



Client case: Tax Risk Management

Our in depth knowledge and experience in the area of Tax Risk Management, process improvement and dashboarding prompted the client to indicate our efforts as elementary in the overall progress of the team.

Business issues

This global leader in diversified chemicals was one of the first companies with a dedicated Tax Risk Management ('TRM') team.

The company aimed to have a world class Tax Function aligned with the business that delivers value and manages tax risks by enabling complete and correct reporting, full

tax compliance and effective, efficient and transparent operations.

For this company a new Tax Risk Management Framework ('TCF') was designed and implemented. The TCF was required to accelerate the company's ongoing development of a global, strategic and collaborative approach towards tax (risk) management across the whole organization.

Over the course of a few years, Deloitte Tax Management Consulting assisted this company with several activities related to tax risk management, tax controls and tax reporting.

In this journey a great number of different activities were required to deliver on the objectives of this company.

Solution and approach

Deloitte's approach to assist the diversified chemicals company is dominantly based on COSO-ERM.

Tax Strategy

For this company a tax strategy was developed, aligned with their overall business strategy. For this purpose a mapping was done of the drivers of their business strategy, and ways for tax to contribute to these were determined and documented.

Risk Assessment

By means of questionnaires and interviews tax processes were examined on a global scale for potential process risks, preventive and detective controls used and overall management over tax risks.

“The deliverables produced by Deloitte contain many bells and whistles, and has been elementary to get to where we are.”

Anonymous Head Tax Risk Management

Impact analysis

Risk identified during the risk assessment were measured in terms of impact and likelihood. Furthermore risks were quantified in order to calculate the potential damage and/or opportunity.

Based on the risk assessment and impact analysis, the company drafted a plan to mitigate risks which were not in line with their risk tolerance (policy).



Providing clear insight in large data sets through analytical skills and dashboarding abilities.

Tax Control Framework

Following the company's efforts in documenting their Tax Control Framework, we reviewed and improved available documentation based on risk management and process methodology, e.g. process framework, flow charts, Risk Control Matrix.

Monitoring / Tax Dashboarding

Deloitte designed a Tax Dashboard capturing tax risks, but also other items relevant for managing tax, such as compliance obligations, tax accounting positions, uncertain tax positions, special projects, ETR, taxonomy and cost analysis.

One of the recurring activities included collecting, analyzing and reporting in the new Tax Dashboard. Especially making data collection for the Dashboard efficient contributed to the success of the Dashboard.

On site support

Other activities performed by Deloitte included improvement of the coordination and consolidation of tax return memos, providing insight in the capital structure and identification of key actions (e.g. improving equity positions and aligning short/long term assets and liabilities).

Benefits and value

Our continuous efforts and apparent added value have not only provided the company with the necessary hands on deck, but also led to process improvements, efficiency

gains and enhanced insight in key areas for the TRM team.

The main elements of our added value are:

- Industry specific knowledge on Tax Risk Management.
- Practical deliverables, driving immediate and continuous value.
- Deep expertise on Tax Technology solutions (select, design, build and run).

The ongoing recognition of our added value by the client's TRM team has led to several prolongations of our support activities. Our in depth knowledge and experience in the area of Tax Risk Management, process improvement and dashboarding prompted the client to indicate our efforts as elementary in the overall progress of the team.

Project metrics

Scope tax types:

- All Taxes

Total Project Revenue:

- EURO 260.000

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