Global tax landscape and potential opportunities

Multinational companies (MNCs) are dealing with an increasing number of new and complex global tax rules implemented around the world. Many of these are implemented based on a common approach or Directive (e.g., Pillar Two, ATAD etc), while others are less uniform in nature and require tax departments to be connected to the wider organization (e.g., digital services taxes (DSTs)). The following highlights some key global tax challenges that MNCs are currently facing, or may be focusing on in the immediate future, and how our group of global tax specialists at the International Core of Excellence (ICE group) in New York can help you address these.

1. Understanding where value is and where taxes are paid – Taxpayers should have an understanding of their global tax footprint and model their global tax liabilities to calculate exposure. In addition, businesses should review their value driver to understand the impact of interim taxes.

2. Define fixed parameters – Taxpayers should understand where their employees are and what activities they are conducting globally. As work patterns continue to evolve, businesses should establish a policy for how to monitor the location and activities of employees.

3. Data and policy – In response to various disclosure rules, taxpayers should understand their current tax profile, the current data they have available, and what steps are needed to be ready for the various reporting obligations. Taxpayers should design and implement processes and internal guidelines to ensure compliance.

Connect with us
Pierre-Henri Revault
Principal
Deloitte Tax LLP
prevault@deloitte.com

Arjan Fundter
Partner
Deloitte Tax LLP
arfundter@deloitte.com

Frances Lenihan
Director
Deloitte Tax LLP
flenihan@deloitte.com

Laura Digirolamo
Senior Manager
Deloitte Tax LLP
ldig@deloitte.com

Laura Dumeresque
Senior Manager
Deloitte Tax LLP
l.dumeresque@deloitte.com

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