


Note: Information above includes only selected countries. Percentages above refer to participants who selected "agree" or "strongly agree".

Results history



Response trend



Agree/strongly agree responses remained high, and increased slightly (by 1 percentage points) from 2019.

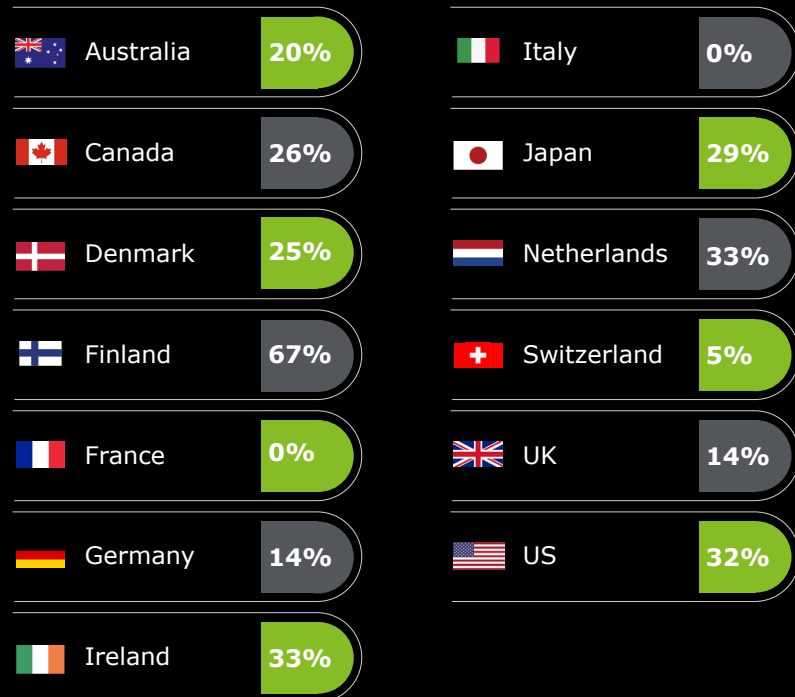
The overall results are similar to those of last year. The notable movements are increases in Germany (from 43%) and Switzerland (from 17%) where the MLI has not yet entered into force. The increase in Australia (from 28%) which could be due to guidance and/or stricter tax authorities' approach. The drop in the Netherlands (from 100%) could be perhaps be attributable to obtaining some reassurance from foreign tax authority input regarding application of the MLI. Industry-wise, the expectation is the highest in real estate at 75%.

Question 20

23% agree or strongly agree that as a result of the principal purpose test (PPT) in the MLI their group is planning to restructure holding companies.

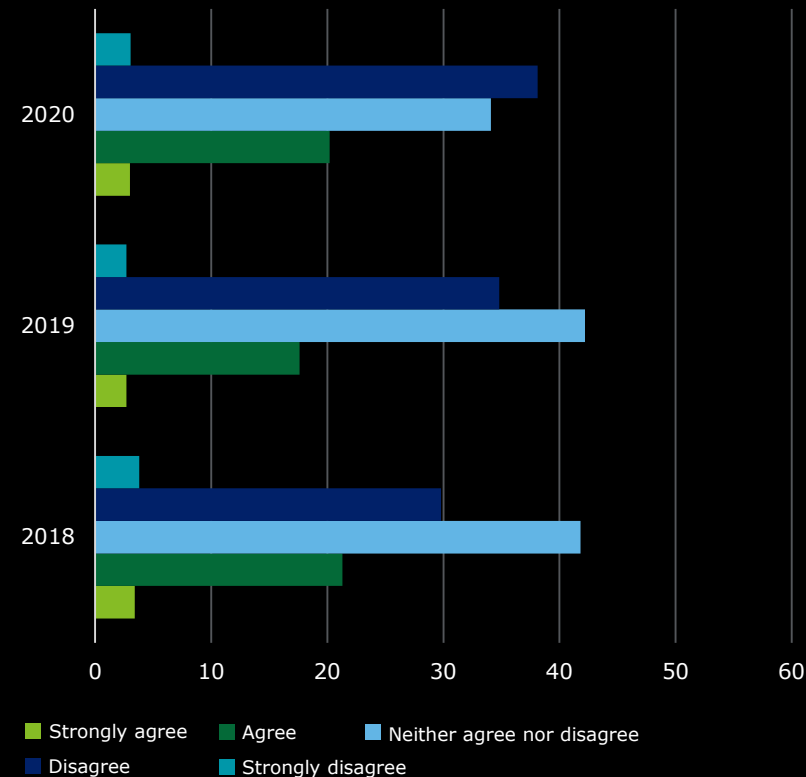
Country-specific agree/strongly agree results

Question 20: As a result of the principal purpose test (PPT) in the MLI my group is planning to restructure holding companies.

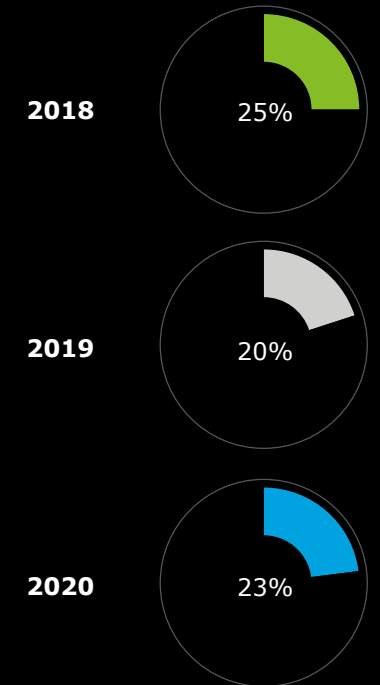


Note: Information above includes only selected countries. Percentages above refer to participants who selected "agree" or "strongly agree".

Results history



Response trend



Agree/strongly agree responses remained high, and increased slightly (by 3 percentage points) from 2019.

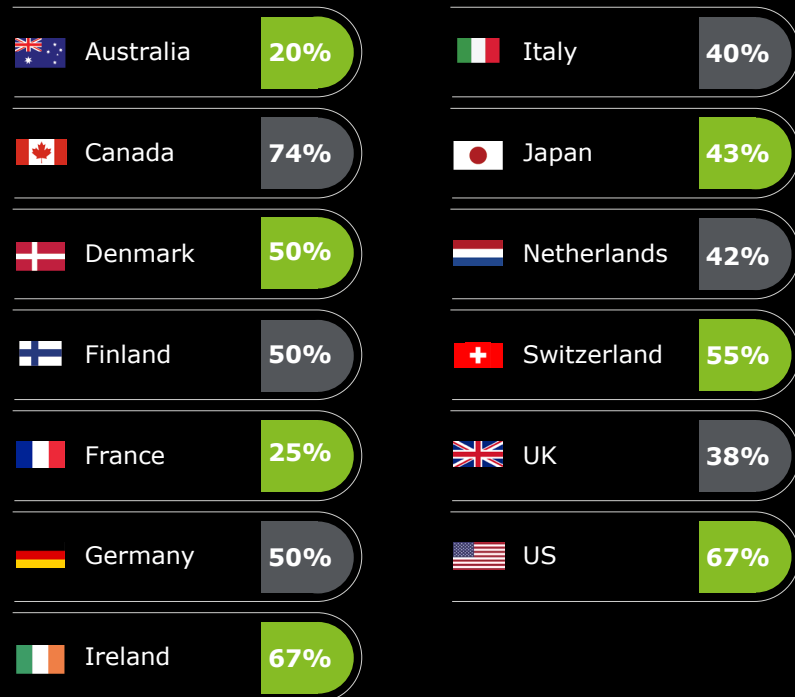
The agree/strongly agree responses remain low, although with a slight increase which may be due to the MLI coming into force in more countries in 2020 in comparison to 2019. The low level may be because many of the respondent countries already have strong domestic anti-abuse rules. There are increases in Germany (from 0%), Australia (from 12%), the Netherlands (from 17%), Canada (from 17%). Interestingly France remains at 0% (same as in 2019). Industry-wise, 40% of the private equity respondents plan to restructure,

Question 21

57% agree or strongly agree that their group is concerned about lack of guidance from the tax authorities around the world about the PPT.

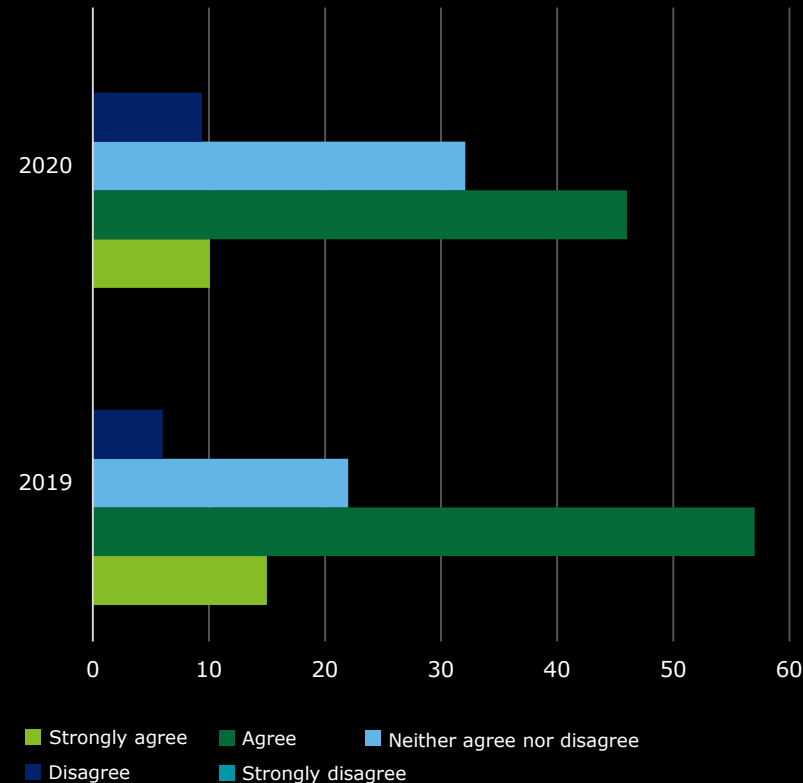
Country-specific agree/strongly agree results

Question 21: My group is concerned about lack of guidance from the tax authorities around the world about the PPT.

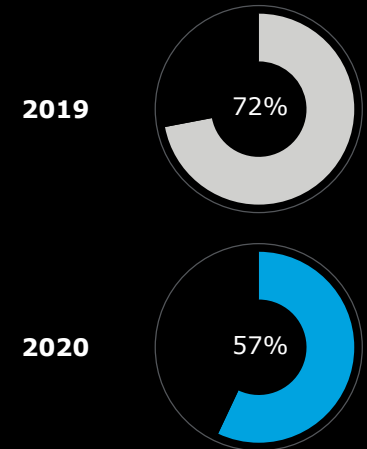


Note: Information above includes only selected countries. Percentages above refer to participants who selected "agree" or "strongly agree".

Results history



Response trend



Agree/strongly agree responses remained high, but decreased (by 15 percentage points) from 2019.

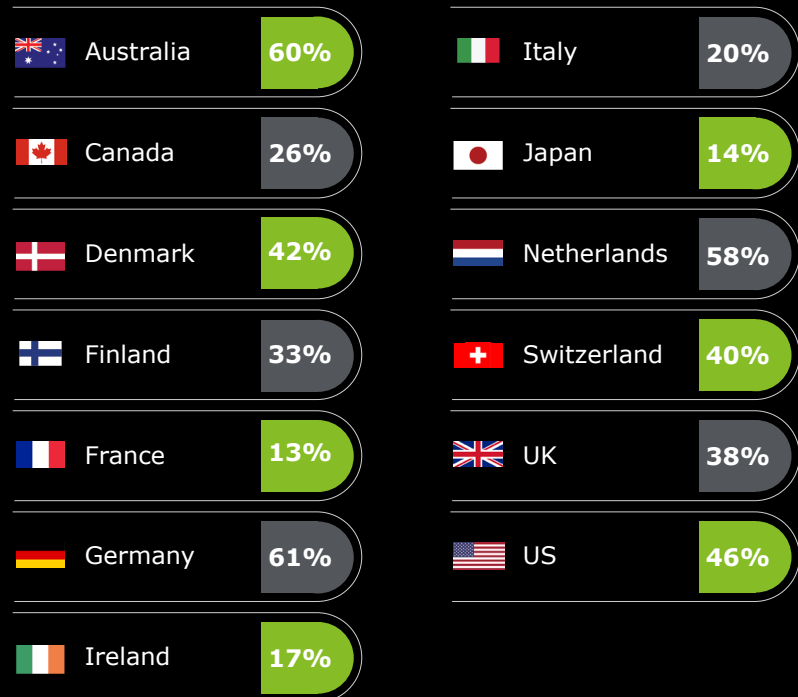
The level of concern has dropped significantly compared to 2019, this may be in part due to more tax authorities releasing guidance. The most notable drops in Australia (from 76%), the UK (from 77%), Germany (from 86%), France (from 57%), as well as a small drop in the US (from 73%). There is a small increase in Canada (from 71%). Industry-wise, private equity respondents appear to be most concerned at 80%.

Question 22

39% agree or strongly agree that their organization will be affected if a revenue-based digital services tax (DST) is introduced in the country where their users/customers are located.

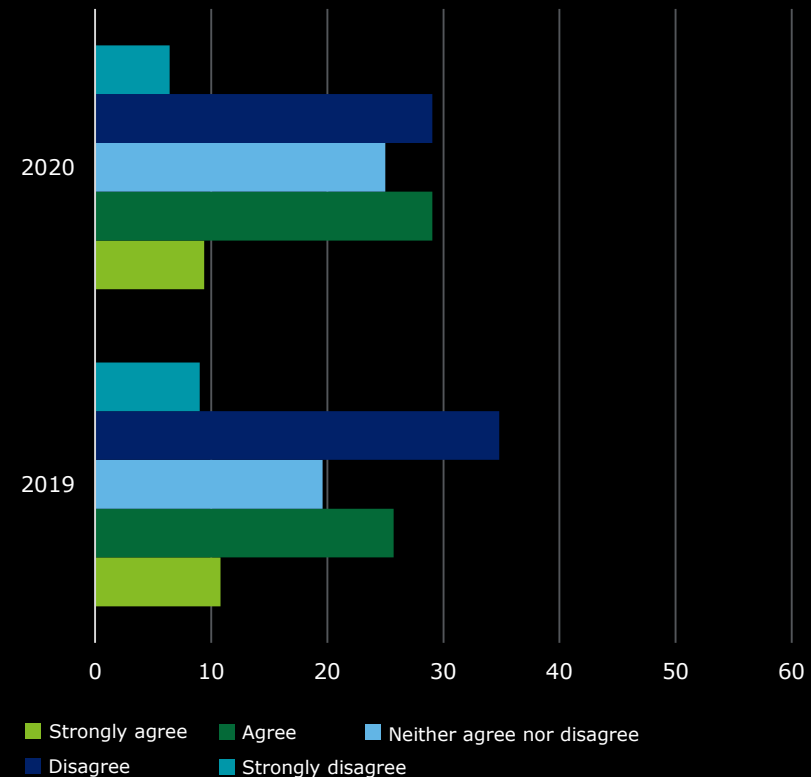
Country-specific agree/strongly agree results

Question 22: My group will be affected if a revenue-based digital services tax is introduced in the country where our users/customers are located.

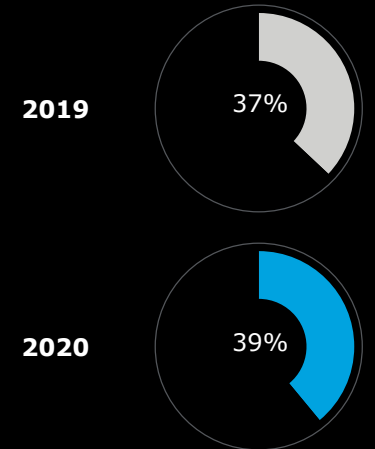


Note: Information above includes only selected countries. Percentages above refer to participants who selected "agree" or "strongly agree".

Results history



Response trend



Agree/strongly agree responses remained high, and increased slightly (by 2 percentage points) from 2019.

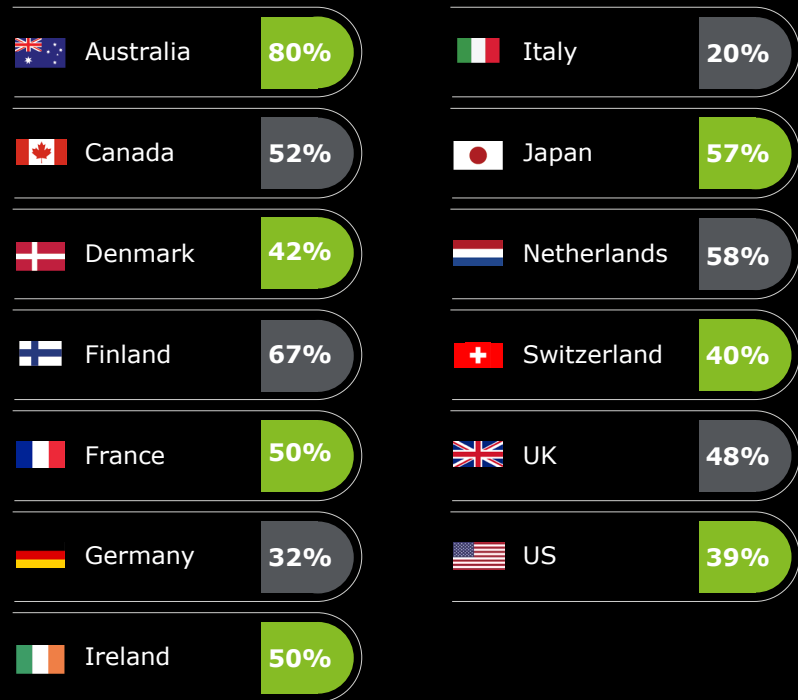
The 2020 survey shows a small increase from 2019. This is reflective of the fact that not all businesses will be impacted by the various DSTs that are proposed or enacted. The notable movements are increases in Germany (from 29%), Switzerland (from 25%), the Netherlands (from 17%) and Australia. TMT respondents expect the highest impact at 64%, which is not surprising. B2C businesses expect more impact (46%) than B2B businesses (35%)

Question 23

44% agree or strongly agree that through the OECD Pillar 1/Pillar 2 project there will be a global consensus on taxation of the digital economy that will lead to changes.

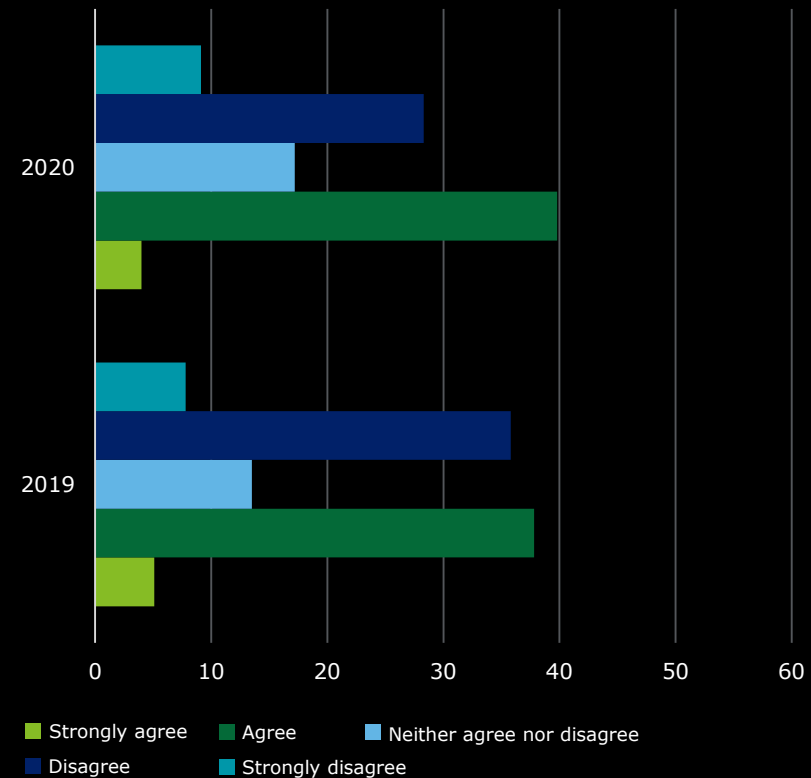
Country-specific agree/strongly agree results

Question 23: I expect that in the future there will be global consensus on taxation of the digital economy through the OECD's Pillar 1 / Pillar 2 project that will lead to implemented changes in the international tax framework.

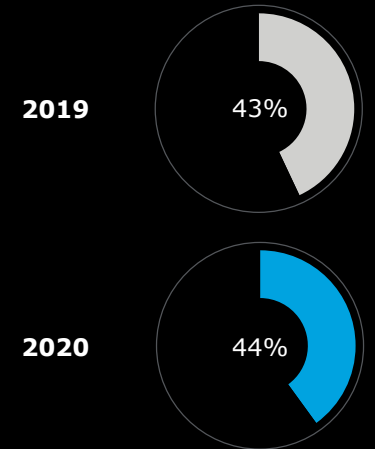


Note: Information above includes only selected countries. Percentages above refer to participants who selected "agree" or "strongly agree".

Results history



Response trend



Agree/strongly agree responses remained high, and increased slightly (by 1 percentage points) from 2019.

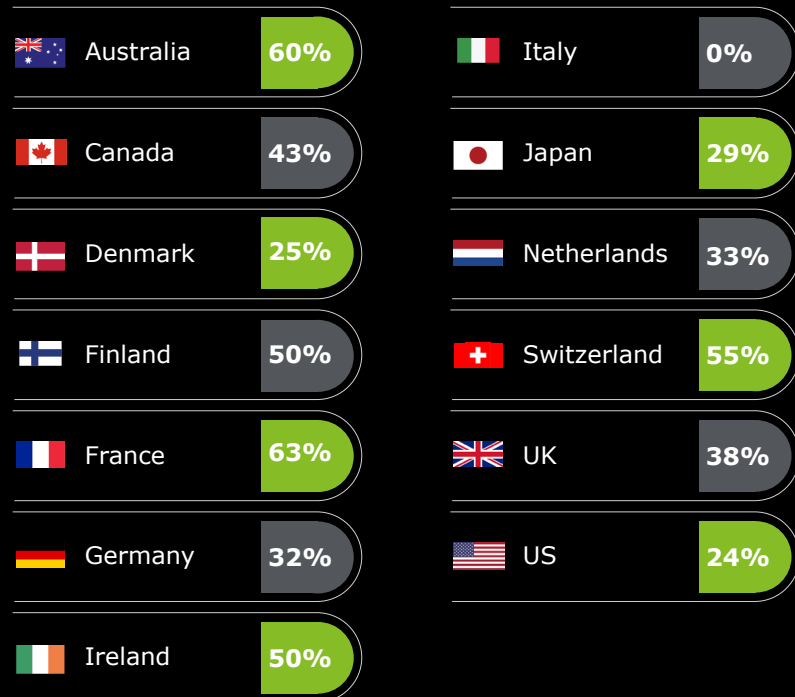
The level of expectation remains similar to 2019, but countries' expectations vary. While there seems to be rising hope among the non-EU respondents:— increases in Australia (from 52%), the US (from 29%), Canada (from 50%), Switzerland (from 40%), there is more skepticism in some of the EU respondents: decreases in the Netherlands (from 67%), Germany (from 57%), France (from 71%). Financial services respondents appear to be most optimistic at 55%. Business-to-consumer (B2C) businesses (53%) are more optimistic than business-to-business B2B (41%)

Question 24

31% agree or strongly agree that their group has been actively engaged in the OECD's Pillar1/Pillar 2 project consultation either directly or through other channels.

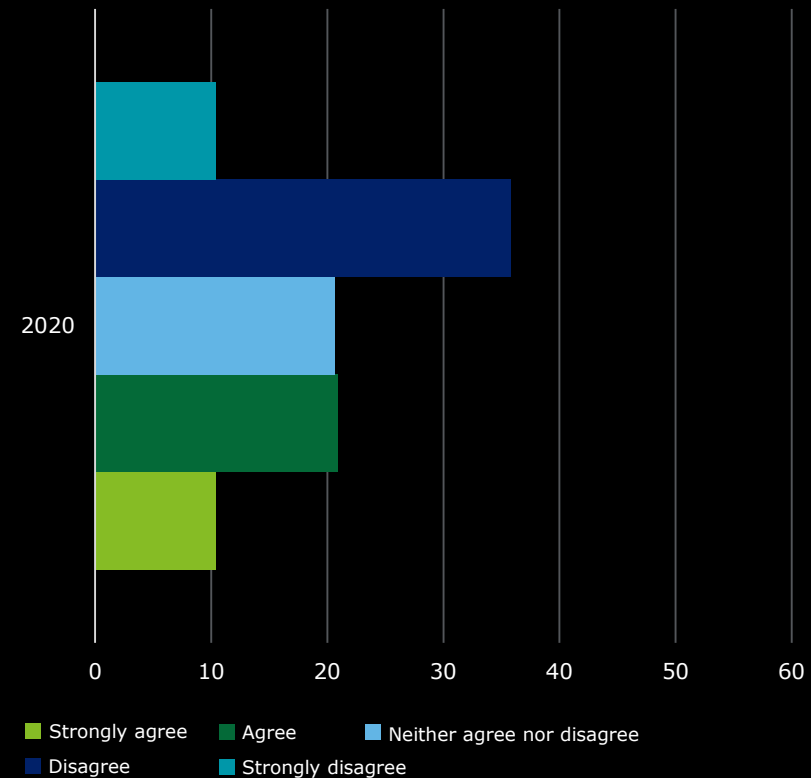
Country-specific agree/strongly agree results

Question 24: My group has been actively engaged in the OECD's Pillar1/Pillar 2 project consultation either directly or through other channels.

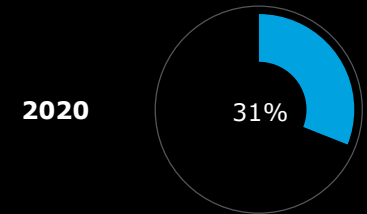


Note: Information above includes only selected countries. Percentages above refer to participants who selected "agree" or "strongly agree".

Results history



Response trend



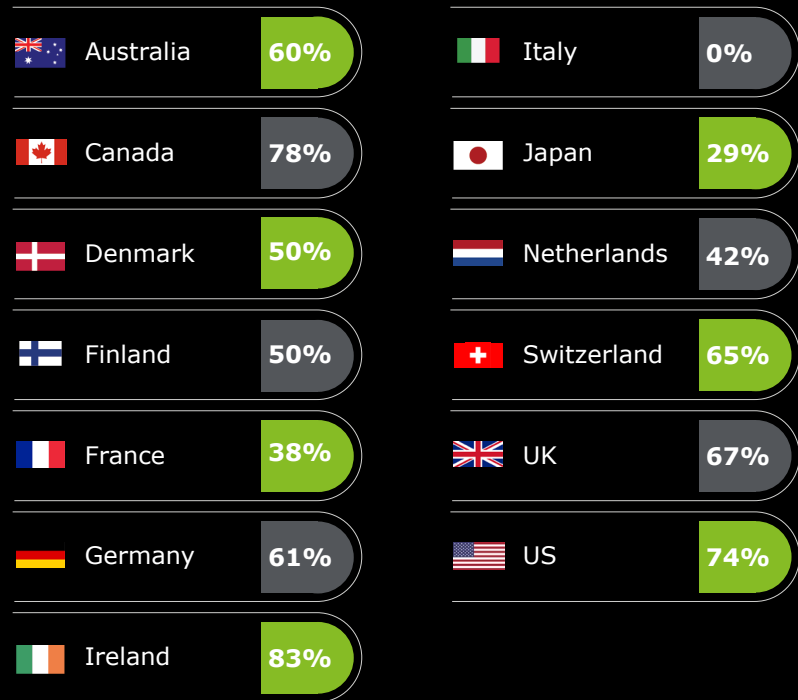
Countries responses vary significantly: respondents in France appear to be most active (63%). Australia, Switzerland and Ireland also appear to have a large number of respondents contributing to the OECD Pillar 1/Pillar 2 project. In some countries lower levels of engagement may reflect the misconception that this project is limited to traditional digital companies.

Question 25

62% agree or strongly agree that group is concerned that a possible outcome of the OECD's Pillar 1/ Pillar 2 project will be an increase in their group's corporate tax liability.

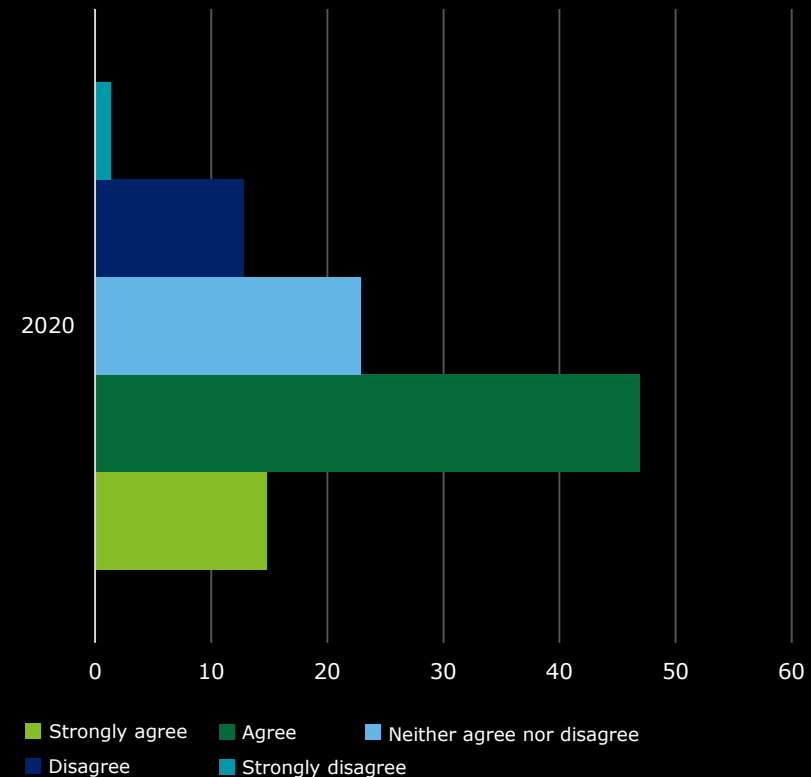
Country-specific agree/strongly agree results

Question 25: My group is concerned that a possible outcome of the OECD's Pillar 1/ Pillar 2 project will be an increase in my group's corporate tax liability.

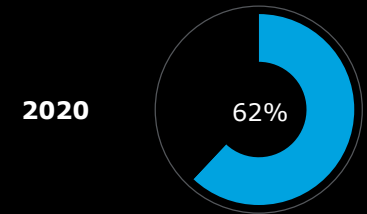


Note: Information above includes only selected countries. Percentages above refer to participants who selected "agree" or "strongly agree".

Results history



Response trend



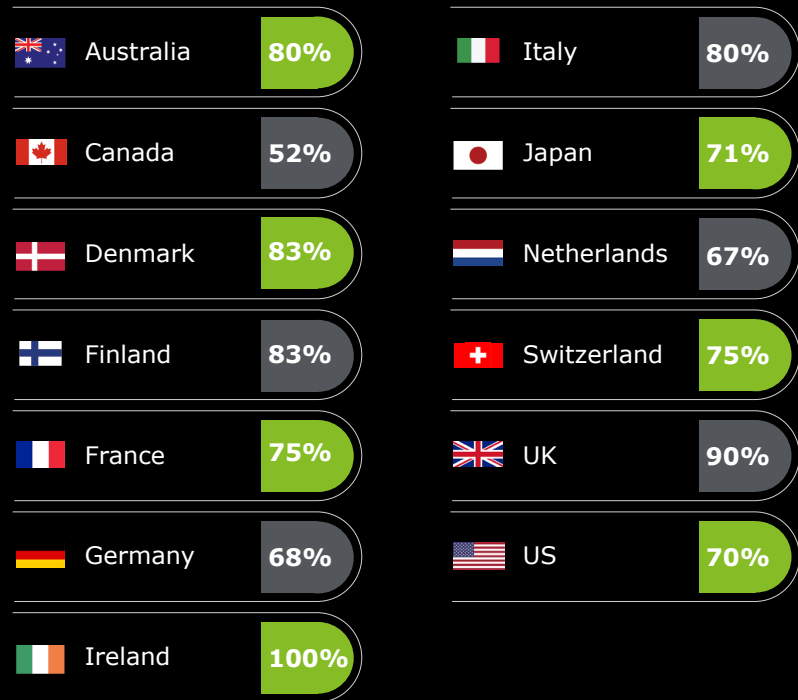
Most countries involved in the survey are quite concerned, with the highest levels in Ireland, Canada and the US. Italy does not appear to be concerned at all. While the Italian respondent sample is not statistically significant, the response may reflect very strong Italian CFC rules and/or the Italian respondents do not generate very significant earnings from the exploitation of IP. The US numbers likely represent more than just the technology sector.

Question 26

71% agree or strongly agree that public reporting of country-by-country type information will occur over the next few years.

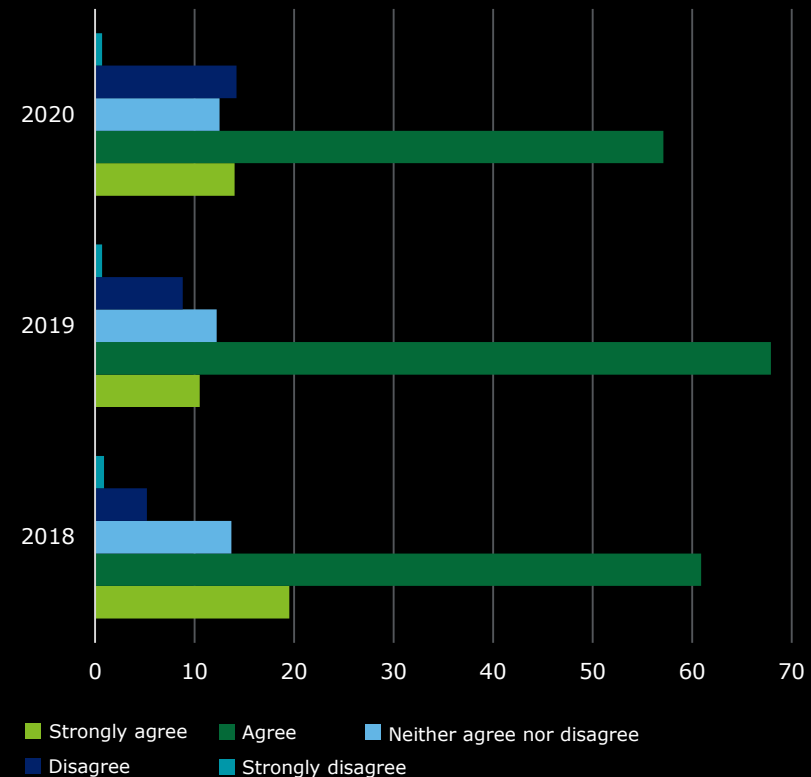
Country-specific agree/strongly agree results

Question 26: I believe that public reporting of country-by-country type information will occur over the next few years.

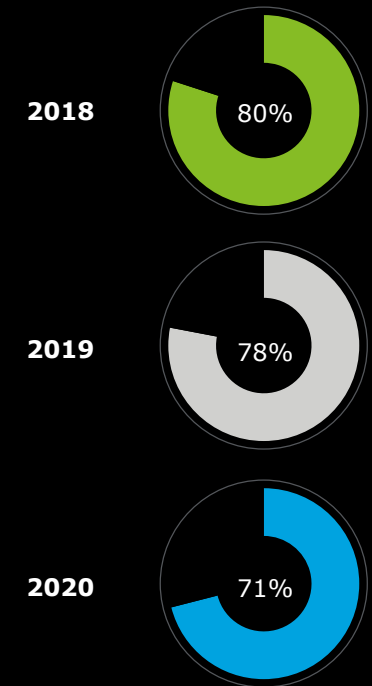


Note: Information above includes only selected countries. Percentages above refer to participants who selected "agree" or "strongly agree".

Results history



Response trend



Agree/strongly agree responses remained high, but decreased (by 7 percentage points) from 2019.

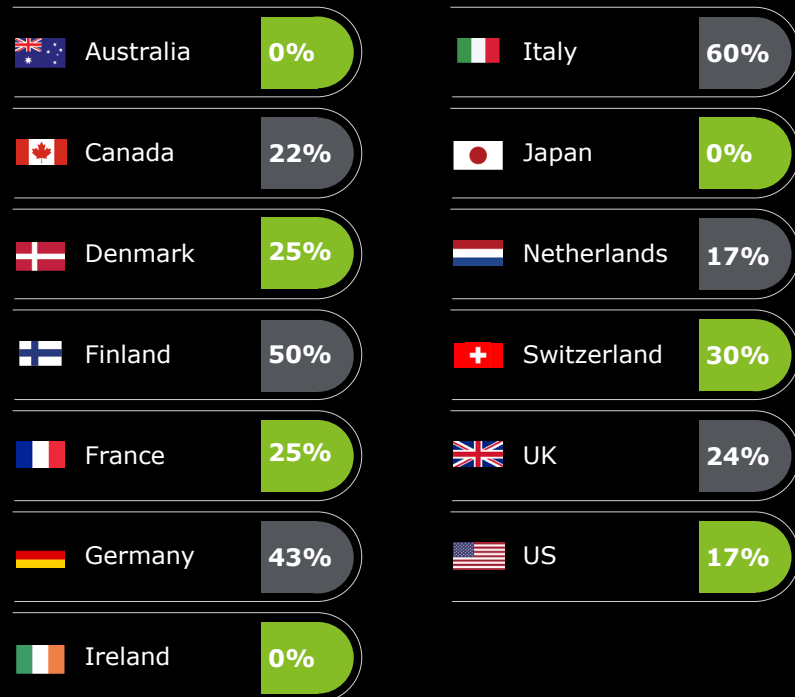
The percentage of 'agree/strongly agree' responses remains high, even after a noticeable decrease. There are significant drops in Canada (from 79%), the Netherlands (from 100%) and Germany (from 86%) and a small increase in France (from 71%). More listed companies expect public Country-by-Country Reporting (CBCR) (67%) than non-listed (52%). Industry-wise, healthcare shows the highest level of response at 83%, followed by private equity at 80%

Question 27

24% agree or strongly agree that their group would be favorable to introduction of the EU Common Corporate Tax Base (CCTB) without consolidation.

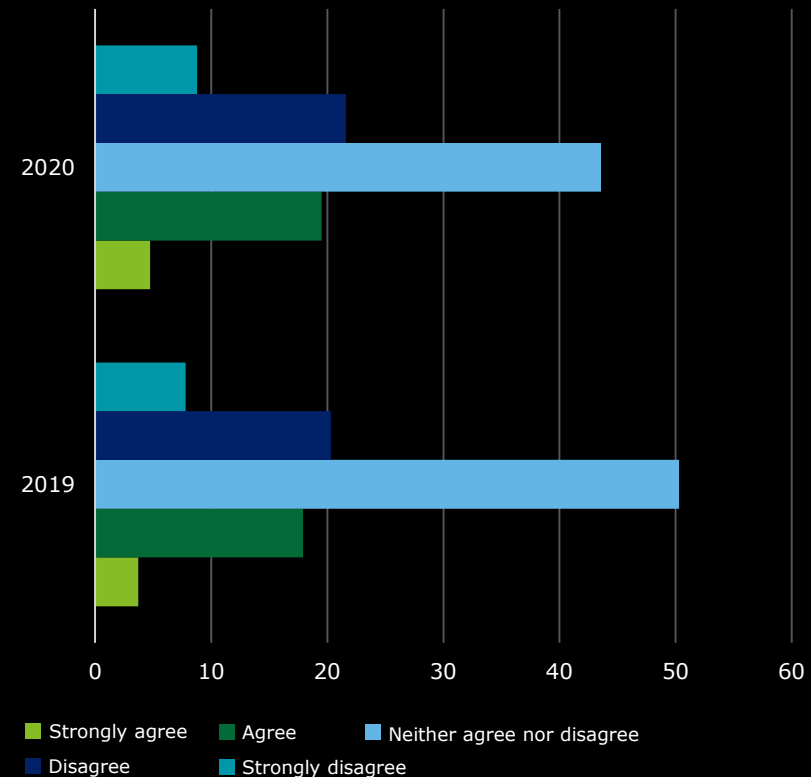
Country-specific agree/strongly agree results

Question 27: My group would be favorable to introduction of the EU Common Corporate Tax Base (without consolidation).

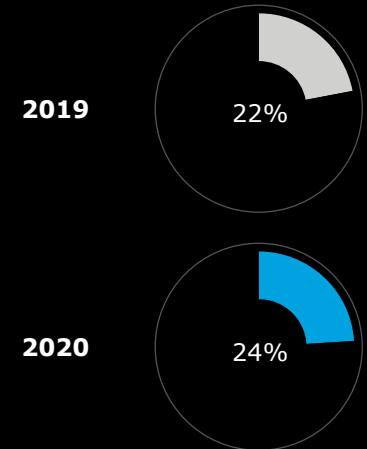


Note: Information above includes only selected countries. Percentages above refer to participants who selected "agree" or "strongly agree".

Results history



Response trend



Agree/strongly agree responses remained high, and increased (by 2 percentage points) from 2019.

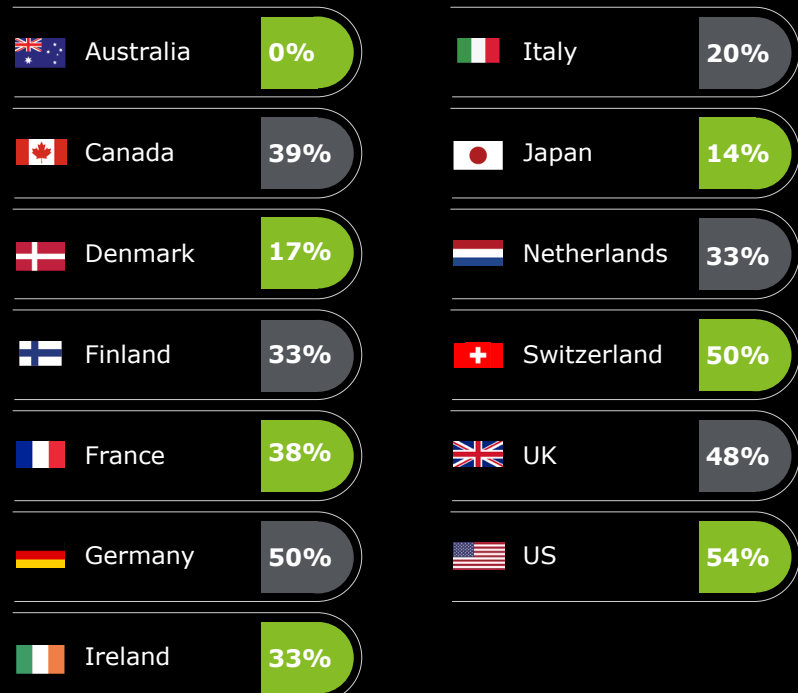
There is a small increase from 2019. Notable movements are increases in the UK (from 15%), Germany (from 29%), Switzerland (from 17%), Canada (from 13%) and drops in the Netherlands (from 33%), Australia (from 12%). Real estate industry appears to be the most open to the EU CCTB (50%). The CCTB proposal is still blocked at the level of the Council (i.e the EU Member States), which in principle has exclusive powers in the taxation field by unanimity. The European Commission is currently reflecting on ways to move from unanimity to a system of qualified majority voting for tax at Council level accompanied with a majority vote at the EU Parliament. If achieved, this might revitalize the debate on CCTB at European level.

Question 28

41% agree that the impact of the US Tax Reform on their organization is expected to be positive.

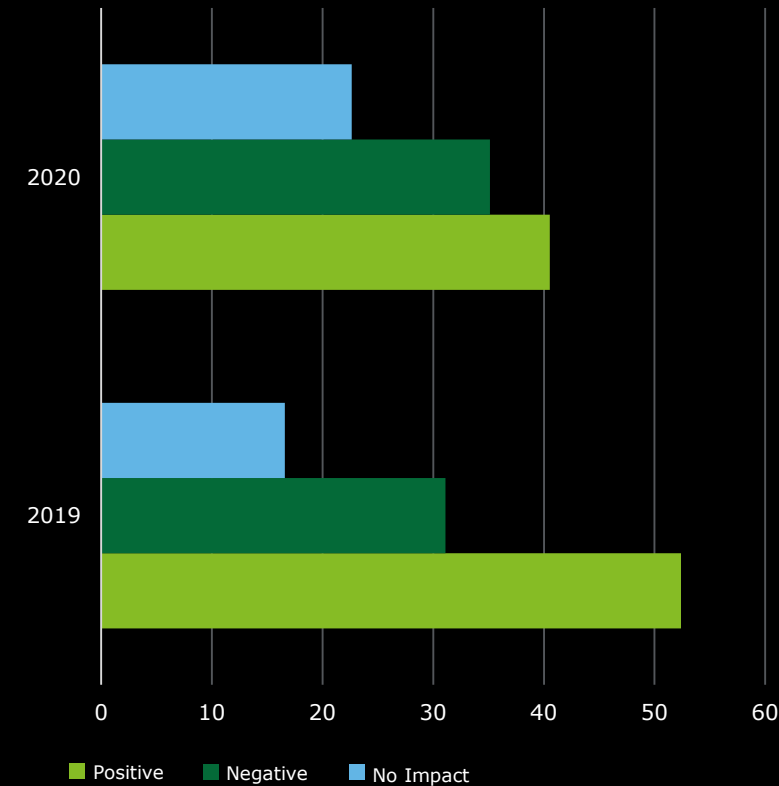
Country-specific agree/strongly agree results

Question 28: The impact of the US Tax Reform on my group has been: a) positive b) negative c) no impact

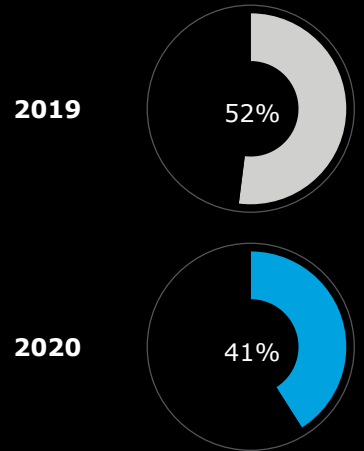


Note: Information above includes only selected countries. Percentages above refer to participants who selected "agree" or "strongly agree".

Results history



Response trend



Agree/strongly agree responses remained high, and decreased (by 11 percentage points) from 2019.

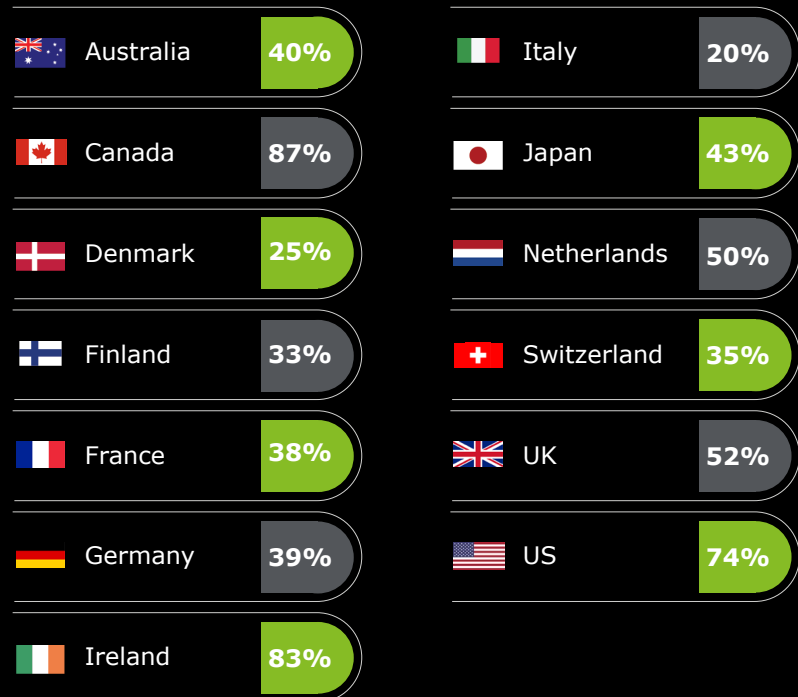
There is a significant reduction in the number of respondents who expect a positive impact from the US reform, and a smaller increase in those expecting a negative impact. Overall the majority of US respondents continue to agree that the impact is positive which is not surprising, however, some respondents may be negatively impacted by some elements of US Tax Reform such as the Global Intangible Low Tax Income (GILTI) and the Base Erosion Anti-Abuse Tax (BEAT). Industry-wise, 80% of healthcare respondents expect a positive impact, 50% of real estate respondents expect a negative impact and 50% of energy and resources expect no impact at all.

Question 29

51% agree or strongly agree that their group has implemented structural and/or operational changes as a result of US Tax Reform.

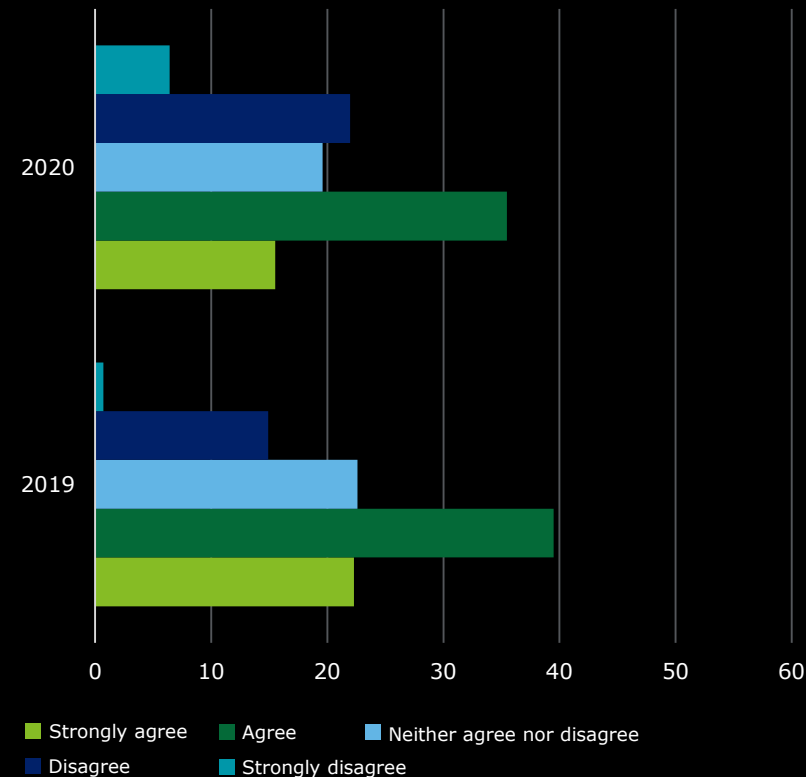
Country-specific agree/strongly agree results

Question 29: My group has implemented structural and/or operational changes as a result of US Tax Reform.

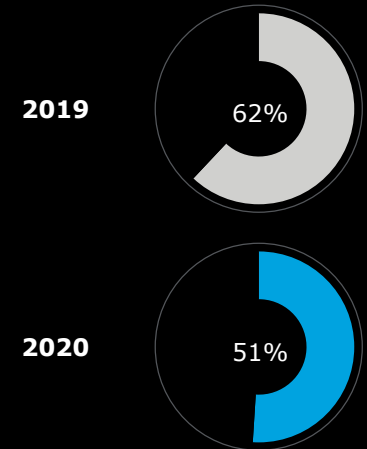


Note: Information above includes only selected countries. Percentages above refer to participants who selected "agree" or "strongly agree".

Results history



Response trend



Agree/strongly agree responses remained high, but decreased (by 11 percentage points) from 2019.

In 2019 we asked whether groups had implemented or intended to implement changes, in 2020 we are only asking about changes that have taken place, this might explain some of the decrease in the overall agree/strongly agree responses. As Canada is the largest trading partner of the US, the continued significant impact on Canadian companies is not surprising. Other notable movements are increases in the Netherlands (from 33%), Germany (from 29%) and France (from 29%) and drops in Australia (from 48%) and Switzerland (from 58%). Industry-wise, retail (62%) and life sciences (65%) lead in terms of such changes

Multinationals views on media and political interest

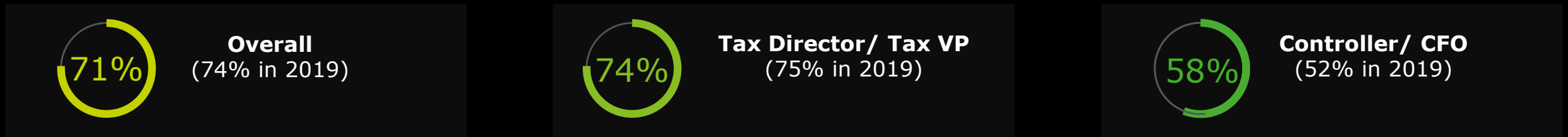
Additional analysis of respondents to question 1

Respondents details for question 1:

My organization is concerned about the increased media, political and activist group interest in corporate taxation.

Strongly agree or agree

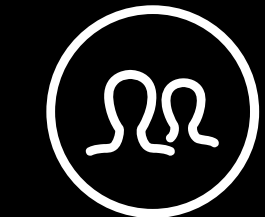
By role in the organization



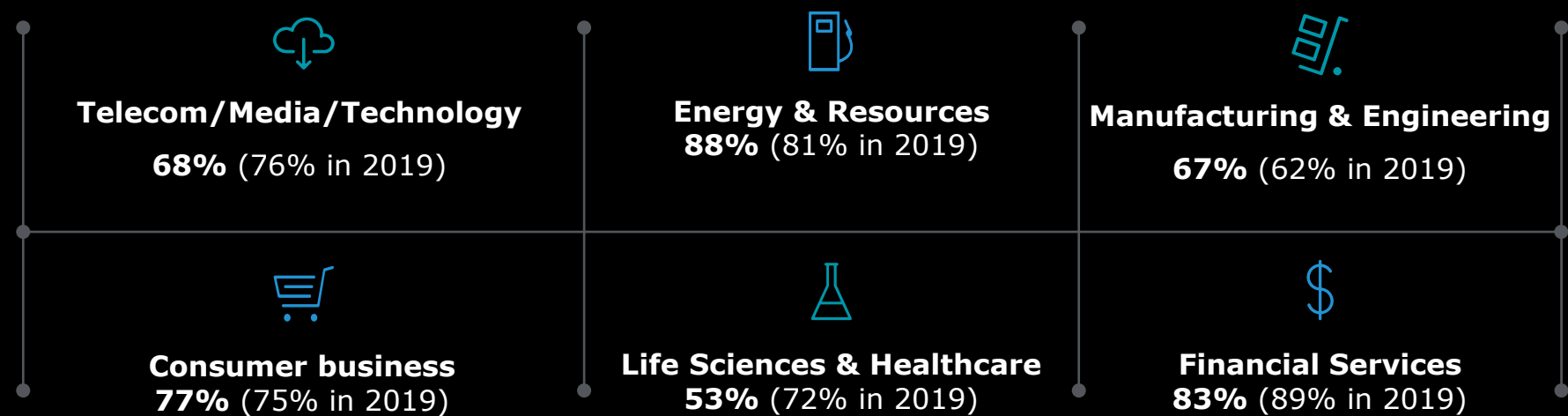
The survey shows that the level of concern remains high.

By type of industry

(sectors with the largest number of respondents)



71% Overall
(74% in 2019)



Respondents details for question 1:

My organization is concerned about the increased media, political and activist group interest in corporate taxation.

Strongly agree or agree

Listed vs. Not listed



Public companies continue to be very concerned about reputational risk. Private companies are concerned but less concerned, possibly due to the focus being more on public companies.

By transaction focus



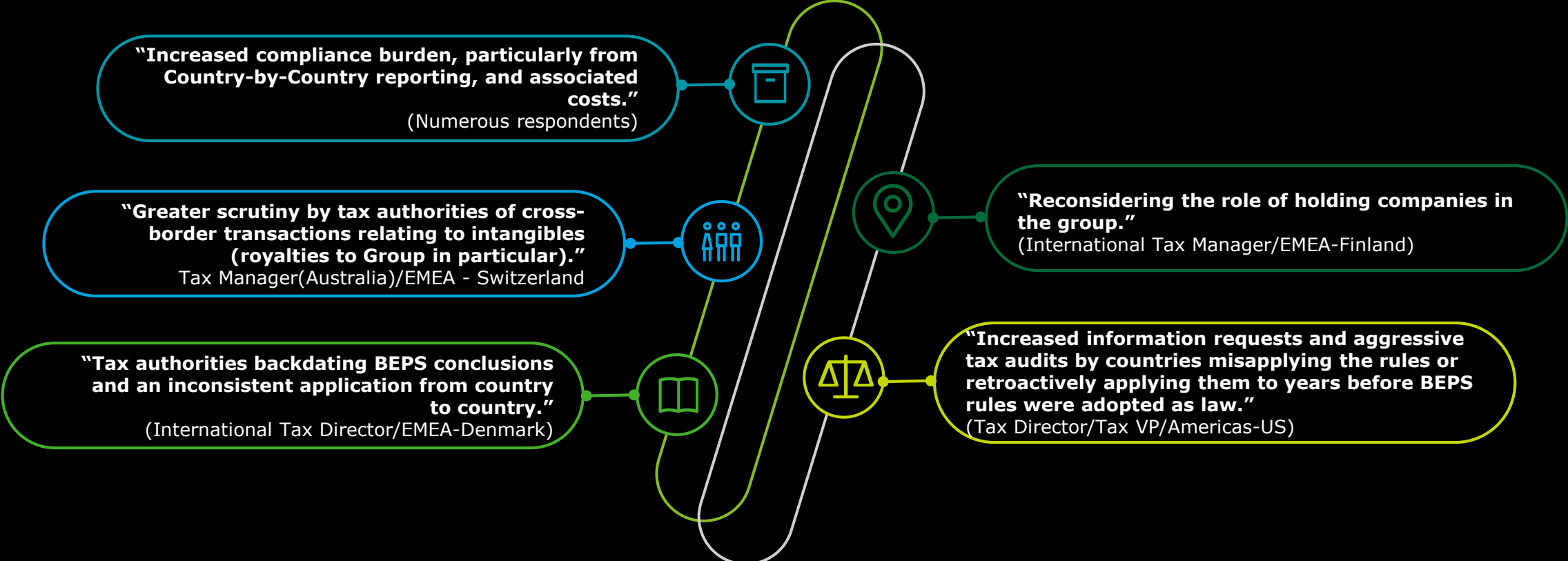
The higher level of concern in the B2C space is not surprising

Open questions

Selected participant responses

Question 30: What have been the most significant areas of change for your group's tax function/tax affairs resulting from the BEPS project so far?

Representative responses



Note: 161 respondents answered question 30. The comments listed are representative of the most commonly stated responses.

Question 31: What are your key expectations regarding the impact of the EU Mandatory Disclosure Regime?

Representative responses

“Tax Authorities won’t be able to handle all this information” (Tax Director/Tax VP/EMEA - Germany)



“Transactions that do not aim to reduce or eliminate taxation will have to be unnecessarily reported. There will be an increase in tax audits.” (Tax Director/Tax VP/Asia Pacific - Japan)



“Additional reporting without any benefit, neither for my group, nor for the tax authorities”
(numerous respondents)



“More admin work, more focused tax audits.” (International Tax Manager/EMEA - Germany)



Note: 142 respondents answered question 31. The comments listed are representative of the most commonly stated responses.

Question 32: What are your thoughts about the OECD's Pillar 1/Pillar 2 project?

Representative responses

"OECD's Pillar 2 project will have a bigger impact for our group than the Pillar 1 project."
(Tax Director/Tax VP/Asia Pacific – South Korea)



"The biggest concern is if the OECD guidance is not precise enough and the implementation will be subject to interpretation. This will lead to increased taxation and material workload for the tax team with respect to dispute resolution"
(Tax Director/Tax VP/EMEA – Switzerland)

"It's being rushed without proper consultation, which will inevitably have unintended consequences for certain business/transaction types."
(Tax Director/Tax VP/Americas – US)

"I understand the reason for the projects and would like to get global consistency, but I'm skeptical that all interested parties can agree due to differing local country impacts"
(Tax Director/Tax VP/Americas – US)

Theoretically possible, but highly impractical to implement as it would require universal agreement on methodology with taxing jurisdictions that have varying mandates. I don't see countries giving up their sovereign right to tax.
(Tax Director/Tax VP/Americas – Canada)

Note: 146 respondents answered question 32. The comments listed are representative of the most commonly stated responses.

Question 33: What are your stay-awake issues concerning the volume of change to tax regimes around the world related to the BEPS project or other tax reform initiatives?

Representative responses



Note: 148 respondents answered question 33. The comments listed are representative of the most commonly stated responses.



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