



International Strategic Tax Review
Developing a global tax and
treasury strategy in today's
environment



“A fact-based process for building a sustainable strategy that addresses global tax rate while focusing on cash flow and managing tax risks over the long term”

Opportunity Driven by Change

As tax executives, we have always seen change as an opportunity. However, at today's pace of change, successful tax executives are finding that opportunities come and go quickly, leaving behind risk.

Multinational enterprises continue to shift portions of their value chain to global and regional platforms to achieve business efficiencies.

Technology advances are enabling organizations to connect globally and “franchise” their business models to create globally integrated enterprises.

Digitally driven processes and the use of data are emerging as value drivers.

While traditional stakeholders, such as the C suite and board members, continue to view tax management as driving value, new stakeholders have emerged, including media, consumers, and employees.

In the meantime, local governments are focused on eliminating deficits and are showing a more aggressive enforcement activity to collect taxes. Given all these changes, a sustainable and responsible approach for developing global tax and treasury strategy is required.

Solution

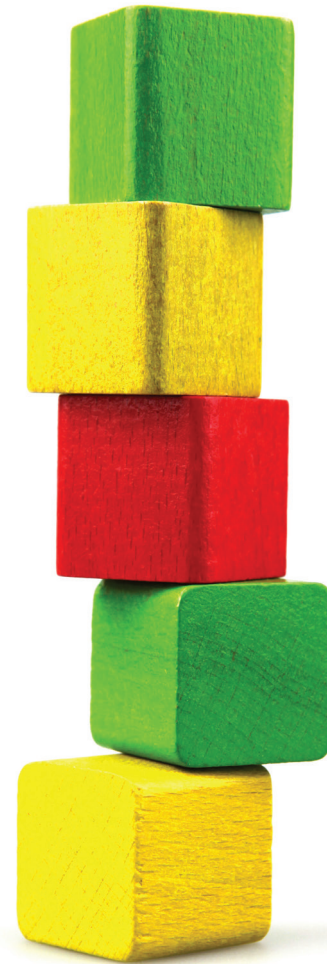
An approach that is about more than ideas:

- Enabling more effective communications with management
- Allowing the analysis of change — internal and external
- Using analytics to identify areas of potential opportunity or risk
- Deploying technology to quickly turn concepts into reality

The International Strategic Tax Review (ISTR)

The ISTR consists of a tested approach that has been built from experiences and leading practices gathered over the last 10 years. Key aspects of the ISTR approach include:

- Leverage on the business initiatives and strategic transformations of the company.
- Advanced technology to analyze data and identify areas of strategic focus.
- Create multiyear estimates of ‘status quo’ cash tax and effective tax rates.
- Advanced technology to allow multiple approaches to be analyzed with current and projected financial data.
- Estimate the tax impact of internal (business model) or external (legislation) change.
- Brainstorm over alternative planning scenarios using advanced technology to estimate the tax impact of each alternative.
- Integrate alternatives to analyze the tax impact and create a business case for change.



“The most effective strategies reflect not only a company's tax and treasury objectives, but also its operational goals, development targets, and other core business drivers.”

The ISTR can help provide answers:

- We are creating a globally integrated enterprise – what is the tax impact?
- What can be done to track the level of corporate taxation in a responsible manner?
- How will this acquisition affect our global tax burden?
- Why is our global tax burden higher than our peers?
- What will our global tax burden look like under this legislative proposal?
- Can you help us explain our current and proposed tax planning approaches to the C-suite?

ISTR — Approach

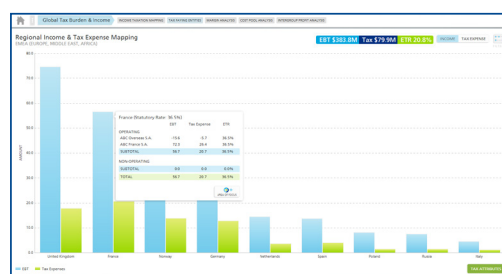
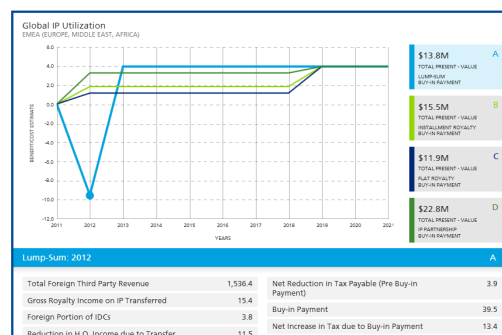
For organizations with global operations, an ISTR can be instrumental in helping to design and execute global strategies. The review provides a focused analysis of the primary drivers of an organization’s global tax rate, including capital structure, business model, and tax traits. The approach is fact driven and analytical rather than intuitive, and presents data to help the organization build a business case for change. The review also provides an approach for developing and executing global strategies.

Dedicated engagement team members work closely with members of your organization to understand your business model, strategic transformation initiatives, capital structure, and tax traits. A plan is designed around your specific business and internal culture. Incorporating critical insights on tax policy and legislation, the specific strategies are prioritized to better address the tax circumstances and potential opportunities. Deloitte’s specialists assist in implementing each approach with leading practices and tools to streamline the process.

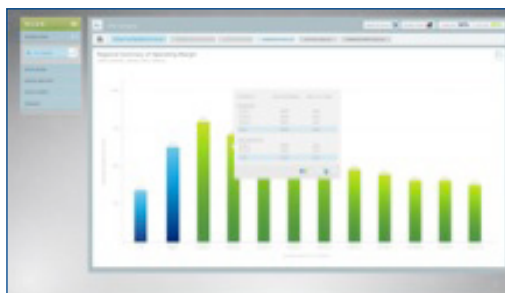
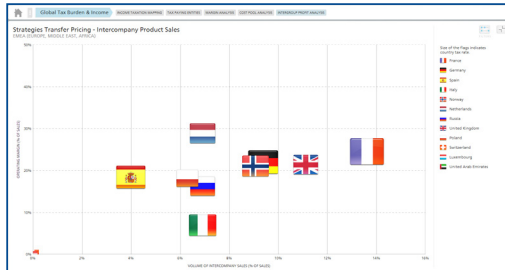
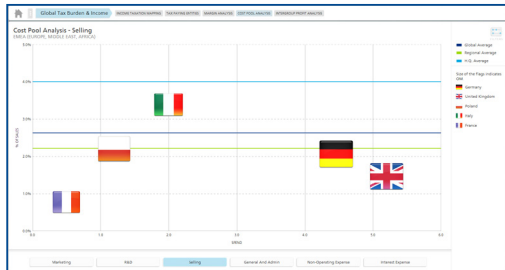
Data Focus — The ISTR methodology is focused on tax data analytics empowered by a new, highly interactive, tool — Digital Global ST²EPS (DGS). DGS facilitates descriptive analytics to allow the identification of the areas of strategic focus. DGS then estimates the tax impact of different scenarios of finance, intellectual property, franchise, supply chain, repatriation, and foreign tax credit planning. DGS, together with Deloitte’s experienced professionals, will work with you in challenging the status quo and creating a business case for strategic change.

DGS analyzes key facts to determine the areas of strategic focus before introducing specific planning considerations and the process leads to the building of a business case for strategic change. Our specialists

- Analyze key components of an organization’s global tax burden.
- Analyze strategic alternatives for global tax planning based on advanced tax data analytics.
- Integrate interactive real-time tax analysis for specific areas of global tax planning for U.S. and non-U.S. multinationals.
- Prepare comparative tax impact analysis for alternative planning scenarios on a real-time basis.
- Analyze specific tax and treasury strategy impacts and potential opportunities.
- Considerations to our clients.
- Assist in creating interactive messaging for communicating with the C-Suite.



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The Deloitte Difference

Deloitte offers:

- The knowledge and insight gained from assisting many multinational companies with ISTRs and other international tax engagements.
- A dedicated team of professionals with experience in major jurisdictions around the world and Deloitte's International Core of Excellence specialists with extensive experience in specific industries and areas of taxation, including International M&A and Business Model Optimization.
- ISTR Insight as a broad-based, flexible, and interactive methodology that has provided assistance to complex organizations with sophisticated tax and treasury departments.
- Consistency and, continuity of services throughout the process.

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