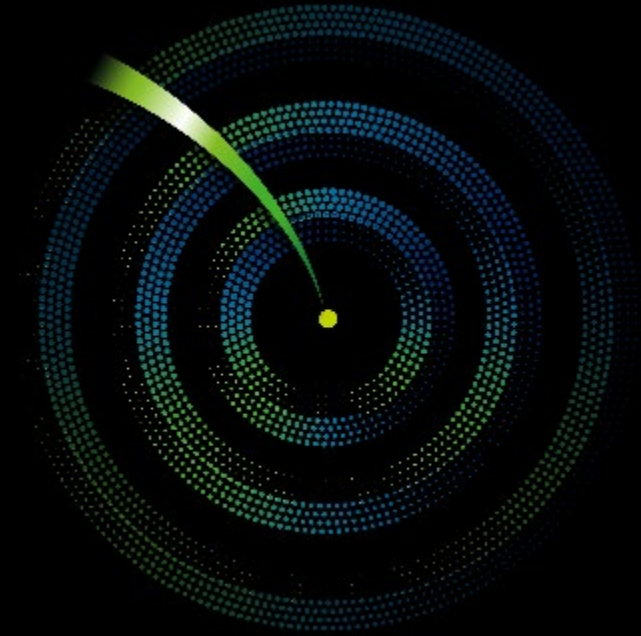


Deloitte.

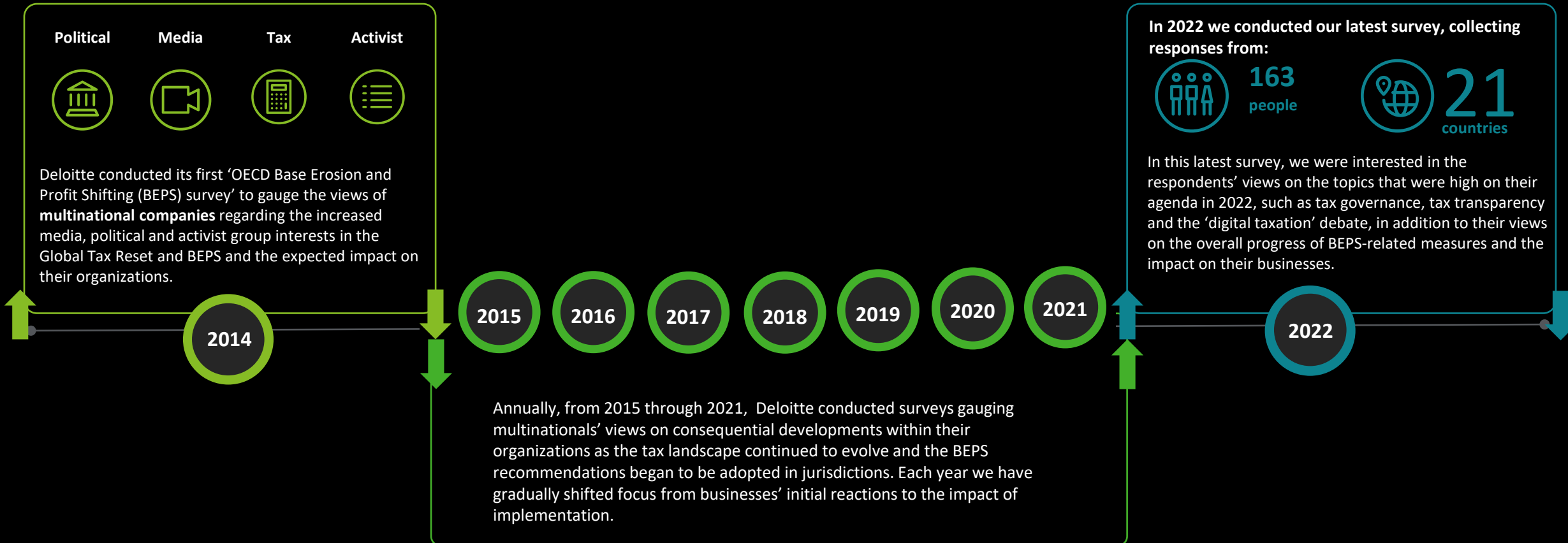


Deloitte's 2022 Global Tax Survey: Beyond BEPS





2022 full results of the 9th annual multinational survey



Full results of Deloitte's 9th annual multinational survey



Contents

 2022 survey respondents	 Survey results: overall and by country	 Multinationals views on media and political interest	 Open questions: selected participant responses
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2022 survey respondents

2022 survey respondents

Survey Respondents



Survey responses

The survey was conducted from 22 February 2022 to 5 April 2022, with a target audience of tax and finance directors, managers and executives from multinational companies. 163 people from 21 countries responded to the 2022 survey.



Respondent's role

- Tax Director/Tax VP 110
- International Tax Director 30
- International Tax Manager 12
- Controller/CFO 1
- Other 10

Top responses by country

- | | |
|---------------------|-----------------|
| • United States 56 | • Netherlands 5 |
| • United Kingdom 13 | • Italy 5 |
| • Canada 12 | • Japan 4 |
| • France 10 | • Ireland 3 |
| • Finland 9 | • Spain 3 |
| • Switzerland 9 | • Bermuda 2 |
| • Australia 7 | • Philippines 2 |
| • Belgium 6 | • Iceland 2 |
| • Germany 6 | • Other 3 |
| • Sweden 6 | |

Top responses by industry

- | | |
|-------------------------|--------------------|
| • Manufacturing 41 | • Automotive 3 |
| • Telecom/Media/Tech 39 | • Chemicals 3 |
| • Energy & Resources 21 | • Hospitality 2 |
| • Financial Services 13 | • Supply chain 2 |
| • Consumer business 11 | • Private equity 1 |
| • Healthcare 8 | • Others 11 |
| • Life Sciences 4 | |
| • Retail 4 | |



Survey results

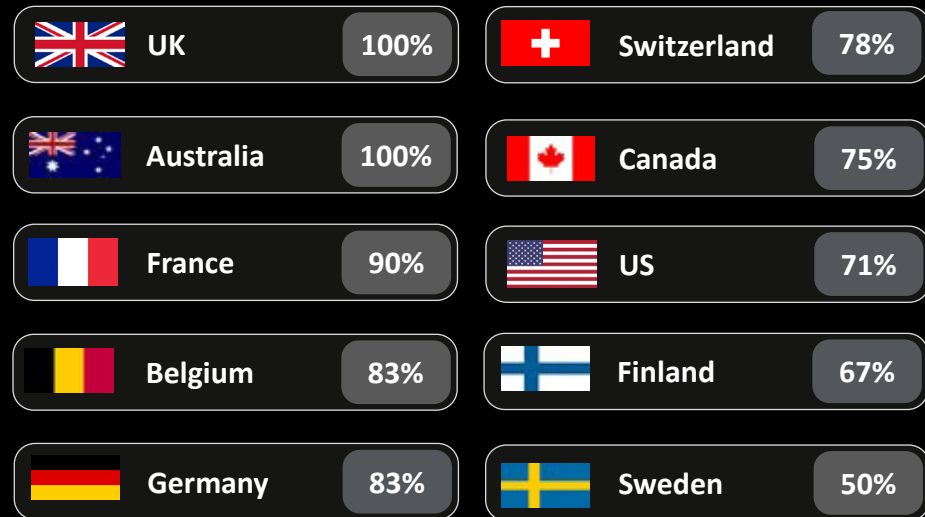
Overall and by country

Question 1

77% agree or strongly agree that their group is concerned about the continuing high interest of media, political and activist groups in corporate taxation.

Country-specific agree/strongly agree results

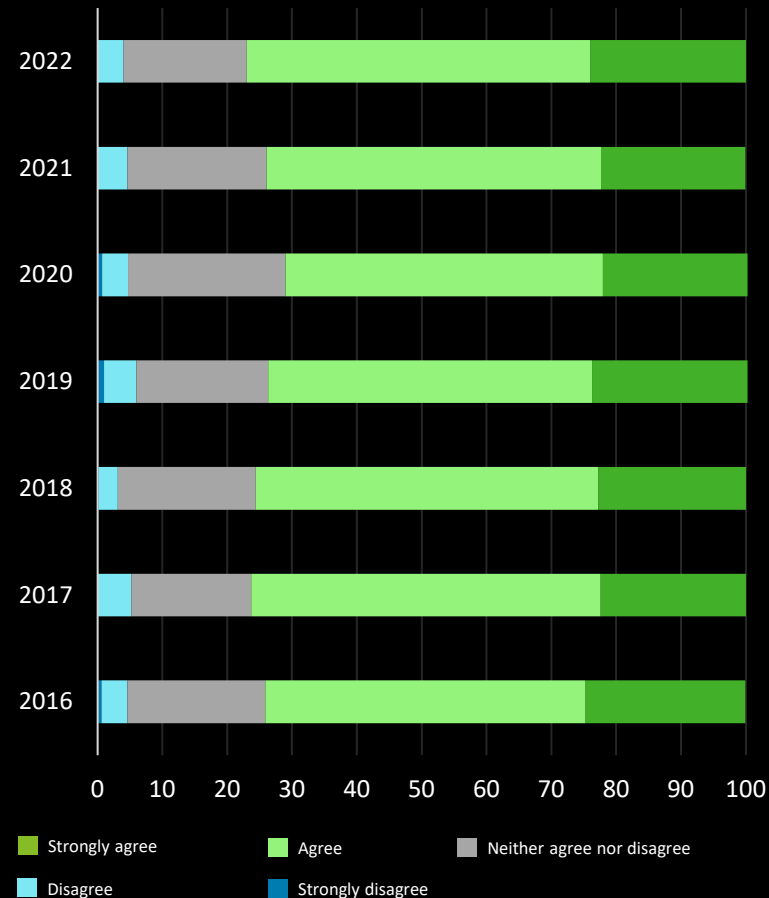
My group is concerned about interest from media, political, or activist groups in corporate taxation



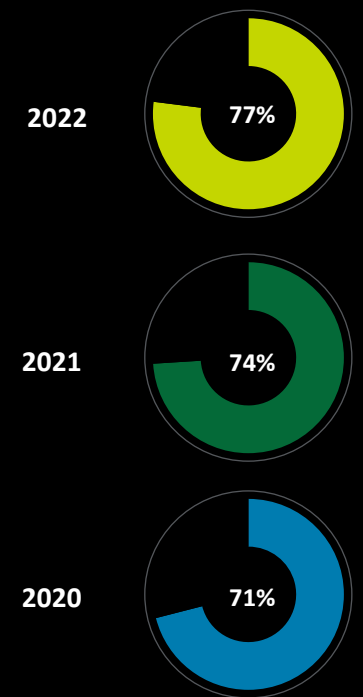
Top 10 countries by the number of responses

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

Overall results



Response Trend



Agree/Strongly agree responses remained high and have increased 3 percentage points compared to 2021

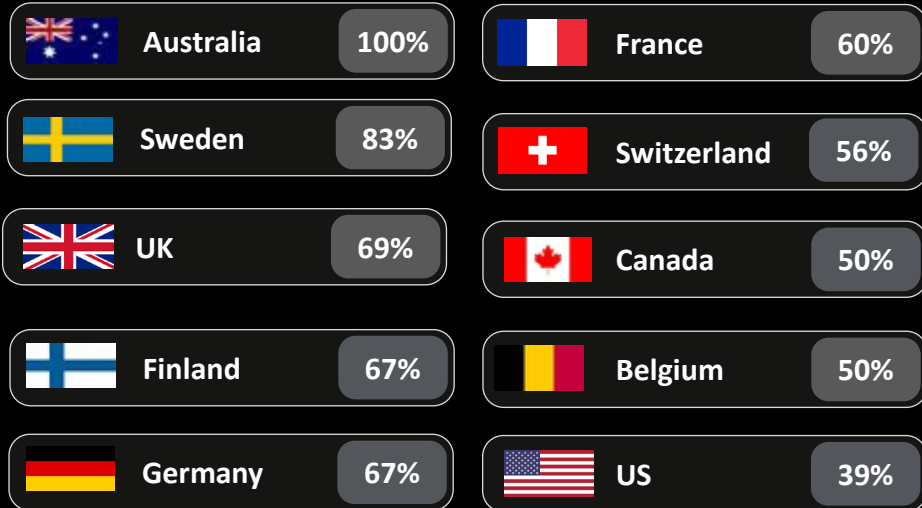
Many multinationals are concerned about continued public focus and scrutiny of their tax arrangements and expect this to rise over the next 3 years. Of the top respondent countries shown above, the highest level of concern in 2022 is in the UK (up from 65% last year) and Australia, but there is a drop in the US from 75% last year. Telecom/media/technology (TMT), at 87% and financial services, at 85% are the highly concerned sectors.

Question 2

55% agree or strongly agree that in the last 12 months, their organization has implemented additional corporate policies and procedures in response to the increased scrutiny related to corporate taxation.

Country-specific agree/strongly agree results

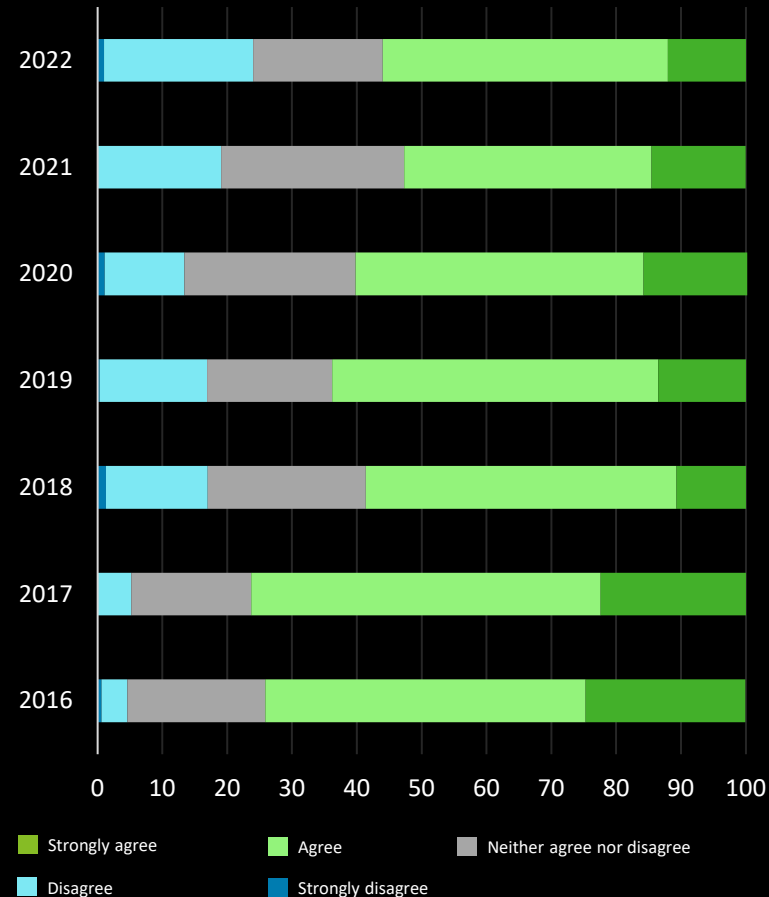
In the last 12 months, my group has implemented additional corporate policies and procedures in response to increased scrutiny related to corporate taxation



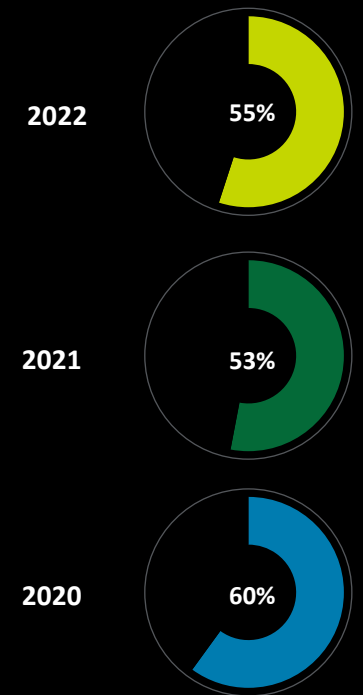
Top 10 countries by the number of responses

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

Overall results



Response Trend



Agree/Strongly agree responses increased by 2 percentage points compared to 2021

Following a gradual decrease over the last few years, 2022 has seen a small increase in implementing additional policies, possibly in response to the increased level of scrutiny (see Question 1). There is a notable increase in the UK (from 33%) and a decrease in Finland (from 100%). Australia's 100% response seems in line with the 100% level of concern in Question 1. Consumer business and energy & resources respondents show the highest level of implemented policies (82% and 71%). B2C respondents show a higher level of policies (69%, in line with the high response in consumer business sector) than B2B (50%).

Question 3

66% agree or strongly agree that the C-suite and/or Board of Directors are actively engaged in establishing and/or approving their group's tax strategy and in assessing and monitoring risk in this area.

Country-specific agree/strongly agree results

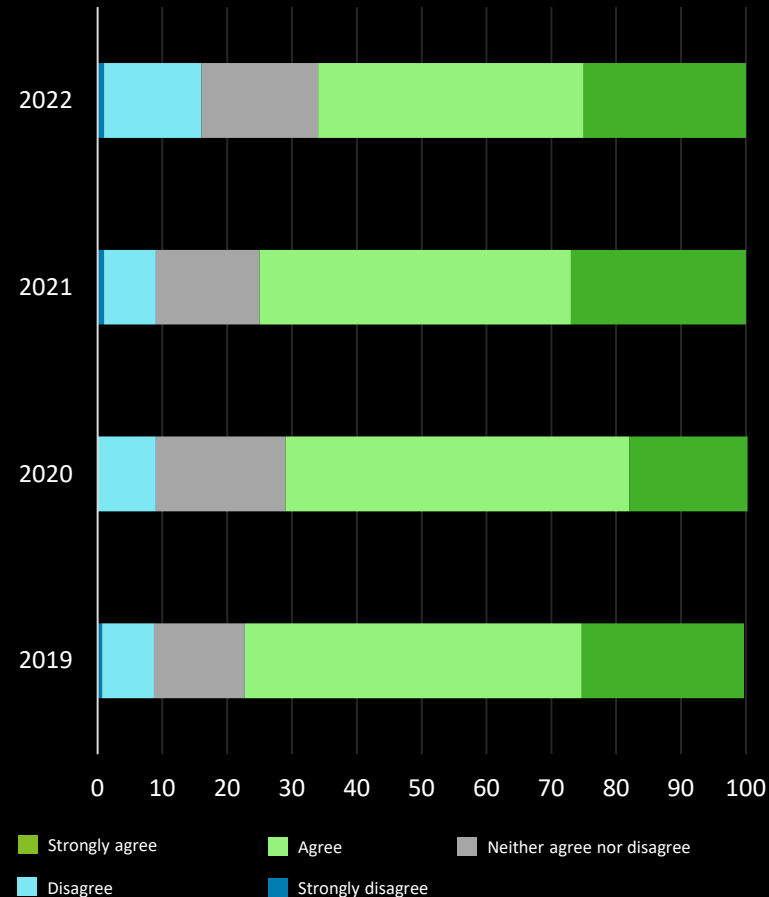
The C-suite and/or Board of Directors of my group is actively engaged in establishing and/or approving my groups tax strategy and in assessing and monitoring risk in this area



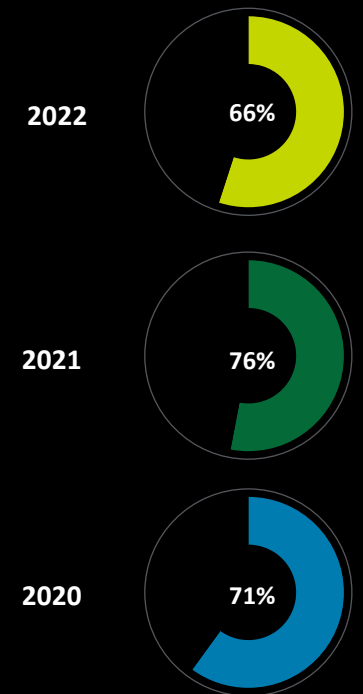
Top 10 countries by the number of responses

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

Overall results



Response Trend



Agree/strongly agree responses has dropped by 10% percentage points compared to 2021.

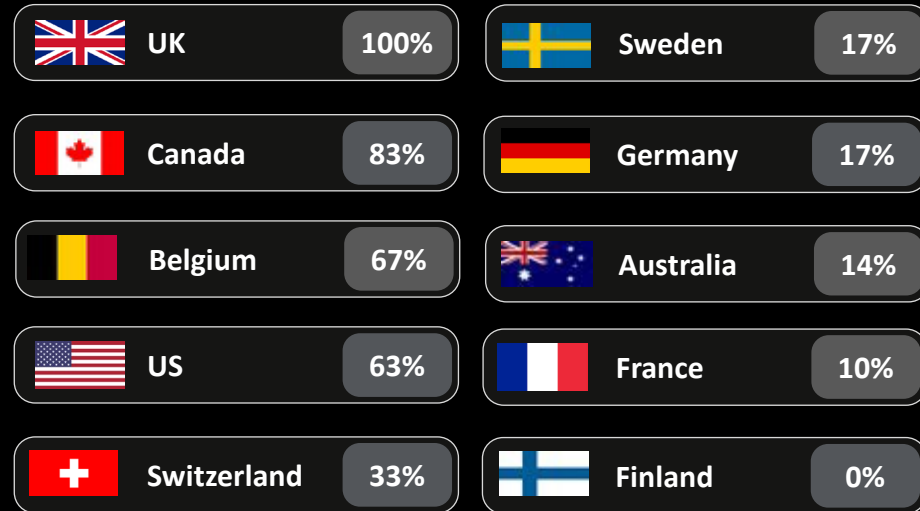
Surprisingly for the level of concern in Question 1, engagement levels of C-suite/board in tax strategy have fallen in 2022. There is a big drop in the UK (from 100%), Sweden (from 83%) and the US (from 76%), in contrast to increases in Germany and France (both from 50%). C-suite/Board engagement appears to be the highest in TMT (87%) and financial services (85%), whereas manufacturing, healthcare and life sciences show lower engagement (68%, 63% and 50%). B2C respondents show higher engagement levels (83%) compared to B2B (63%).

Question 4

50% expect that the government in their ultimate parent company's jurisdiction has or likely will increase tax rates and/or introduce new taxes as a result increased government deficits/debt caused by Covid-19.

Country-specific agree/strongly agree results

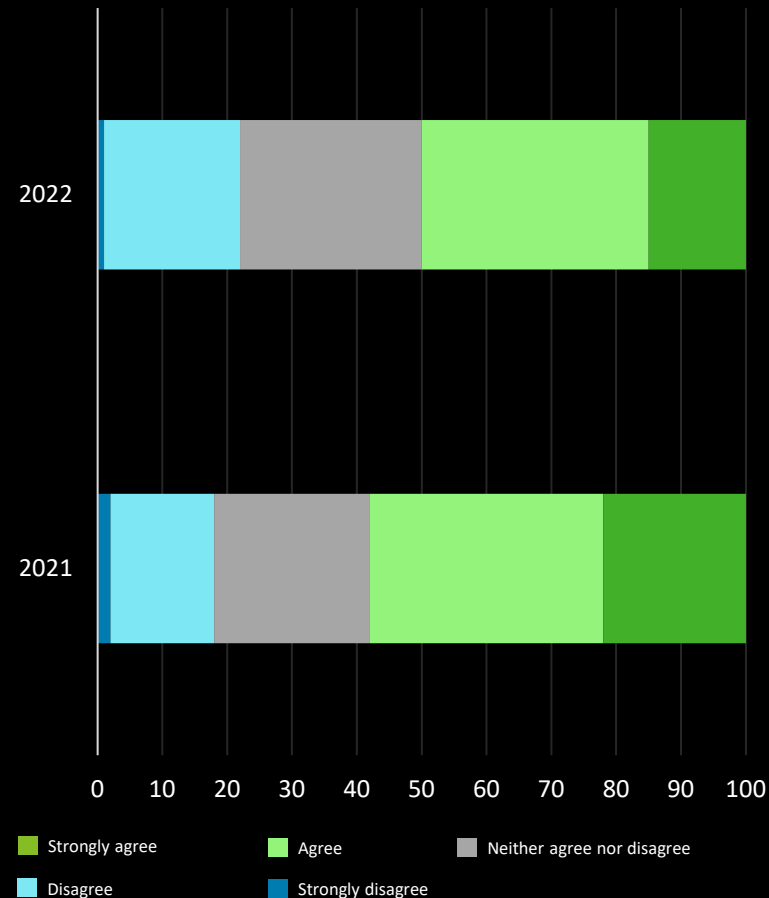
The government in my ultimate parent company's jurisdiction has or likely will increase tax rates and/or introduce new taxes as a result of increased government deficits/debt caused by COVID-19



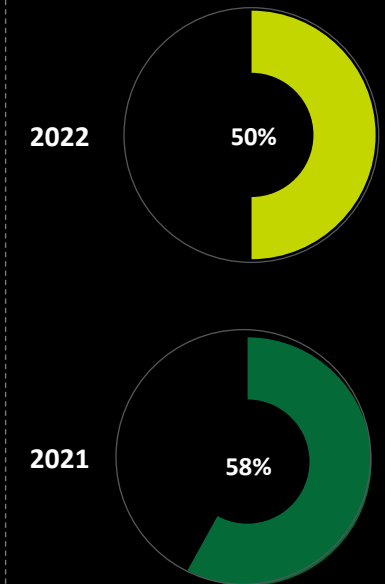
Top 10 countries by the number of responses

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

Overall results



Response Trend



Agree/strongly agree responses has dropped by 8% percentage points compared to 2021.

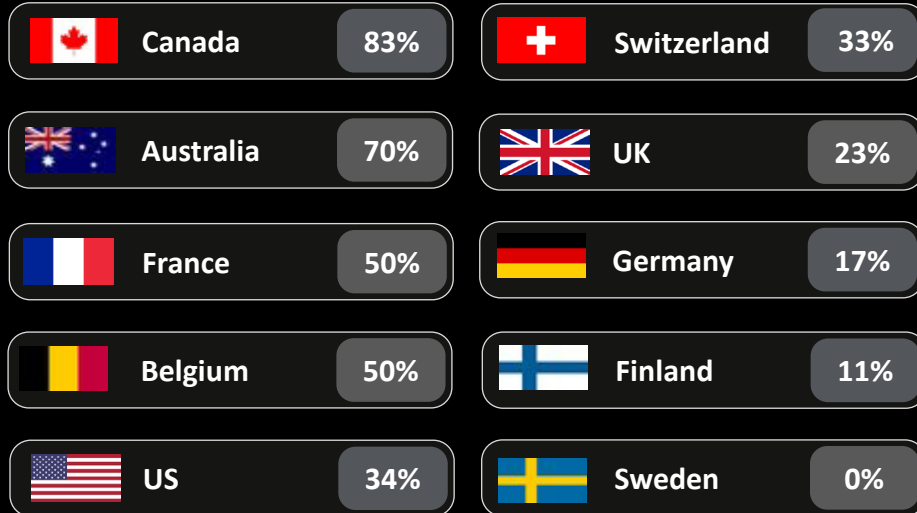
In 2022 fewer respondents expect new/higher taxes as a result of Covid-19, it might be because some of such taxes had already been introduced, or governments' announcements were more reassuring for businesses. The UK respondents appear increasingly most concerned (increase from 89%), unlike those in France and Finland (drop from 50% in both). Life science (75%), energy & resources and financial services are most pessimistic about tax raises (both at 62%). B2B and B2C show similar level of concern (51% and 47%).

Question 5

39% agree or strongly agree that in the last 12 months, the tax authority in their ultimate parent's jurisdiction has become more rigorous in tax examinations.

Country-specific agree/strongly agree results

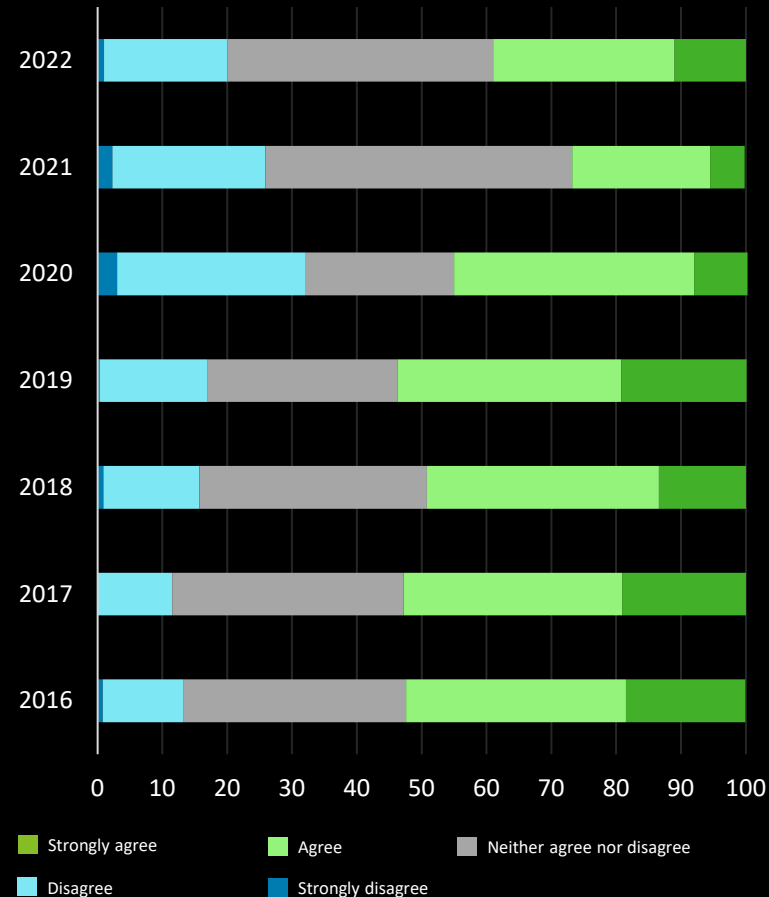
In the last 12 months, the tax authority in my ultimate parent company's jurisdiction has become increasingly more rigorous in tax examinations



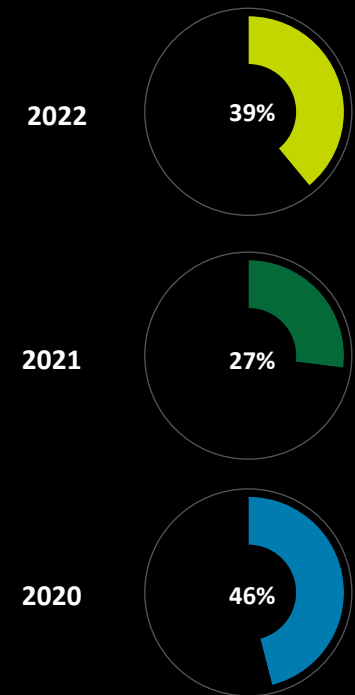
Top 10 countries by the number of responses

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

Overall results



Response Trend



Agree/strongly agree responses have increased by 12 percentage points compared to 2021.

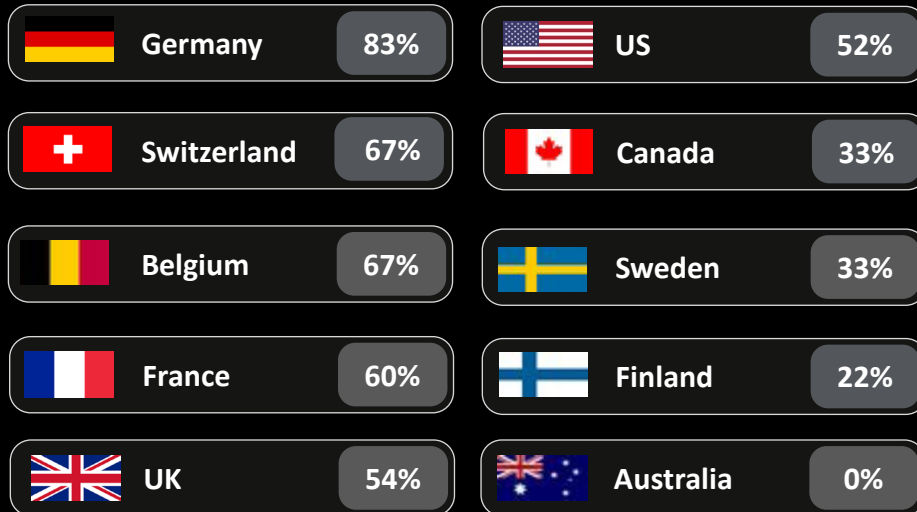
After a drop in 2021, the experience of more rigorous tax examinations has increased in 2022, in particular, in Canada and Australia. The high percentage for Canada is perhaps not surprising given the substantial increases in funding that the Canada Revenue Agency has received of late. The overall increase can partly be explained by a reduced activity during the Covid-19 pandemic. There is a notable increase in Switzerland (from 0%), contrasted by a similar drop in Sweden (from 33%). Industry-wise, life sciences have the highest number of respondents agreeing to this statement (75%).

Question 6

48% agree or strongly agree that their group has experienced instances of double taxation as a result of uncoordinated unilateral tax law changes in contrast to coordinated international approaches.

Country-specific agree/strongly agree results

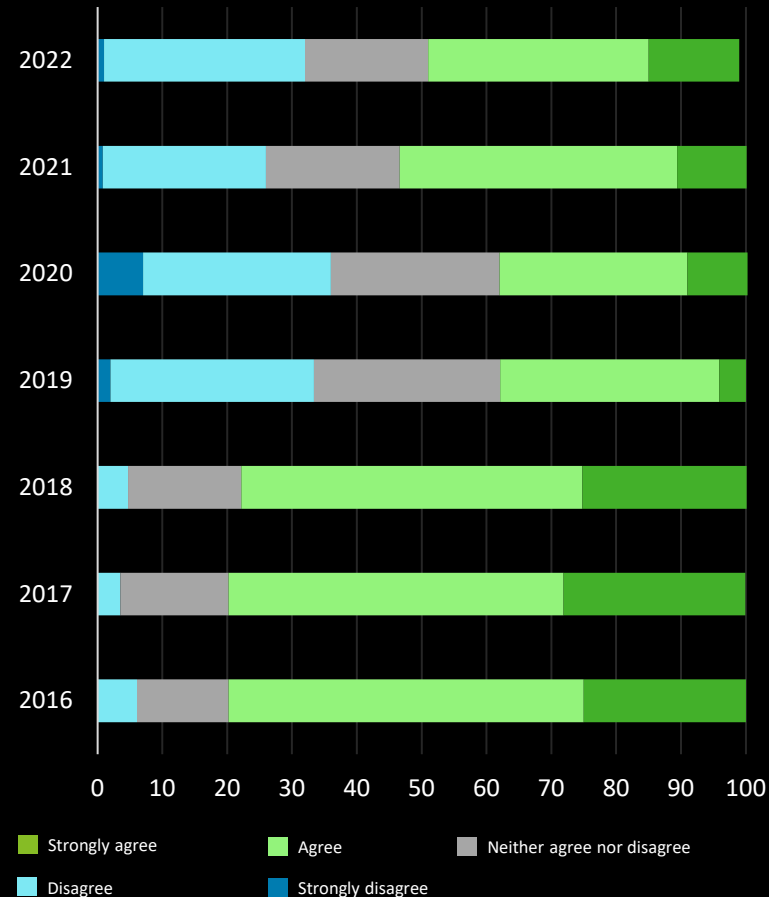
My group has experienced instances of double taxation as a result of uncoordinated unilateral tax law changes, in contrast to coordinated international approaches



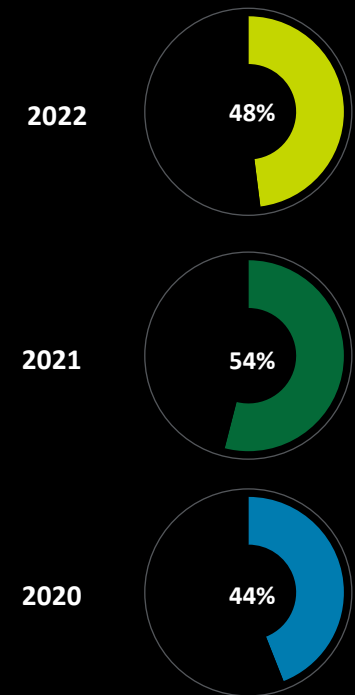
Top 10 countries by the number of responses

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

Overall results



Response Trend



Agree/strongly agree responses has decreased by 6% percentage points compared to 2021.

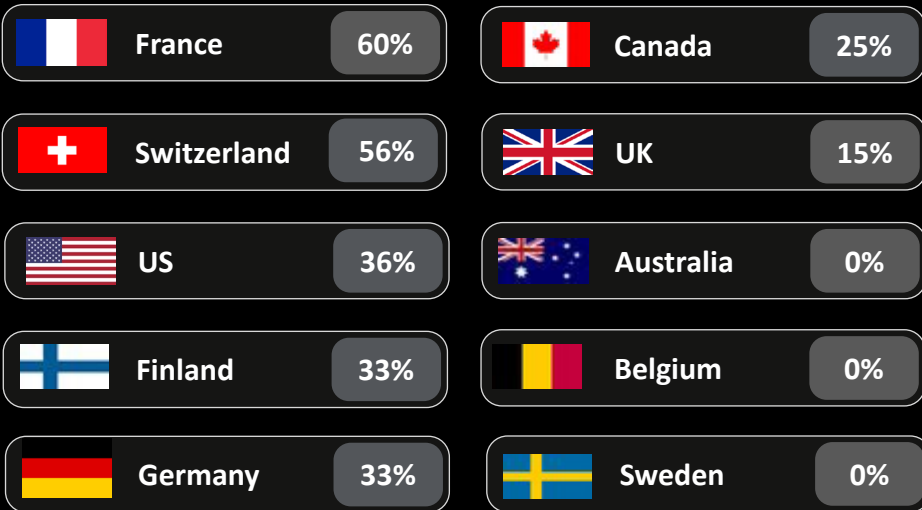
There is a small decrease overall, but countries display different trends. None of the respondents in Australia agree with the statement, whereas there are notable increases in Germany (from 50%) and in France (from 33%). Industry-wise, retail seems to be most affected (75%), followed by consumer business (62%). B2B and B2C appear to be affected to the same extent (49% and 50%).

Question 7

31% agree or strongly agree that their group has been involved in cross-border tax disputes as a result of uncoordinated implementation of BEPS measures.

Country-specific agree/strongly agree results

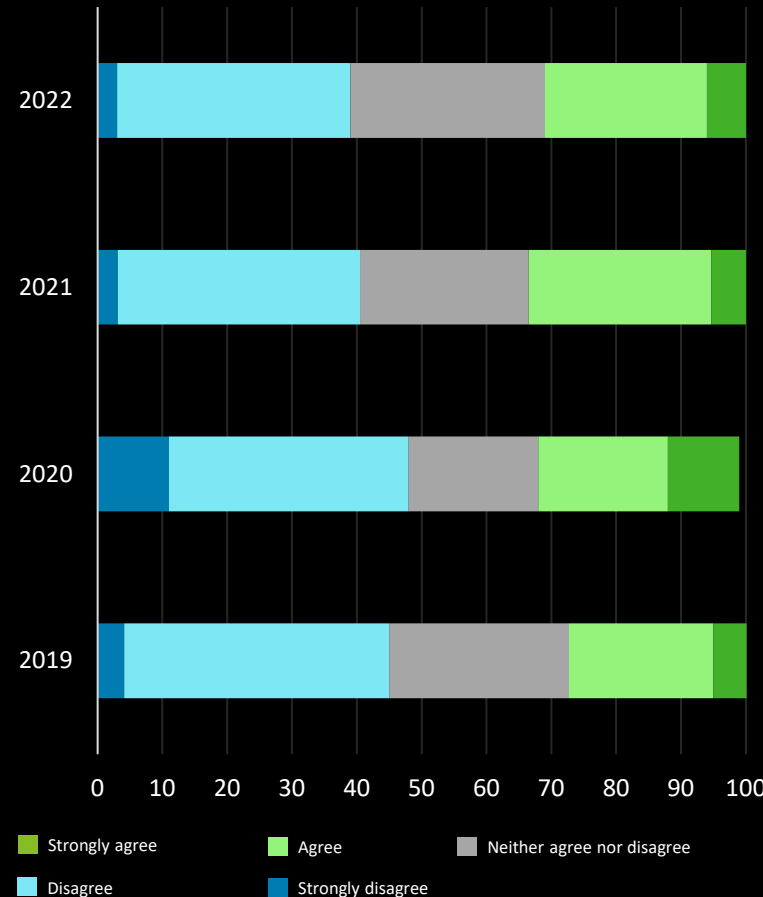
My group has been involved in cross-border tax disputes as a result of countries uncoordinated implementation of the BEPS measures



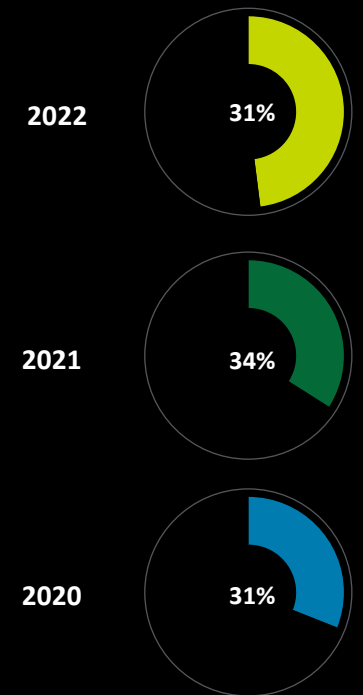
Top 10 countries by the number of responses

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

Overall results



Response Trend



Agree/strongly agree responses have decreased by 3% percentage points compared to 2021.

Overall, the level of disputes remains consistently just above 30% over the years, as BEPS measures have now become 'business as usual' in many countries. Interestingly, no respondents in Australia, Belgium and Sweden agree with the statement (cross-border tax disputes may be caused by other factors), with Sweden seeing a sharp decline from last year (from 50%). On the contrary, in France, there is an increase (from 17%). Consumer business is most affected (82%) industry-wise. There doesn't seem to be a significant difference between B2B and B2C sectors (30% and 36%).

Question 8

90% of the respondents believe that more tax disputes may arise out of increased government deficits due to Covid-19.

Country-specific agree/strongly agree results

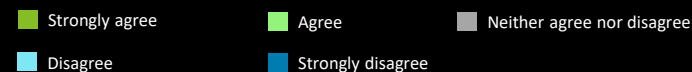
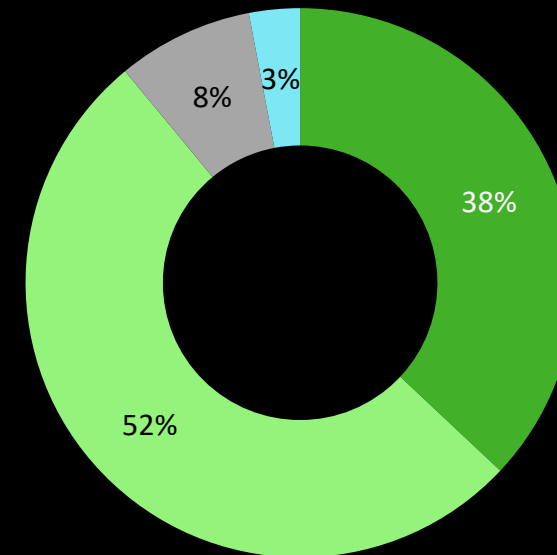
I believe that the increased governments' deficits stemming from the COVID-19 pandemic may result in more tax disputes



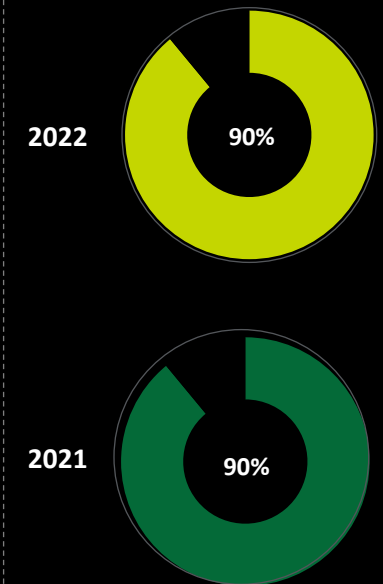
Top 10 countries by the number of responses

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

Overall results



Response Trend



Agree/strongly agree responses has remained the same as in 2021.

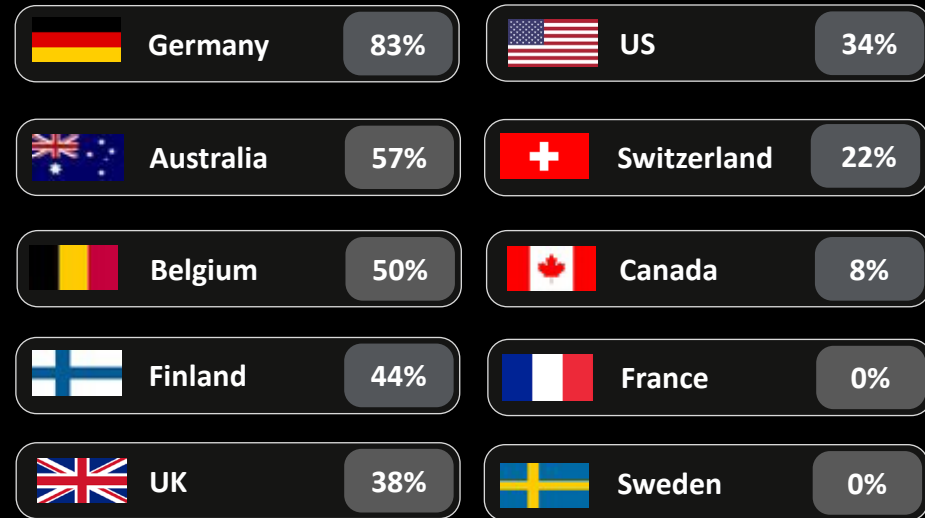
An overwhelming majority of respondents continue to expect more tax disputes as governments seek tax revenues to finance Covid-19 support measures. Respondents in France, however, appear to be more optimistic in 2022 (from 100% in 2021). Industry-wise, 100% of respondents in consumer business, healthcare and retail expect increased tax disputes. B2B and B2C show very similar responses (91% and 89%).

Question 9

31% agree or strongly agree that most tax administrations are interpreting the OECD Transfer Pricing Guidelines in a consistent manner.

Country-specific agree/strongly agree results

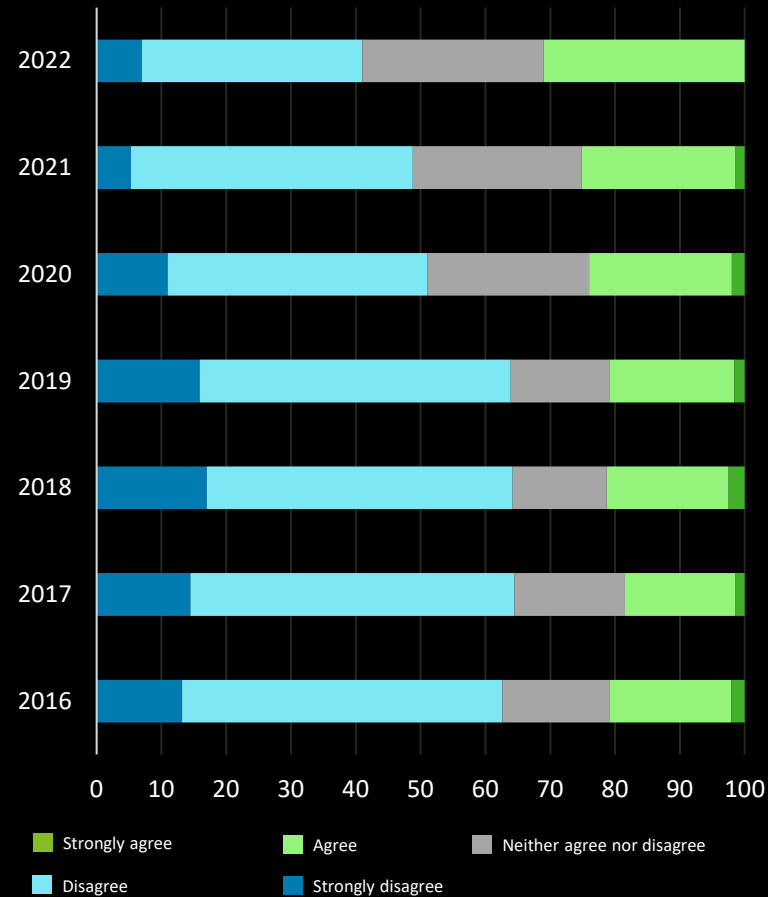
I believe that most tax administrations are interpreting the OECD Transfer Pricing Guidelines in a consistent manner



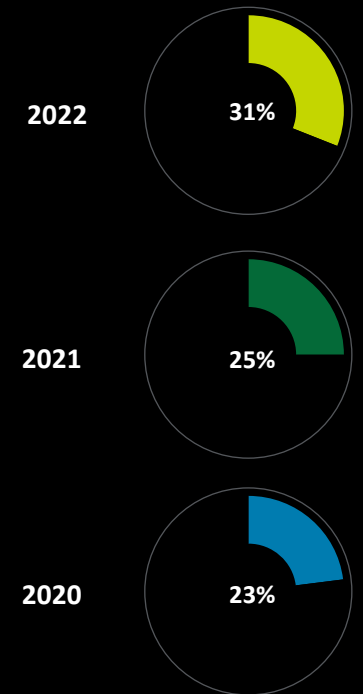
Top 10 countries by the number of responses

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

Overall results



Response Trend



Agree/strongly agree responses has increased by 6% percentage points compared to 2021.

The confidence in consistent implementation of transfer pricing guidelines remains low but with a gradual increase over the years. Germany remains most optimistic (increase from 50%), Finland has become optimistic (from 0%) while France and Sweden have become very pessimistic (both drop from 33%). Among the industries, life sciences (50%) and financial services (46%) are the most optimistic about consistent implementation while none of the respondents in life sciences expect it.

Question 10 (new question)

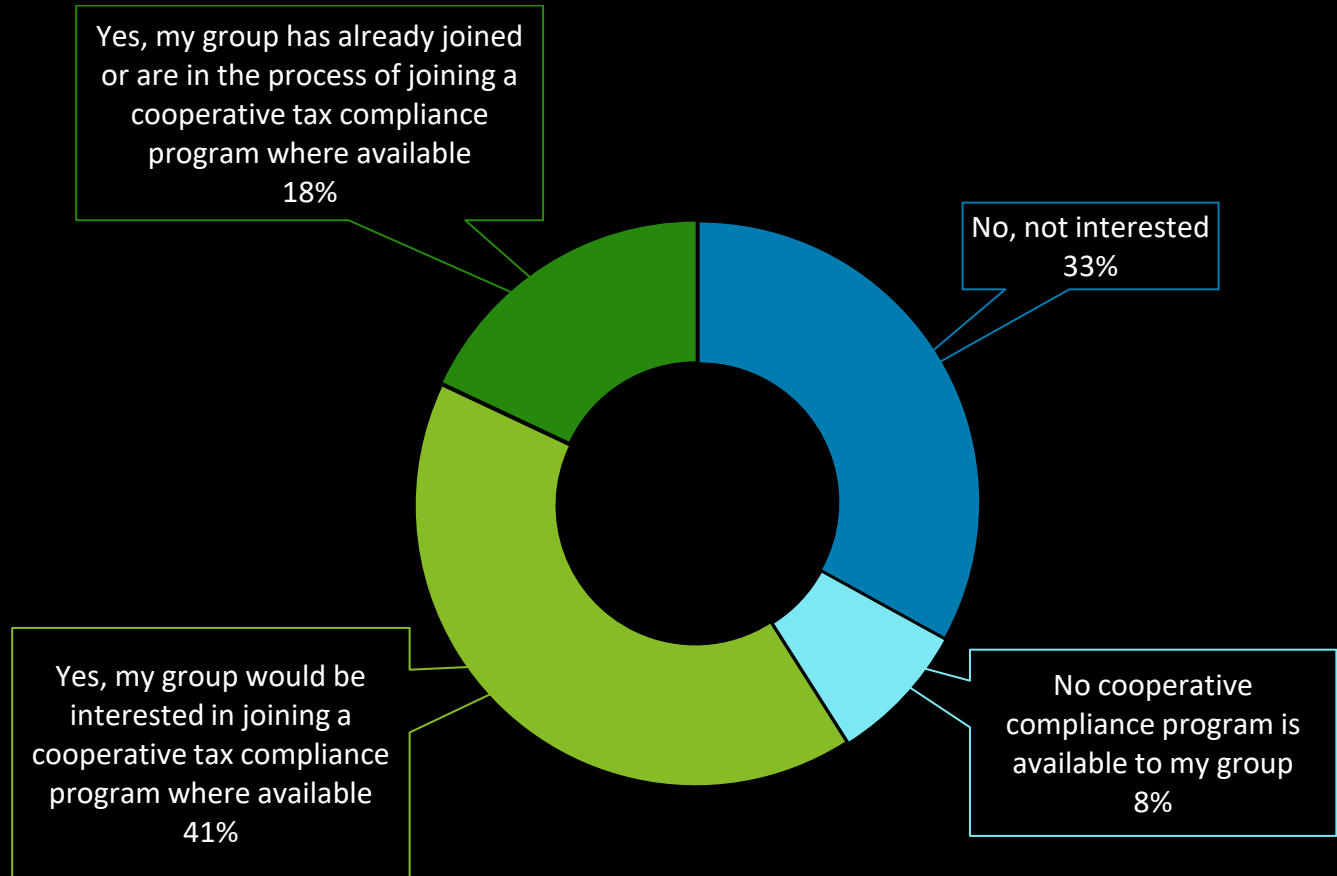
41% of respondent groups are interested in joining a cooperative tax compliance program where available, and 18% have already joined or are in the process of joining such a program.

Country-specific results

Would your group be interested in joining a cooperative tax compliance program in all countries where available to facilitate its compliance with tax obligations and improve relationships with tax authorities?



Overall results



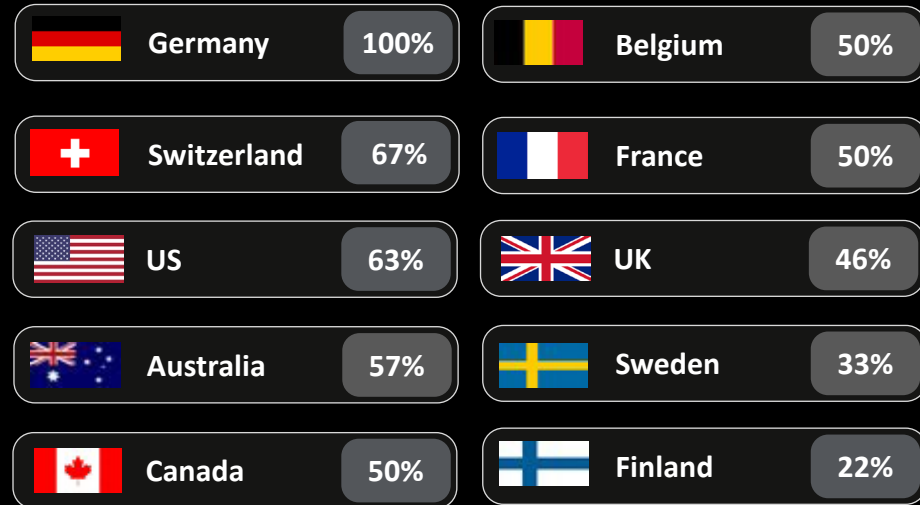
Overall, most groups are interested in engaging in cooperative compliance frameworks with tax authorities, where these are available. The UK's position here is interesting as its framework is mature. UK groups are either in the program or uninterested in joining it with relatively few caught in the middle – perhaps reflecting the uncertainty that many groups have regarding the benefit of being within HMRC's Business Risk Review program. Finland (33%) and France (30%) follow the UK in terms of respondents in the program. Sweden leads in the number of interested respondents (83%), whereas 67% respondents from Belgium are not interested in joining. Groups in Consumer business (36%) and Energy & Resources (38%) lead in terms of being in the program, while 75% of life sciences are interested in joining one, while 54% of the respondents from manufacturing have no such interest.

Question 11

60% agree or strongly agree that their group is concerned about the lack of guidance from the tax authorities around the world about the principal purpose test.

Country-specific agree/strongly agree results

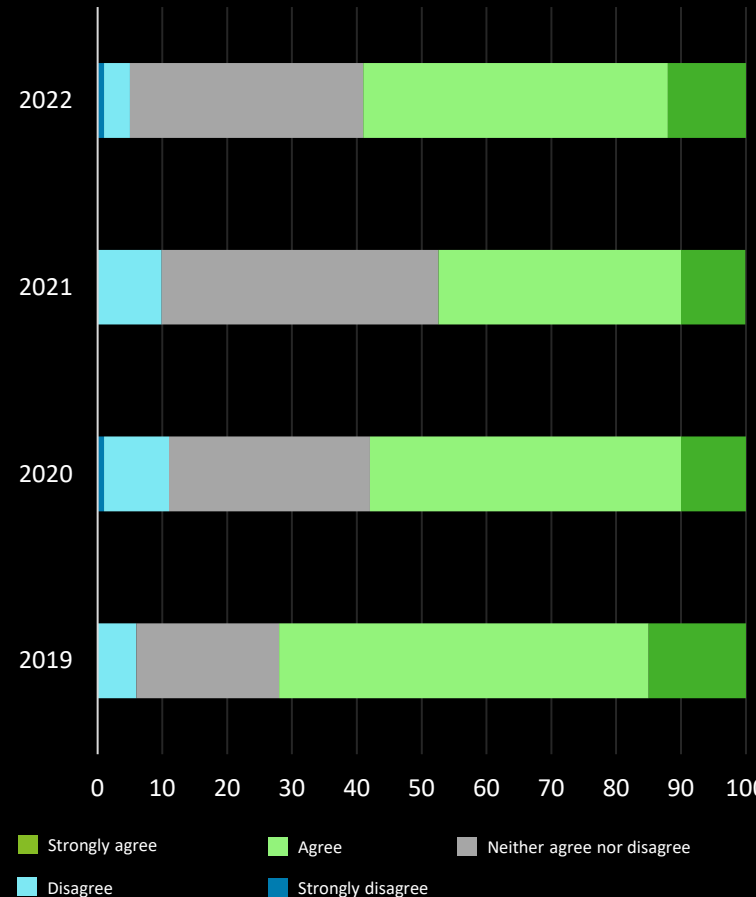
My group is concerned about lack of guidance from the tax authorities around the world about the principal purpose test (PPT)



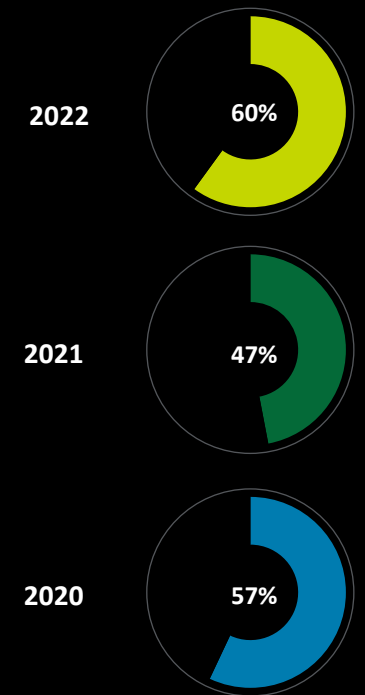
Top 10 countries by the number of responses

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

Overall results



Response Trend



Agree/strongly agree responses has increased by 13 percentage points compared to 2021.

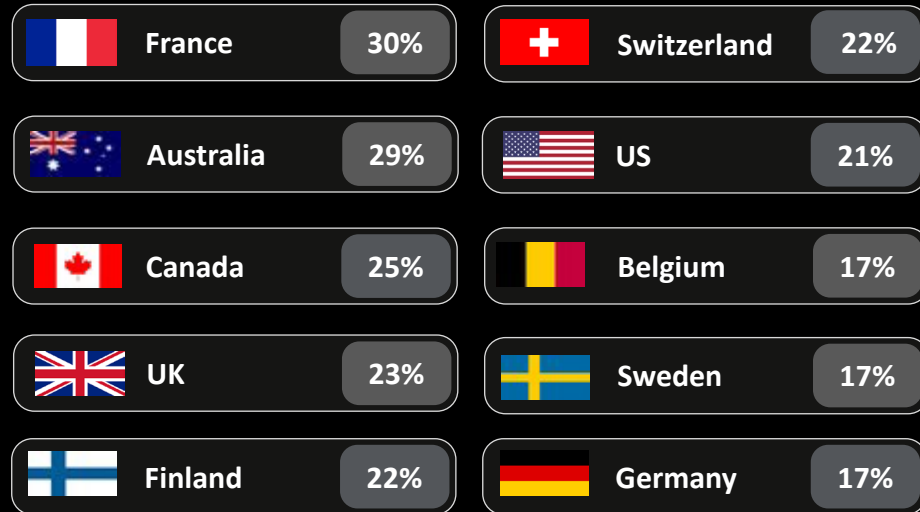
The level of concern has increased significantly. The lack of guidance may contribute to an increased number of disputes in this area. The notable increases are in France (from 0%), Germany (from 33%) and US (from 46%) with a notable decrease in Sweden (down from 67%). Within industries, life sciences and healthcare are most concerned (100% and 75%). The B2C segment has shown higher level of concern (67%) compared to B2B (57%).

Question 12

23% of the respondents believe their group has or will restructure their holding companies as a result of the principal purpose test (PPT) in the multilateral Instrument (MLI) .

Country-specific agree/strongly agree results

As a result of the principal purpose test (PPT) in the multilateral instrument (MLI) my group has or will restructure its holding companies

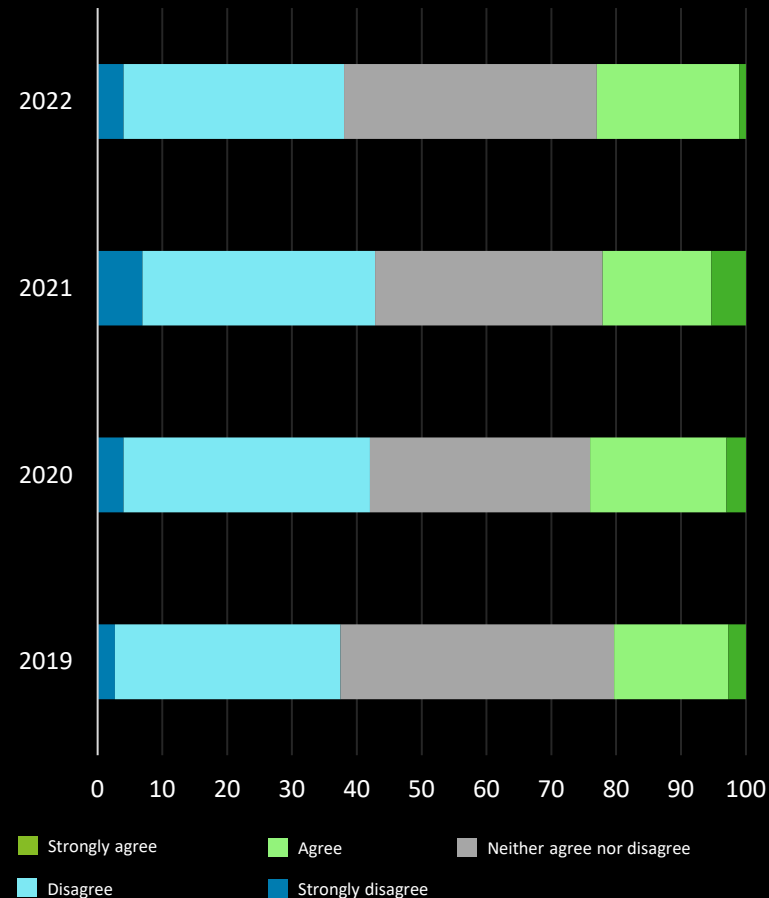


Top 10 countries by the number of responses

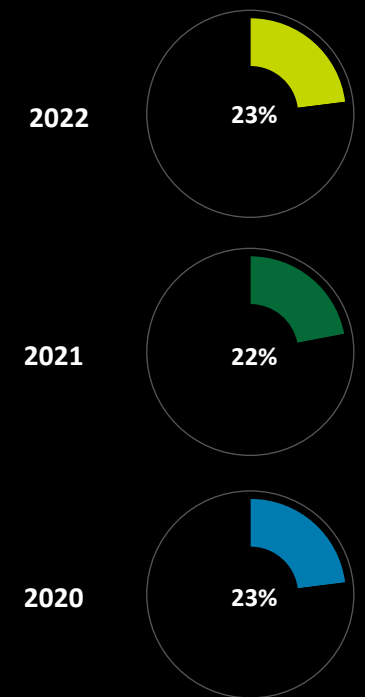
Note: Information above includes only selected countries. Percentages above refer to participants who selected "agree" or "strongly agree".

Overall, percentage of respondents who have or will restructure their holding companies remained nearly the same as prior years despite the question having been framed slightly differently from "planning to restructure" to "has or will restructure". In the UK, Switzerland, Germany, Sweden and Finland, the level of response went up from 0% last year, while the US has witnessed a decrease from 35%. Across industries, respondents in consumer business lead in terms of actual or planned restructurings at 82%.

Overall results



Response Trend



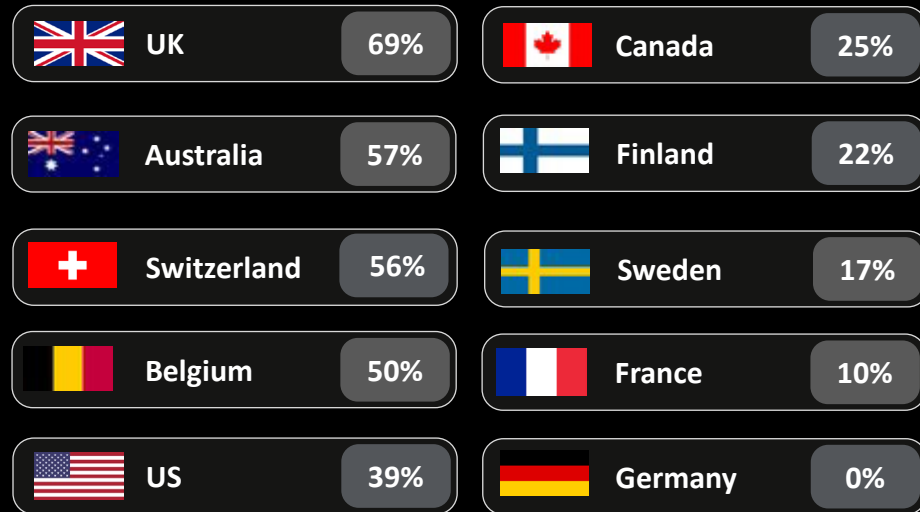
Agree/strongly agree responses has remained nearly the same compared to 2021.

Question 13

37% of respondents agree or strongly agree that their group have re-examined transfer pricing policies as a result of Covid-19 pandemic.

Country-specific agree/strongly agree results

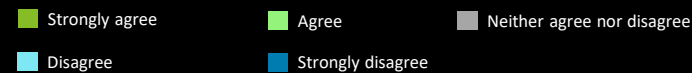
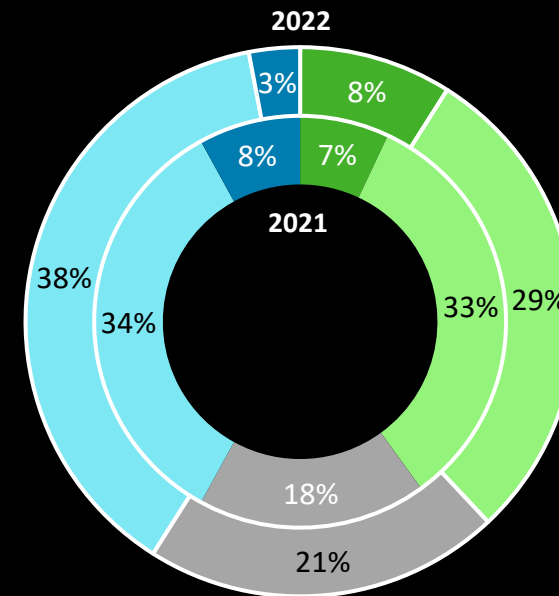
My group has re-examined its transfer pricing policies as a result of the COVID-19 pandemic



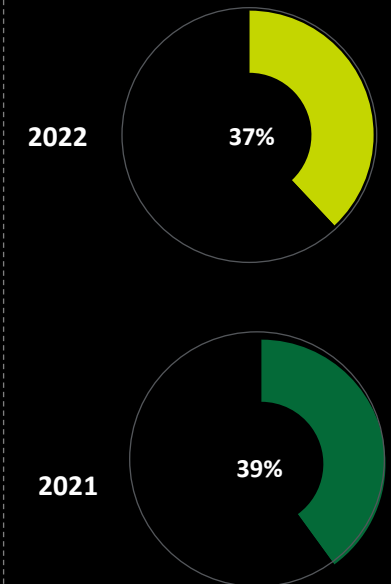
Top 10 countries by the number of responses

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

Overall results



Response Trend



Agree/strongly agree responses has decreased by 2% compared to 2021.

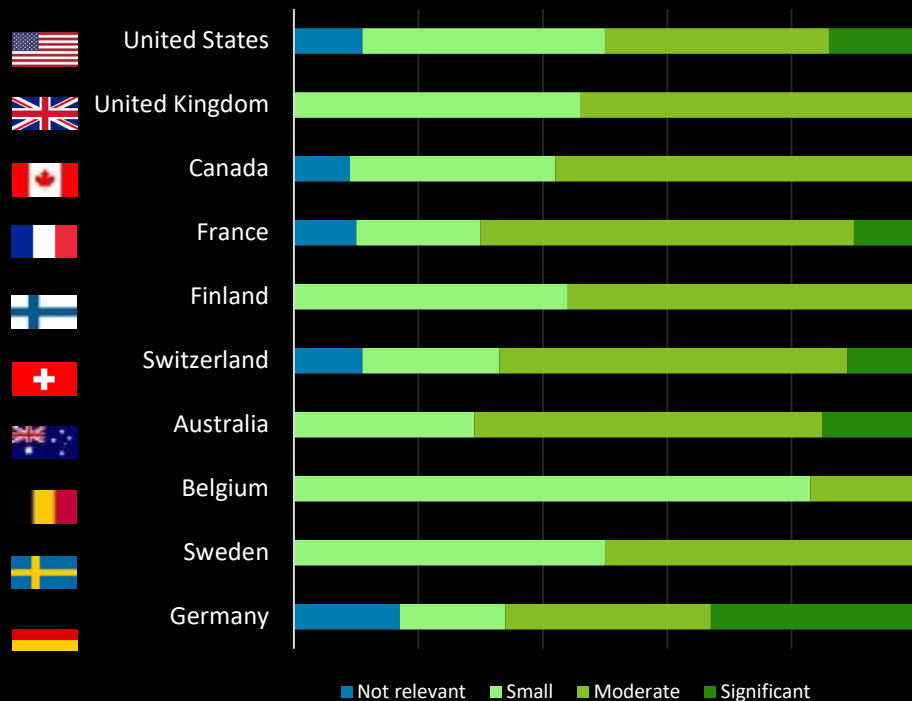
The number of groups that re-examined their transfer pricing policies have dropped slightly from 2021. However, this number has dropped significantly in France, Germany and Finland (all from 50%). Consumer business (100%), healthcare (100%) and financial services (92%) lead in terms of re-examining such policies, while B2B businesses appear to have done more in this area (42%) compared to B2C (28%).

Question 14

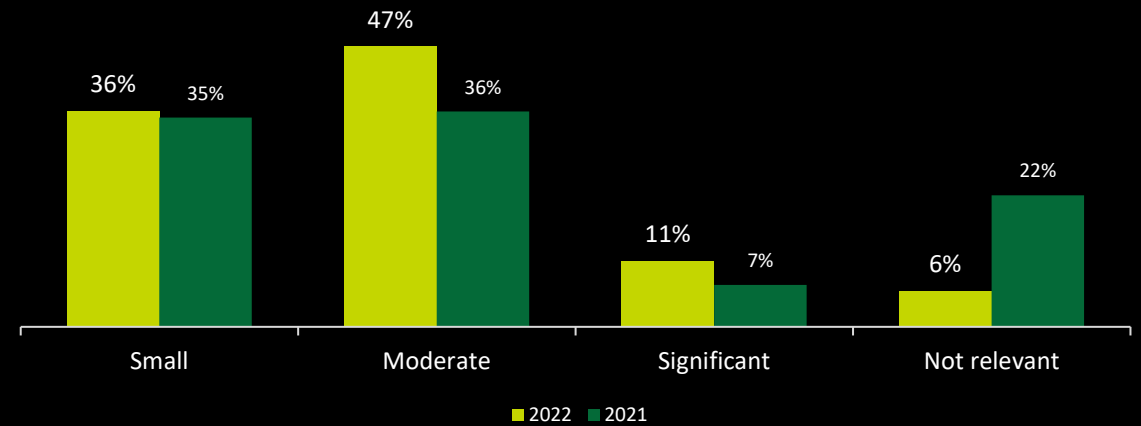
83% of the respondents expect the impact of permanent establishment issues related to remote working as a result of Covid-19 to be small or moderate.

Country-specific results

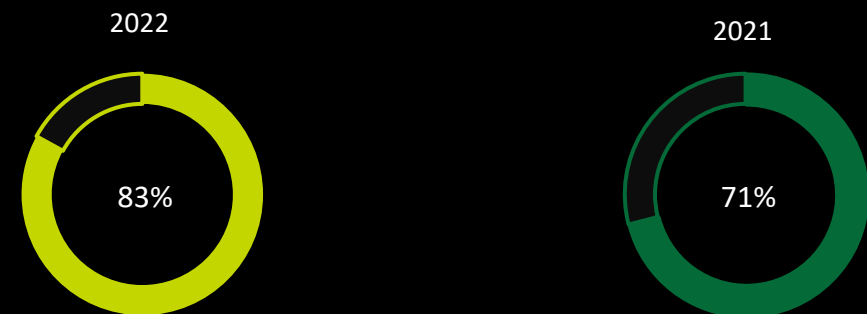
Do you expect the impact on your group, of permanent establishment issues related to more remote working as a result of COVID-19 to be small, moderate, significant or not relevant?



Overall results



Small + Moderate results



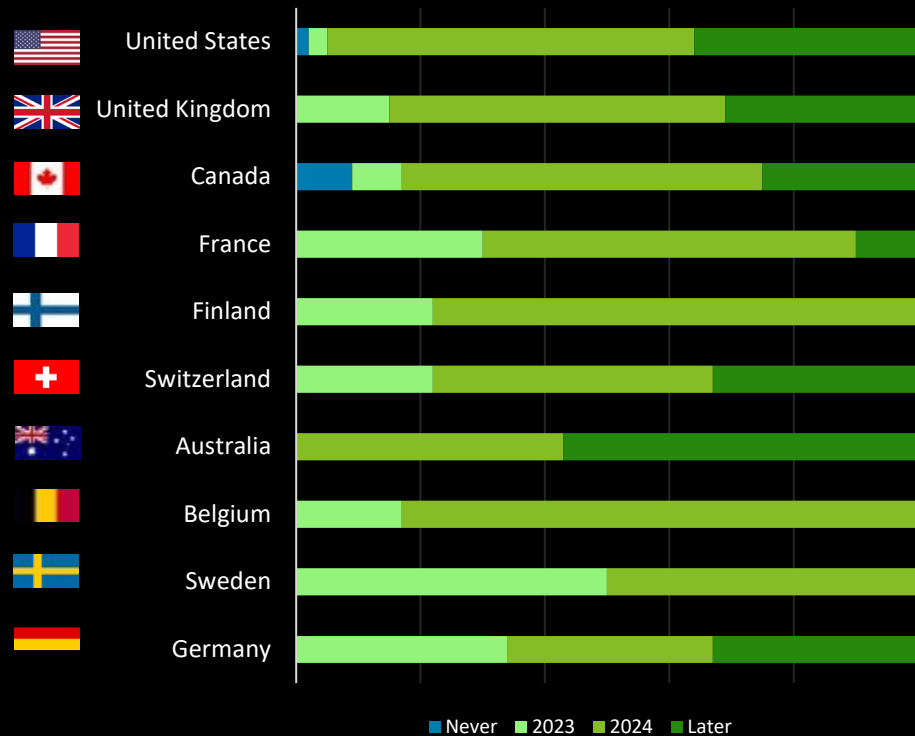
Compared to last year, more respondents expect the impact of permanent establishment issues related to remote working to be small or moderate, which is not surprising given the general re-opening of most economies. Across the countries, 33% of respondents from Germany expect the impact to be significant (0% in 2021), and the highest percentage of Belgian respondents (83%) expect the impact to be small. Life sciences and financial services (100% and 93%) have the highest number of responses expecting small or moderate impact.

Question 15 (new question)

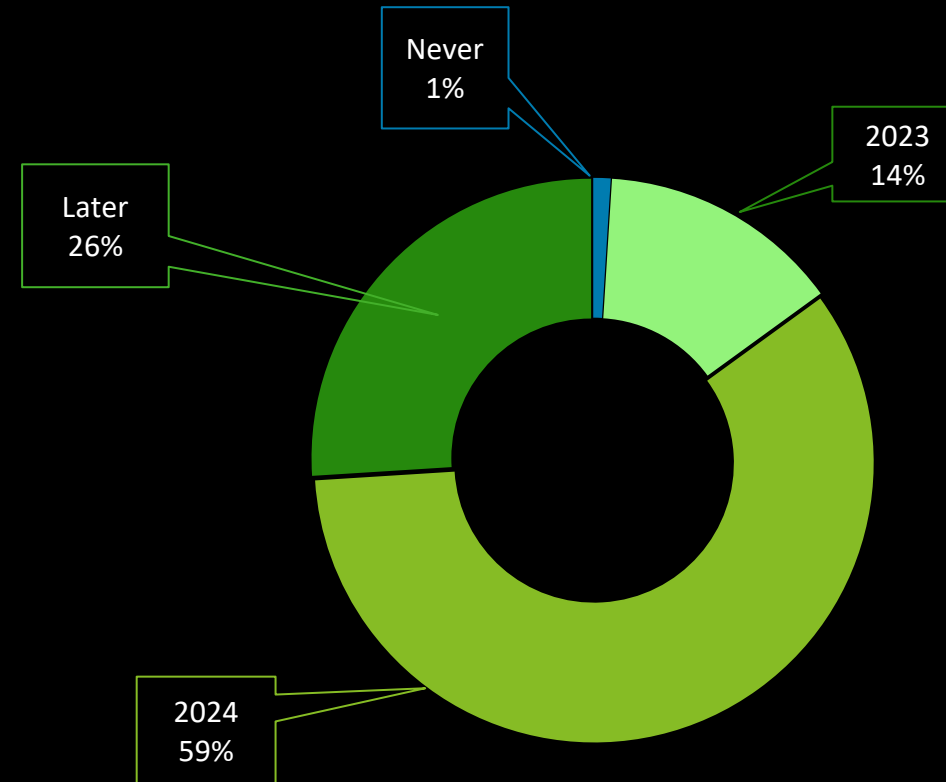
59% of respondents expect that a critical mass of countries will implement Pillar One/Pillar Two by 2024

Country-specific results

I expect that a critical mass of countries will implement Pillar One / Pillar Two by:



Overall results



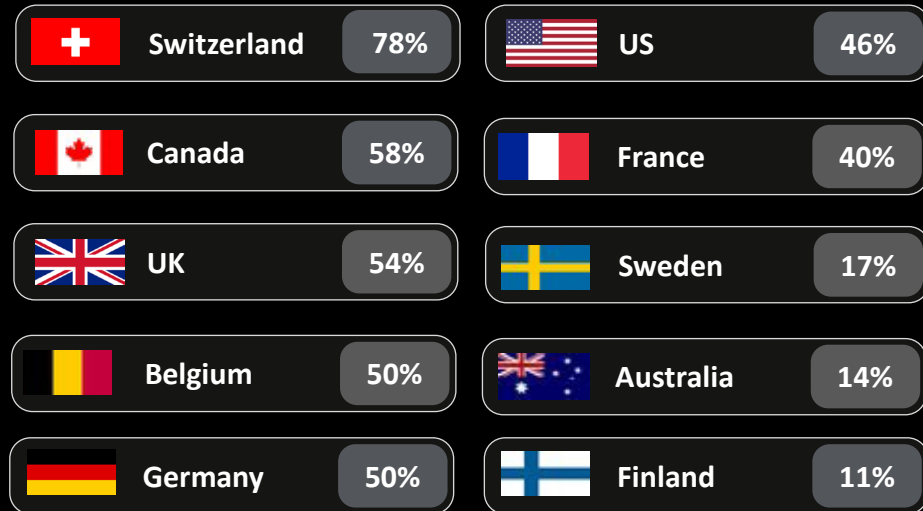
The overwhelming majority expect Pillar One/Pillar Two implementation soon. Implementation in 2023 is expected in Sweden (50%), Germany (33%) and France (30%), whereas 8% of respondents from Canada do not expect Pillar One/Pillar Two to be implemented at all. Industry wise, energy & resources and life sciences have the highest number of respondents expecting implementation by 2023, whereas 73% of consumer business respondents expect implementation by 2024.

Question 16 (modified question)

47% expect that Pillar One/Pillar Two will result in a significant increase in their group's global effective tax rate

Country-specific agree/strongly agree results

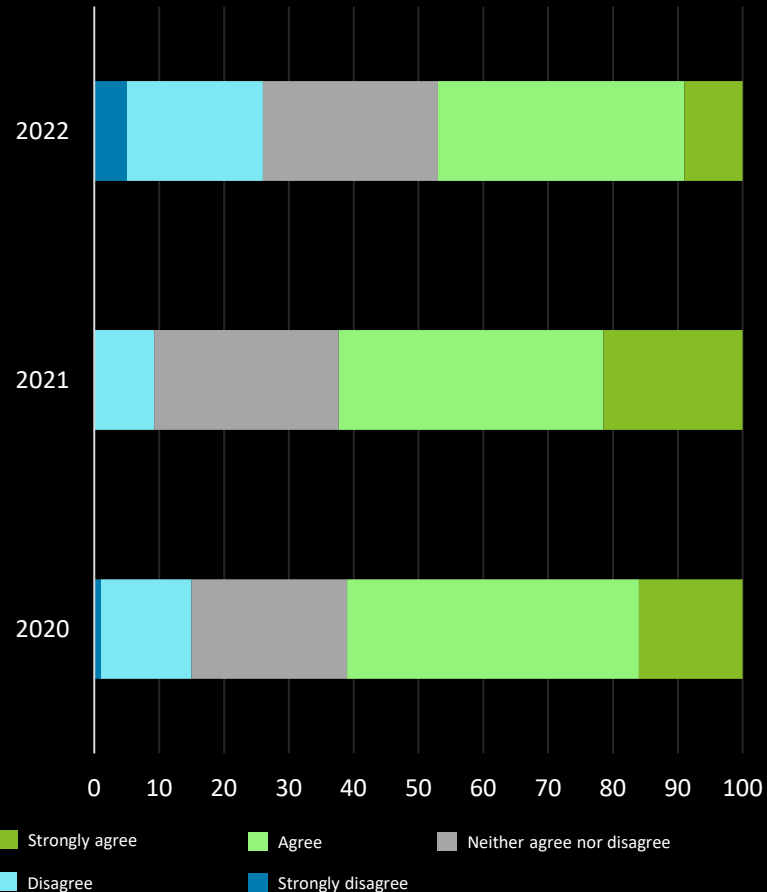
I expect that Pillar One / Pillar Two will result in a significant increase in my group's global effective tax rate



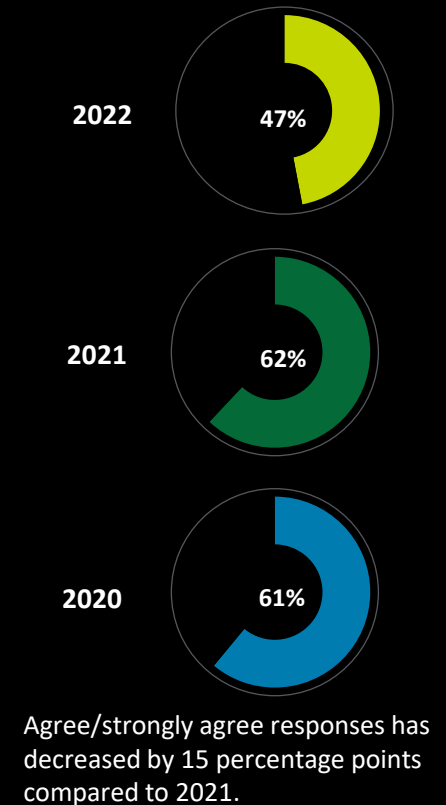
Top 10 countries by the number of responses

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

Overall results



Response Trend



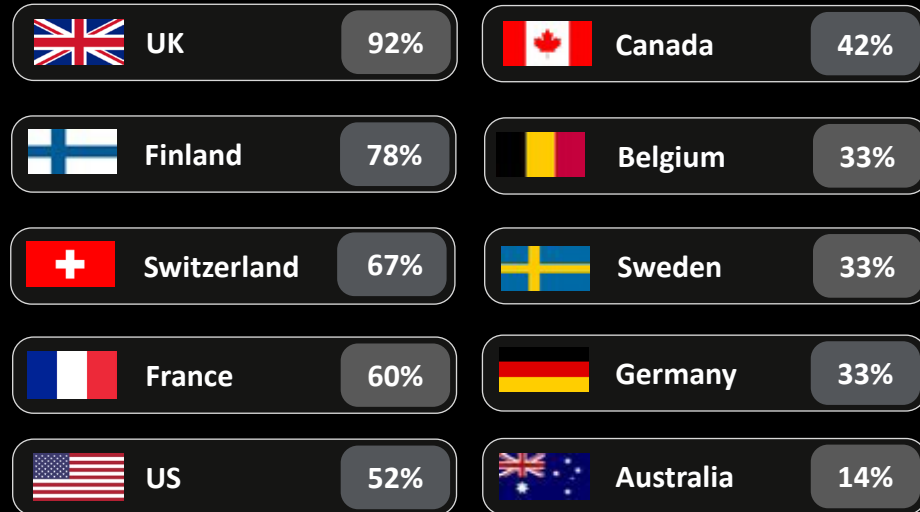
Unlike the prior two years, only 47% of the people surveyed expect significant increase in tax rates due to Pillar One/Pillar Two. Most notable decreases are in the US (from 69%) and France (from 67%). Healthcare (63%) and financial services (62%) have the highest number of respondents expecting a significant increase. Some of the percentage change from prior years may be attributed to a slight modification of the question from concern about a possible increase in corporate taxes to an expectation of a significant increase in effective tax rates.

Question 17

55% of respondent groups have been actively engaged in OECD's Pillar One/Pillar Two project consultation either directly or through other channels

Country-specific agree/strongly agree results

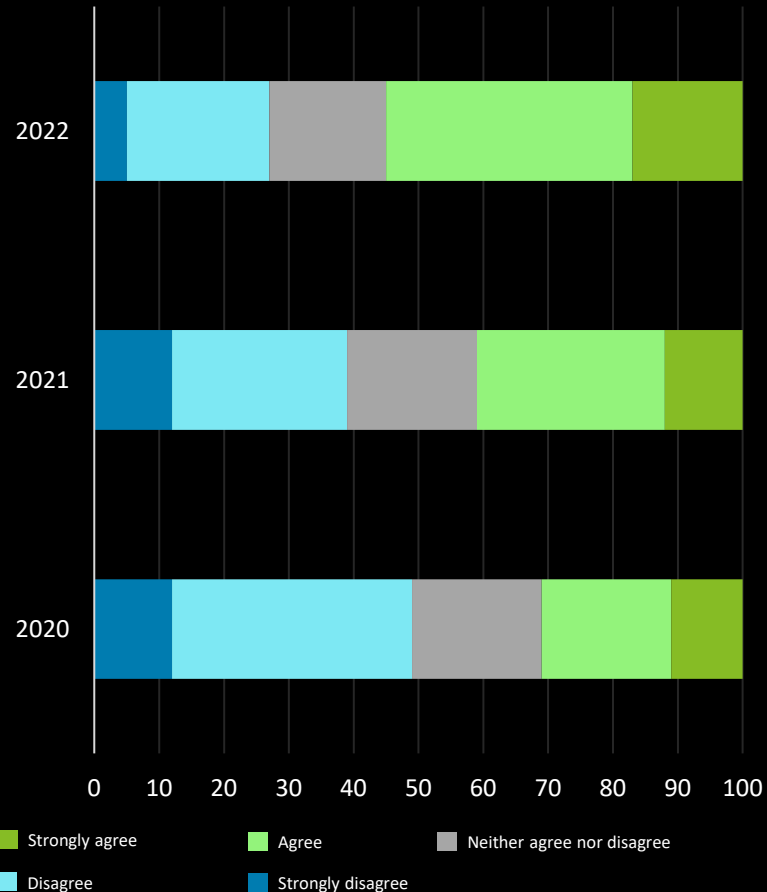
My group has been actively engaged in the OECDs Pillar1/Pillar Two project consultation either directly or through other channels



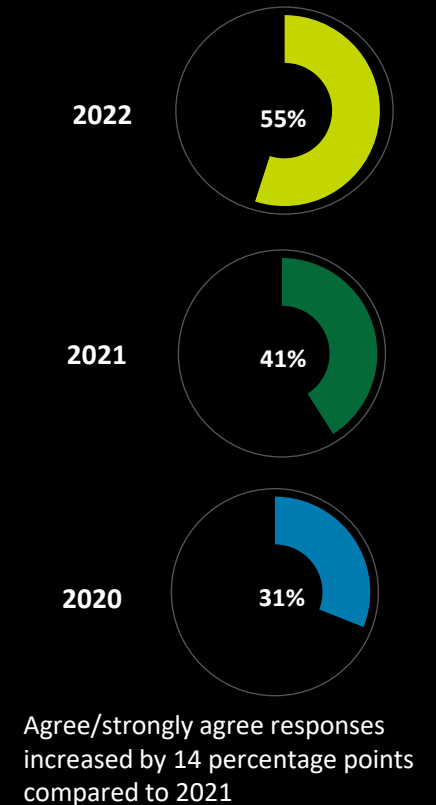
Top 10 countries by the number of responses

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

Overall results



Response Trend



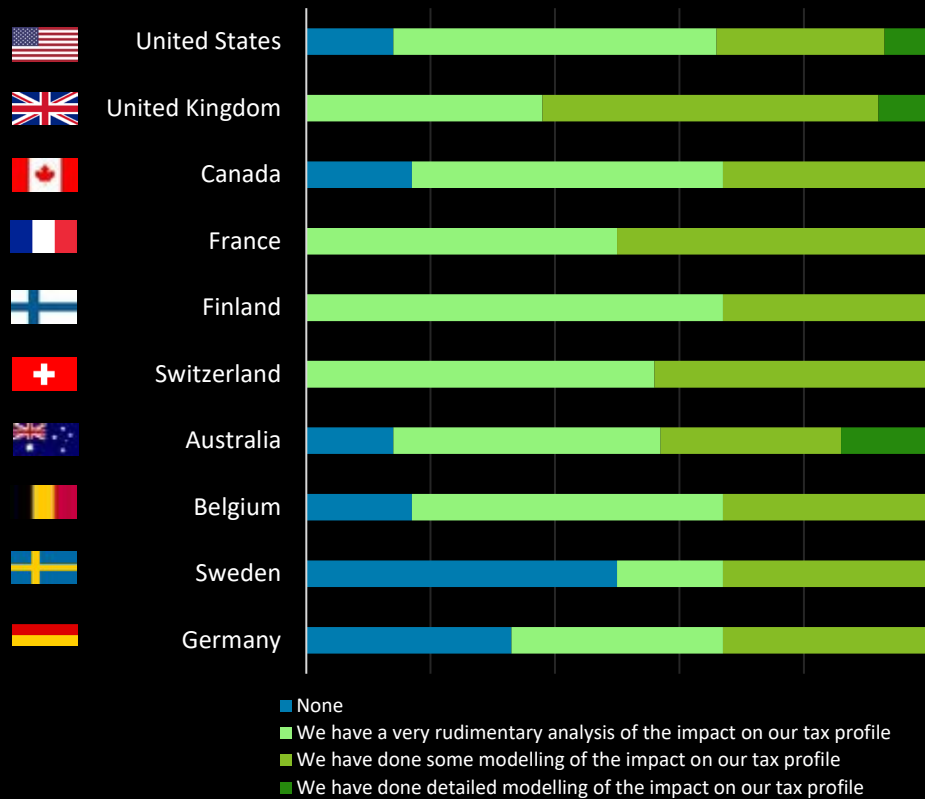
Engagement levels have increased significantly since this question was first asked in 2020. There is a significant increase in engagement in the UK (from 56%) and France (from 17%), but a surprisingly low level of engagement in Australia. Within industries, groups in life sciences (100%) and financial services (77%) had the highest engagement levels, while healthcare and retail (both 25%) had the lowest engagement levels.

Question 18 (new question)

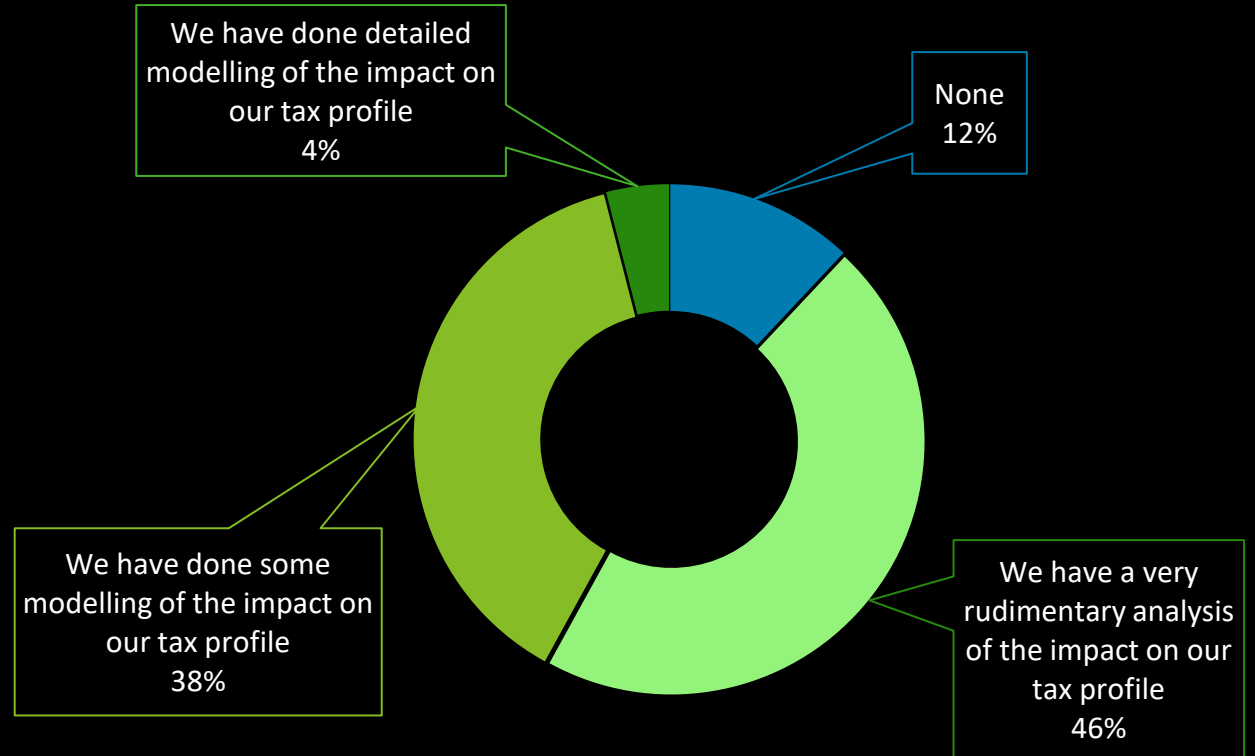
46% of respondents have done a very rudimentary analysis of the impact of Pillar Two on their tax profiles

Country-specific results

What steps have you taken to date to prepare for the implementation of Pillar Two?



Overall results



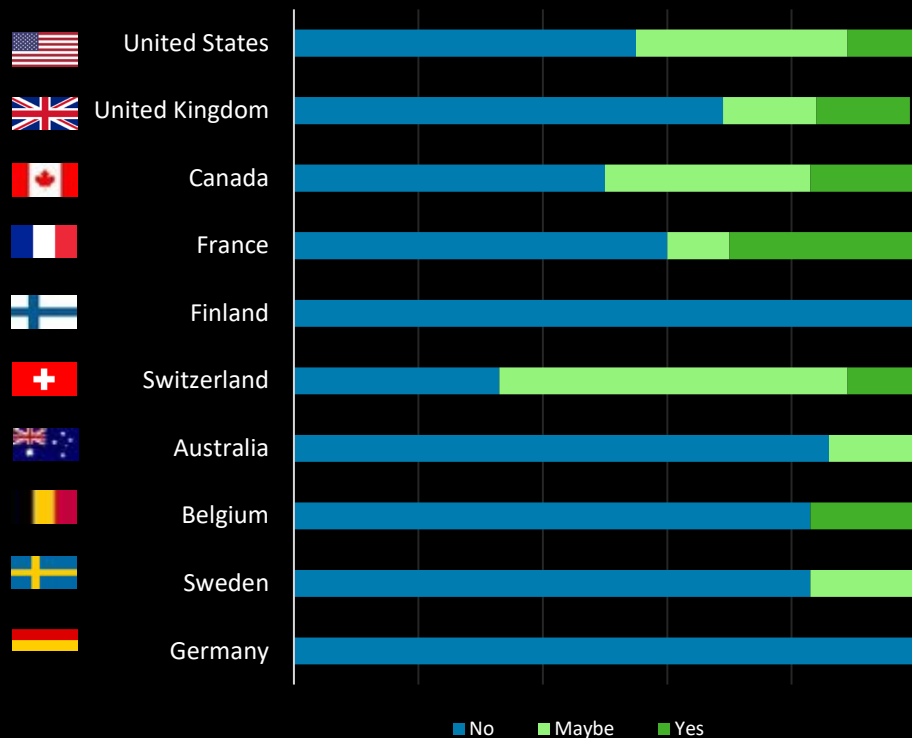
Overall, groups have largely done some analysis to estimate the impact of Pillar Two on tax profiles. In the UK, 54% have done some modeling, closely followed by France (50%). Sweden, however, has the highest number of respondents (50%) who have not done any analysis. Industry-wise, life sciences has the highest number of respondents who had done some modelling (75%), followed by energy & resources and financial services (both at 62%).

Question 19 (new question)

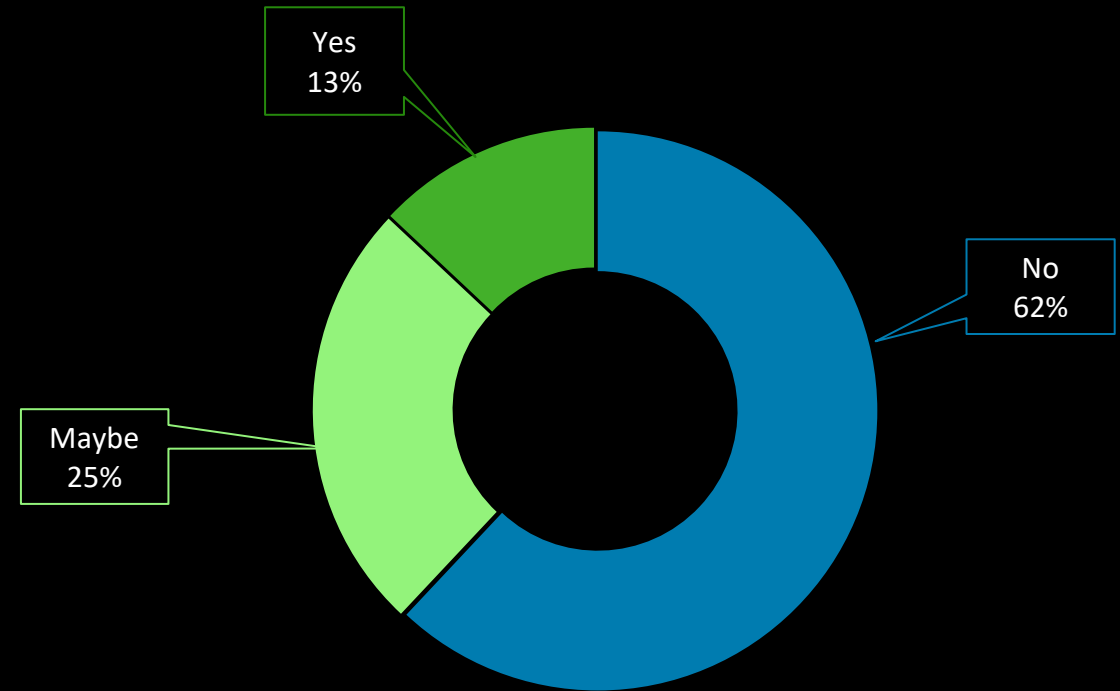
62% do not expect that the implementation of Pillar Two will cause groups to make significant changes to their corporate structure

Country-specific results

Do you expect the implementation of Pillar Two to cause you to make significant changes to your corporate structure?



Overall results



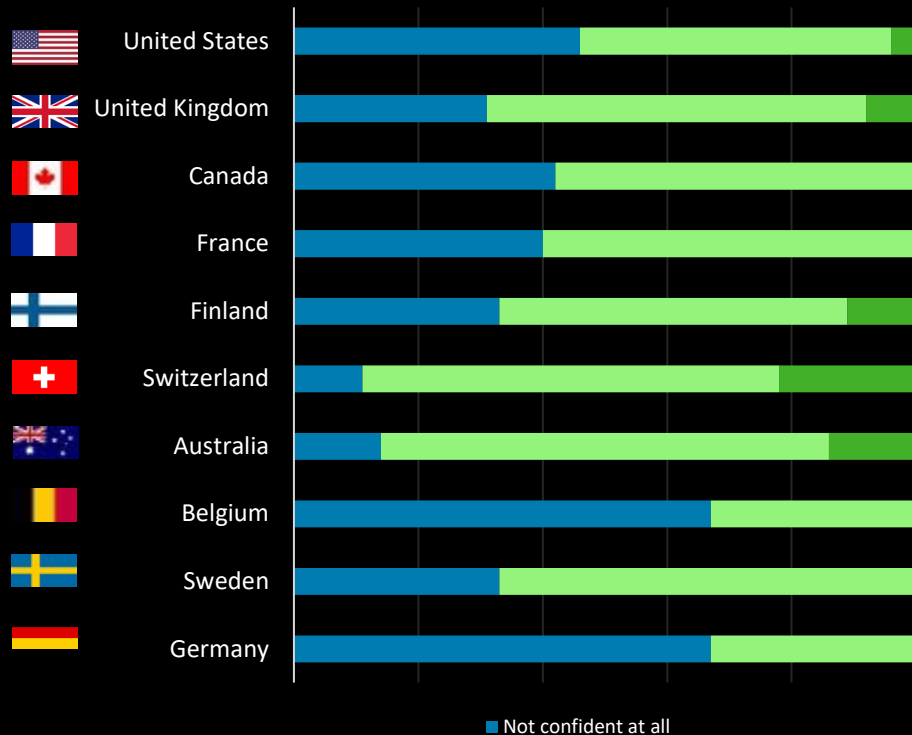
Overall, respondents do not expect that the implementation of Pillar Two will cause significant changes to their corporate structures, however, in Switzerland over half of the respondents (56%) believe significant changes may occur, followed by a third of respondents from Canada (33%) and the US (34%). French respondents are most confident about changes to corporate structures (30%). Among industries, financial services (77%), life sciences (75%) and TMT (72%) lead in terms of not expecting any changes to corporate structures as a result of Pillar Two.

Question 20 (new question)

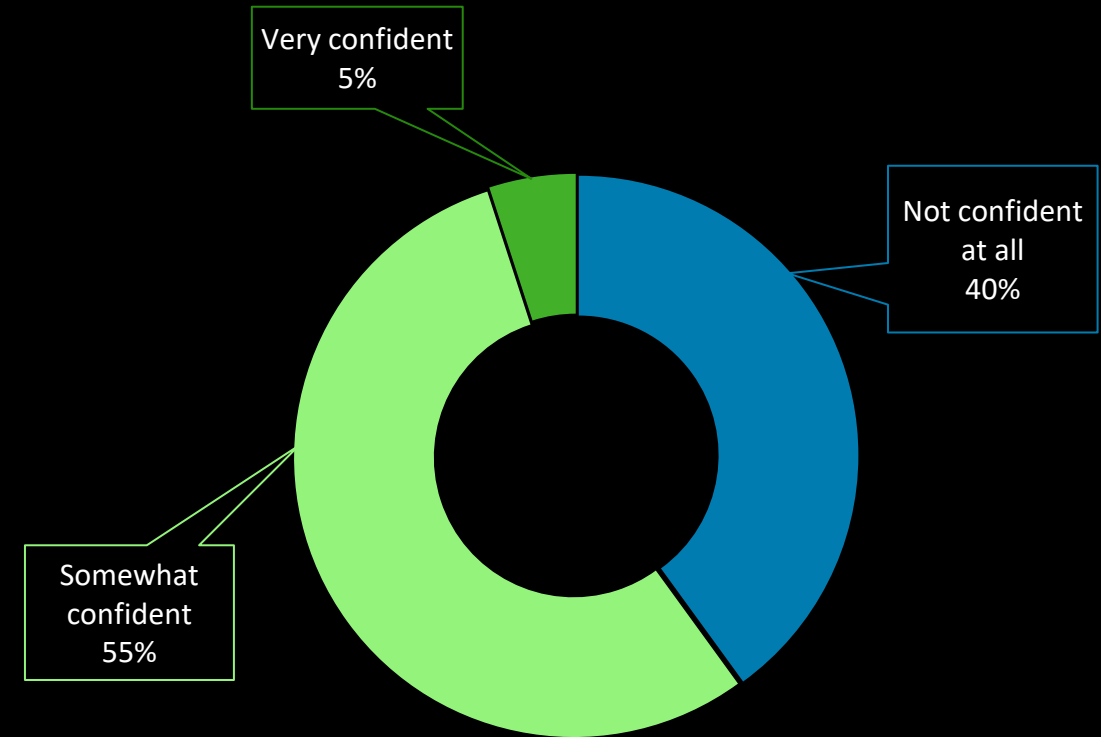
55% respondents are somewhat confident that they have the necessary tax and accounting data readily available to comply with Pillar Two

Country-specific results

How confident are you that you have readily available the tax and accounting data necessary to comply with Pillar Two?



Overall results



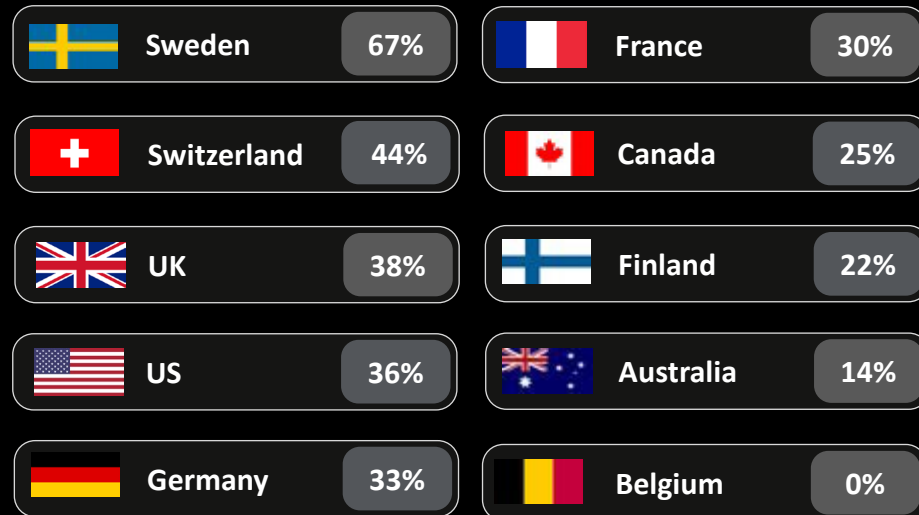
While respondents in Switzerland (89%) and Australia (86%) are somewhat to very confident that they have the necessary data for complying with Pillar Two, Germany and Belgium have a high number of respondents that are not confident at all. Across businesses, B2C is less confident (50%) than B2B (63%). From an industry standpoint, energy & resources (76%) and consumer business (73%) lead with the highest number of very confident and somewhat confident respondents. Pillar Two is an unprecedented data challenge for tax teams. The variety of responses reflects not only developing understanding of these complexities but also the spectrum of groups in the regime. The scale of a group, and the standardisation (or lack of it) of their accounting and tax systems and processes will have a large impact on the difficulty of this challenge.

Question 21 (new question)

32% expect that the US will enact the Build Better Act, which would include changes to GILTI and the BEAT

Country-specific agree/strongly agree results

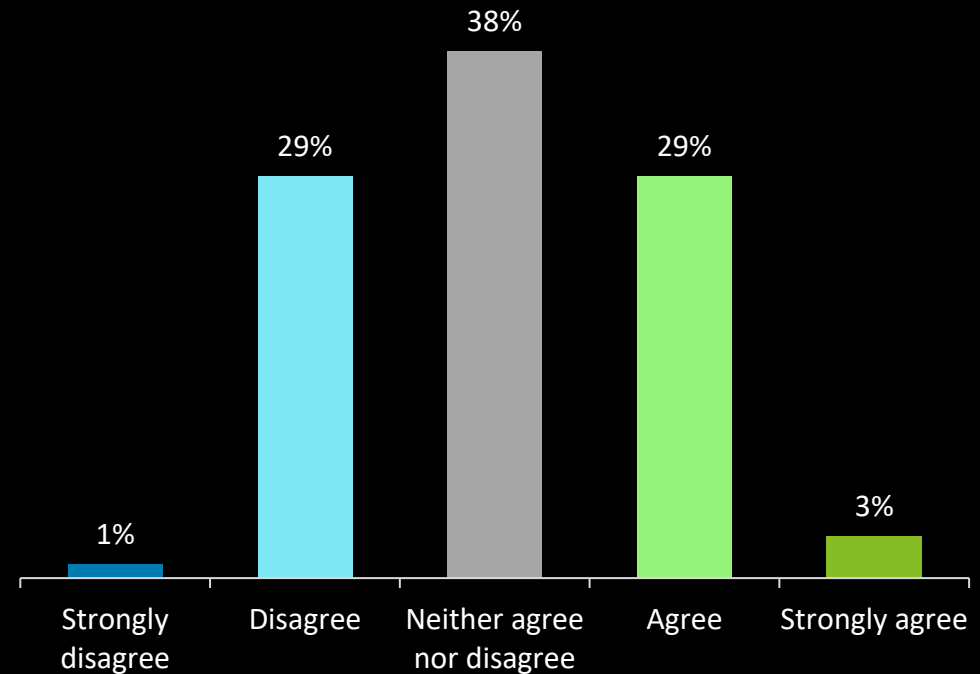
I believe that the U.S will enact the Build Back Better Act, which would include changes to GILTI and the BEAT?



Top 10 countries by the number of responses

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

Overall results



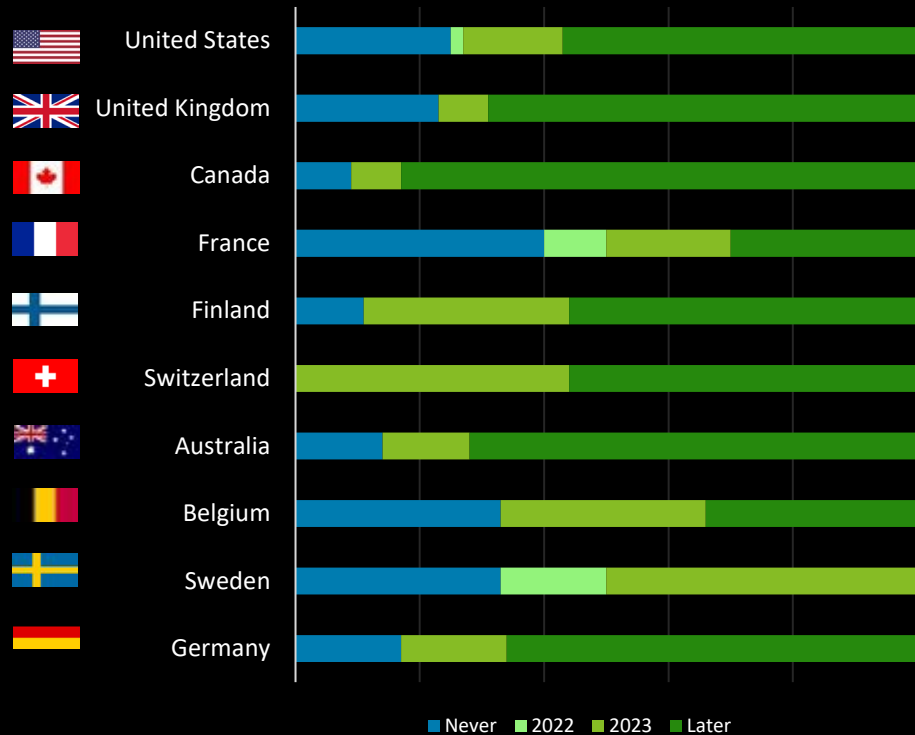
Even the most seasoned US political observers have difficulty predicting whether the US will act given the unique nature of the US political system. This likely explains the very high number of respondents who neither agreed nor disagreed. By industry, respondents in life sciences (50%) and consumer business (30%) are the most optimistic about this enactment.

Question 22 (new question)

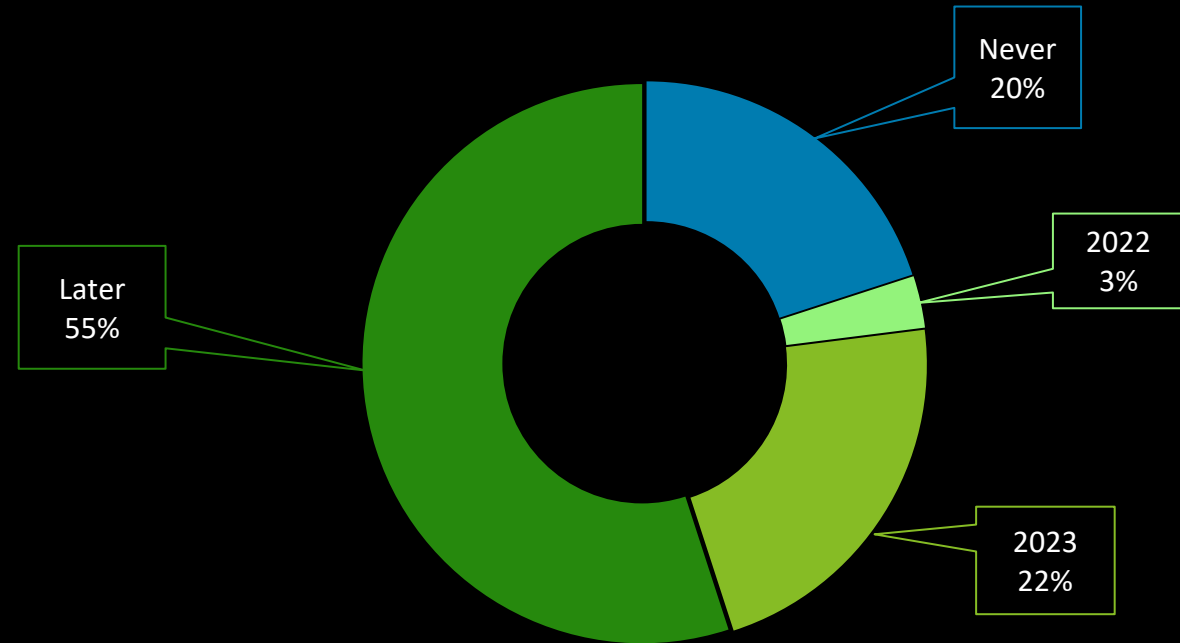
25% of respondents expect that the US Senate will pass a treaty to implement Pillar One by 2023.

Country-specific results

I expect the U.S. Senate will pass a treaty to implement Pillar One in:



Overall results



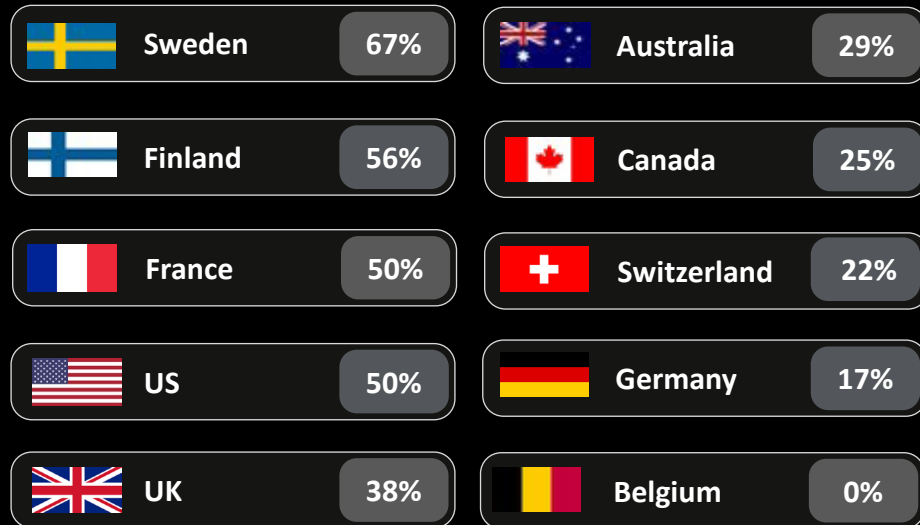
Approximately 75% of respondents are unsure if Pillar One will be implemented via a treaty by 2023. Among the various markets, 40% in France believes it'll never be implemented, and 83% of respondents in Canada don't expect that a treaty will be implemented anytime soon. Across industries, energy & resources sector respondents are comparatively more optimistic with a 43% expectation that the treaty will be passed by 2023.

Question 23 (new question)

40% of respondents expect that the US legislative proposals will result in a significant increase in their group's US corporate income tax liability

Country-specific agree/strongly agree results

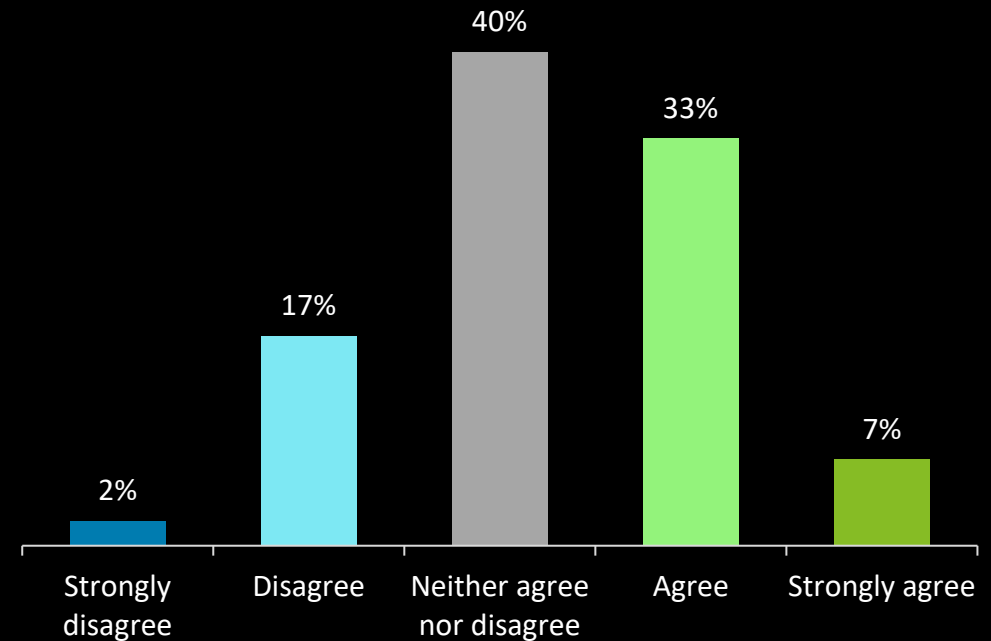
I expect that the US legislative proposals will result in a significant increase in my group's US corporate income tax liability



Top 10 countries by the number of responses

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

Overall results



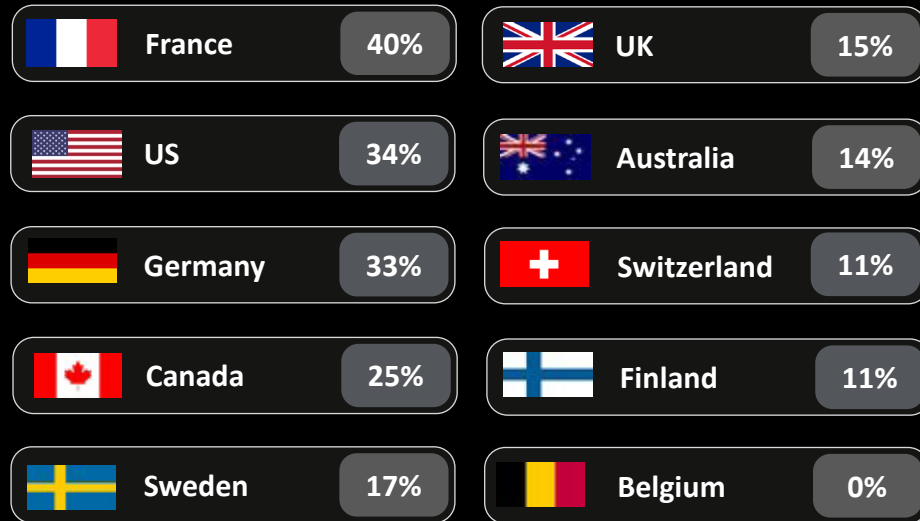
Views are mixed on whether the US legislative proposals will result in a significant increase in US corporate tax liabilities. Healthcare (50%), retail (50%) and manufacturing (46%) have the highest number of respondents, expecting a significant increase in US corporate tax liability. More B2B respondents expect such an increase than B2C (45% vs 28%).

Question 24 (new question)

26% of respondents anticipate implementation of structural and/or operational changes in their groups due to the US legislative proposals

Country-specific agree/strongly agree results

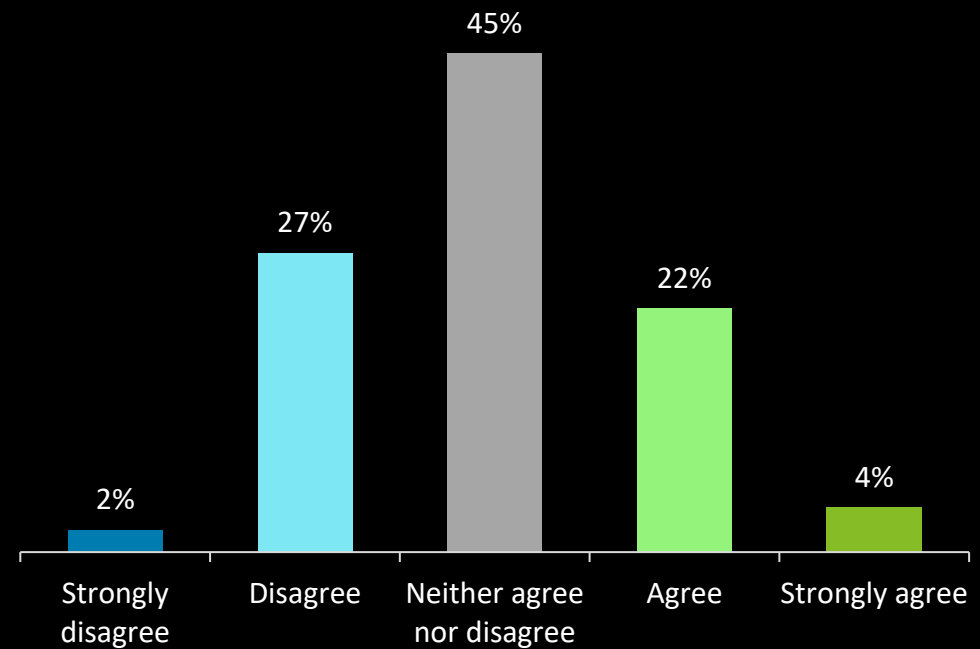
My group anticipates structural and/or operational changes are likely to be implemented as a result of the US legislative proposals



Top 10 countries by the number of responses

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

Overall results



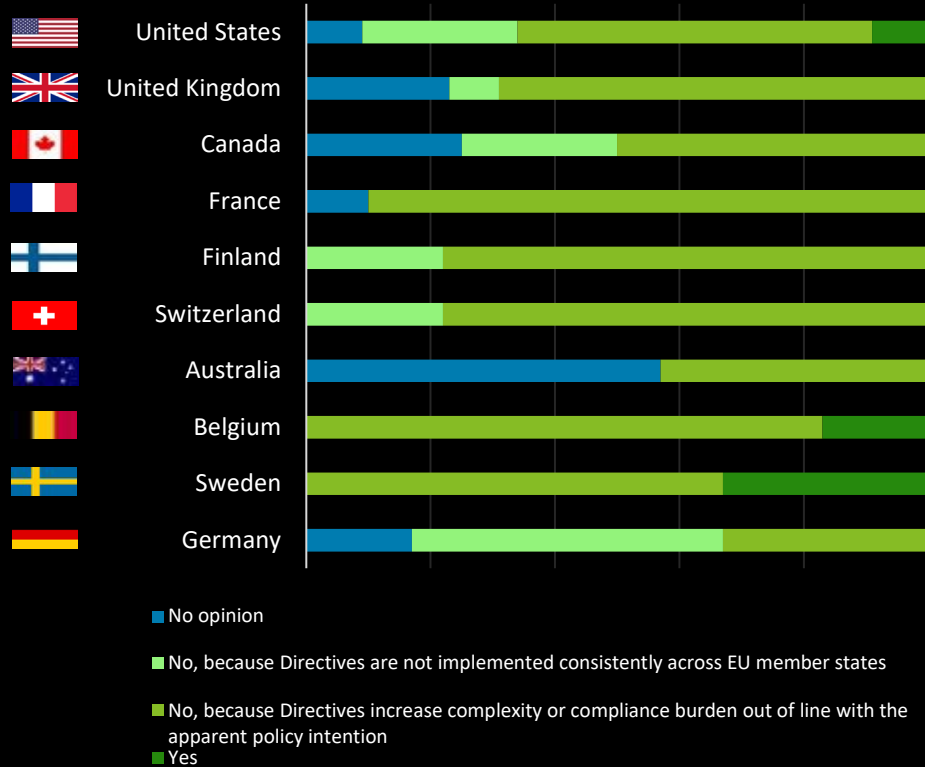
Consistent with the response to Question 23, there are mixed views on the impact of the US legislative proposals. Retail and life sciences (both at 50%) have the highest number of respondents who anticipate structural or operational changes. More B2B respondents anticipate such changes compared to B2C (28% vs 19%).

Question 25 (new question)

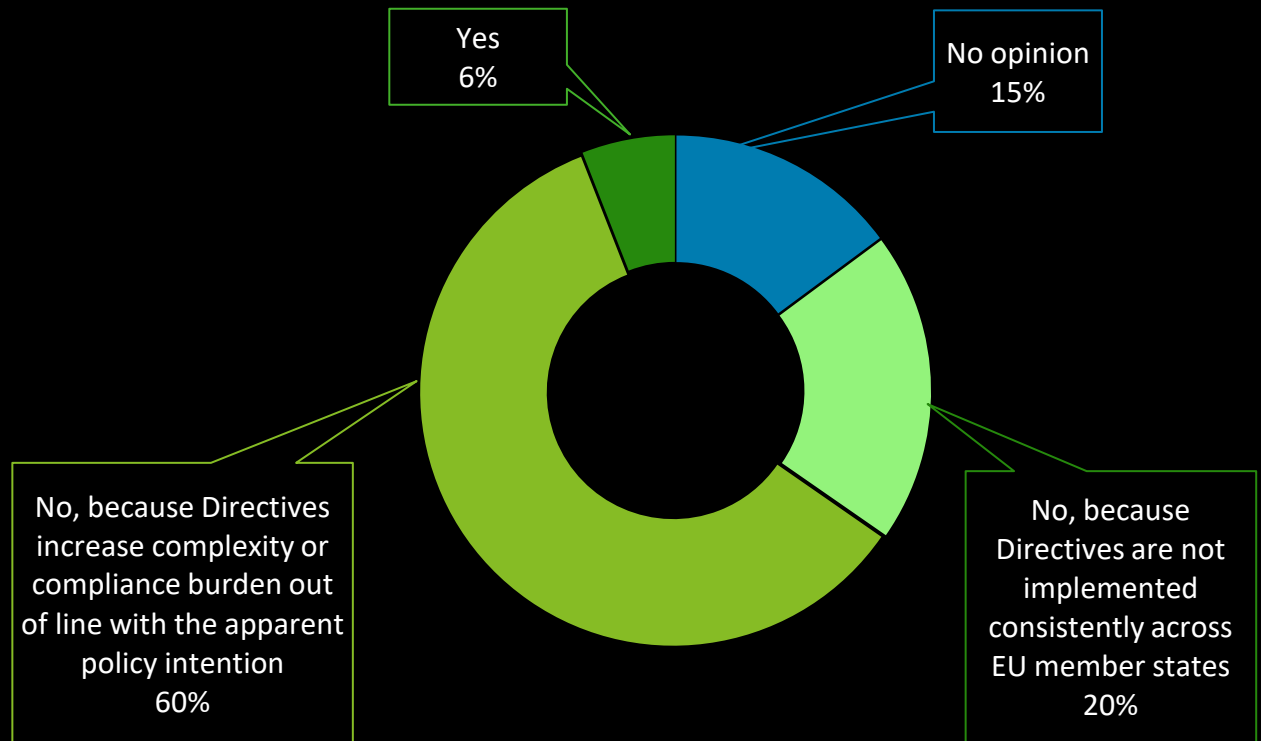
80% of respondents do not consider the EU tax directives to be successful in simplifying tax compliance obligations across the EU

Country-specific results

When operating in the EU, do you consider that tax directives (e.g., ATADs, DACs, etc) are successful in simplifying tax compliance obligations across the EU?



Overall results



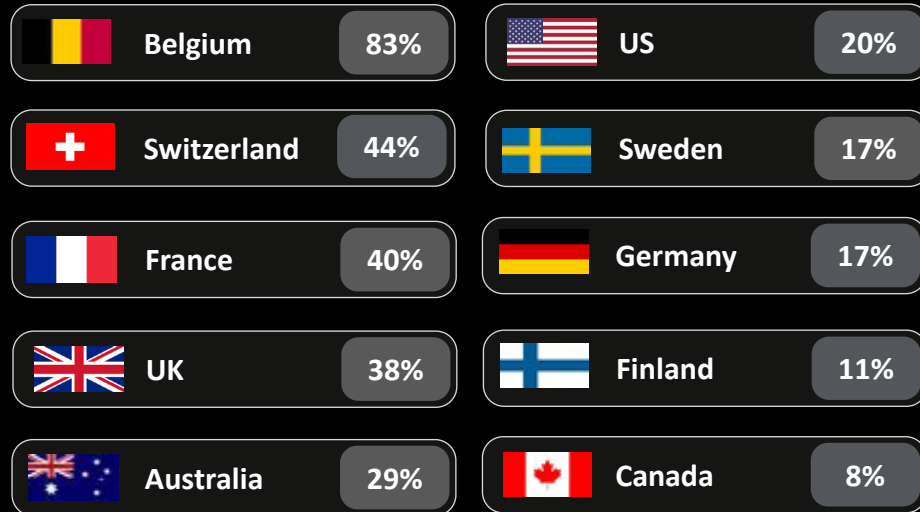
Less than a year after the release of final or draft legislation on Public Country-by-Country Reporting, DAC6, Pillar Two or ATAD3, and as more is expected in 2022 and 2023, most respondents are concerned about the resulting increase in their compliance obligations, mainly (60%) due to the growing number of rules with separate data disclosure requirements and deadlines. A smaller group believes that the complexity is created by inconsistent transposition of proposals across Member States (this view is held by 50% of respondents from Germany). Respondents from non-EU countries are those most undecided about the impact of the EU tax directives on simplifying tax compliance within the EU.

Question 26 (modified question)

25% of respondents believe that their group is concerned about European Commission's recent State aid decisions

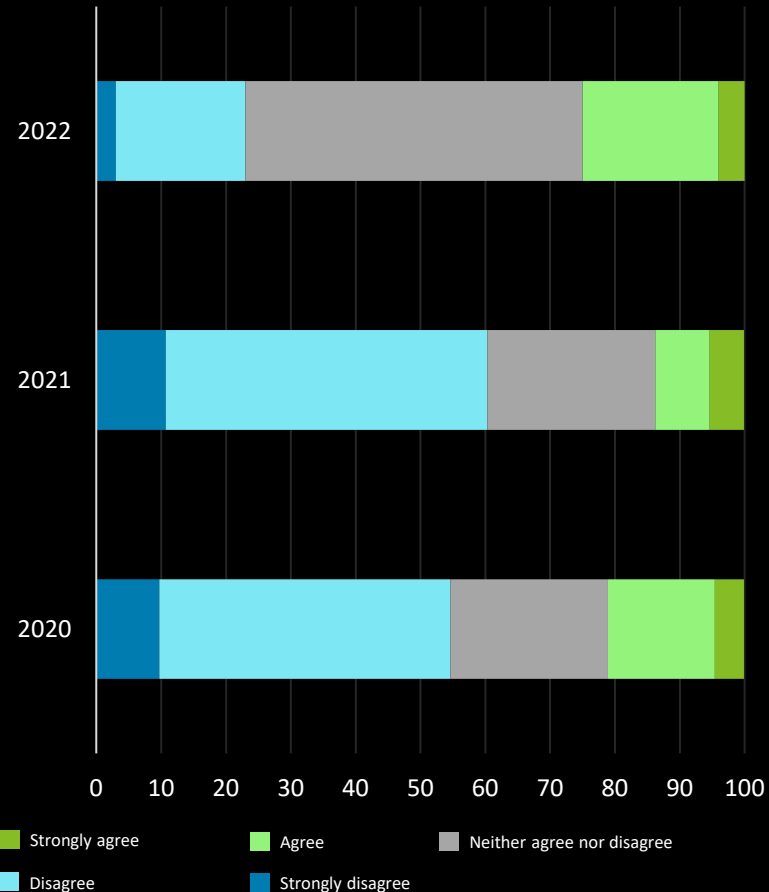
Country-specific agree/strongly agree results

My group is concerned about the European Commission's recent State Aid decisions

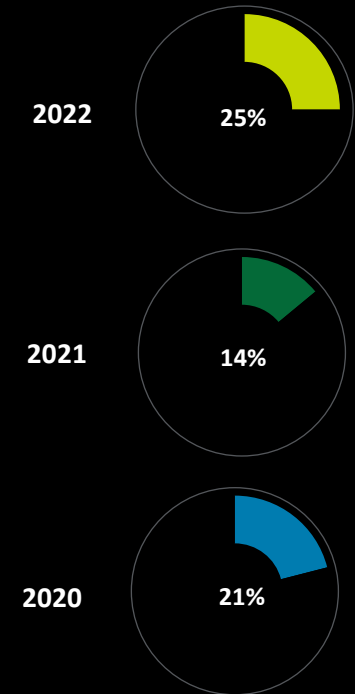


Note: Information above includes only selected countries. Percentages above refer to participants who selected "agree" or "strongly agree".

Overall results



Response Trend



Agree/strongly agree responses increased by 11 percentage points compared to 2021

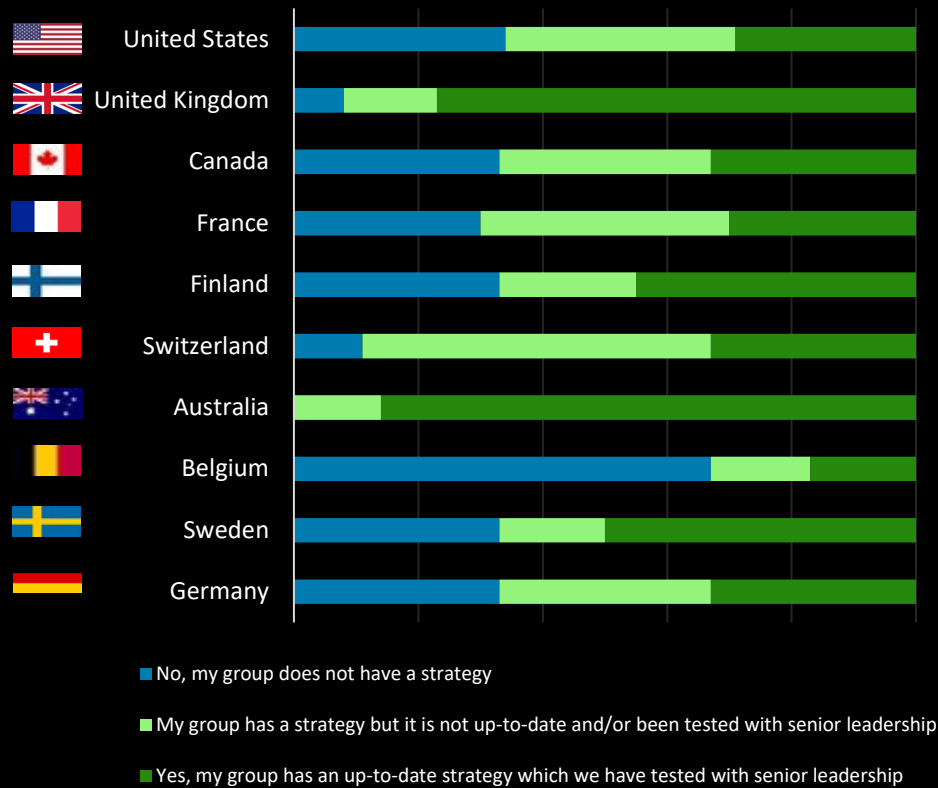
The variation in the scores from last year is likely attributable to the modification of the question from assessing impact of the recent decisions to assessing concern about recent decisions. Considering this, the UK shows a relatively high number of concerned respondents (11% affected in 2021), while in Germany, the response trend is exactly the same as in 2021. The high level of concern in Belgium is likely due to the high number of Belgium-based entities affected by the 2016 European Commission's decision that the excess profits regime constitutes illegal state aid and the subsequent erratic journey of the case before the European Courts. Industry-wise, respondents in consumer business appear to be most concerned (36%).

Question 27 (new question)

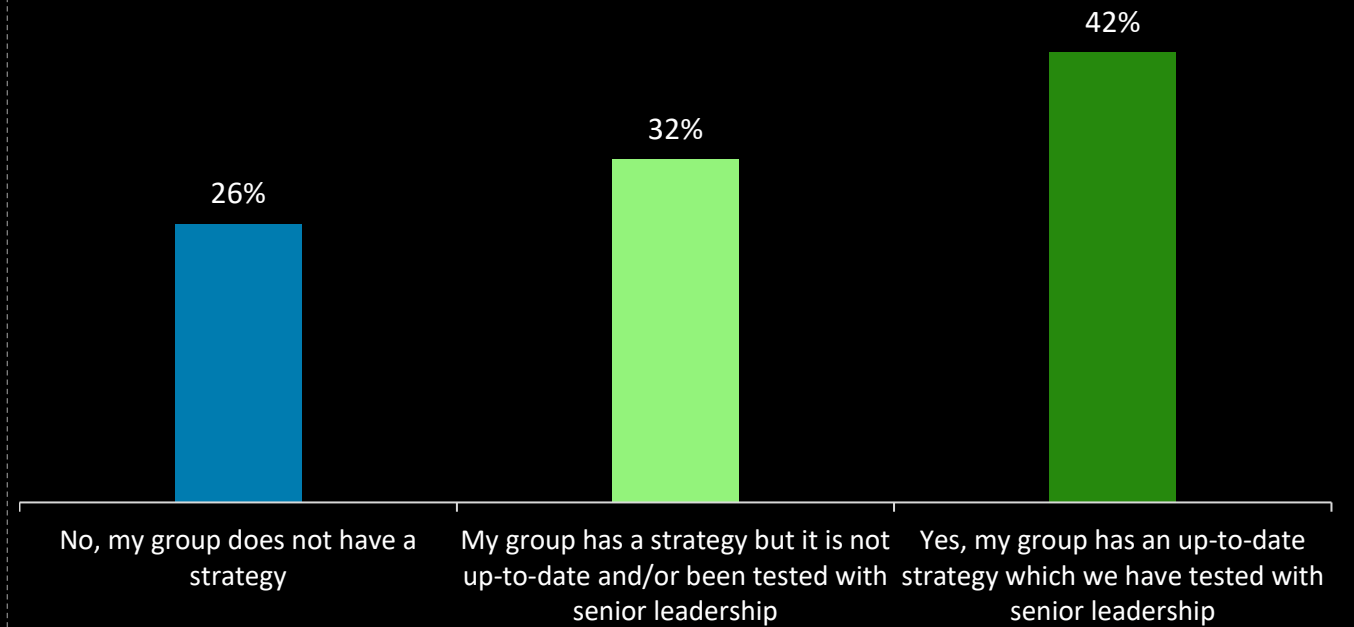
42% of respondents have an up-to-date transparency strategy for their groups, which has been tested with the senior leadership

Country-specific agree/strongly agree results

Have you set a strategy for tax transparency for your group?



Overall results



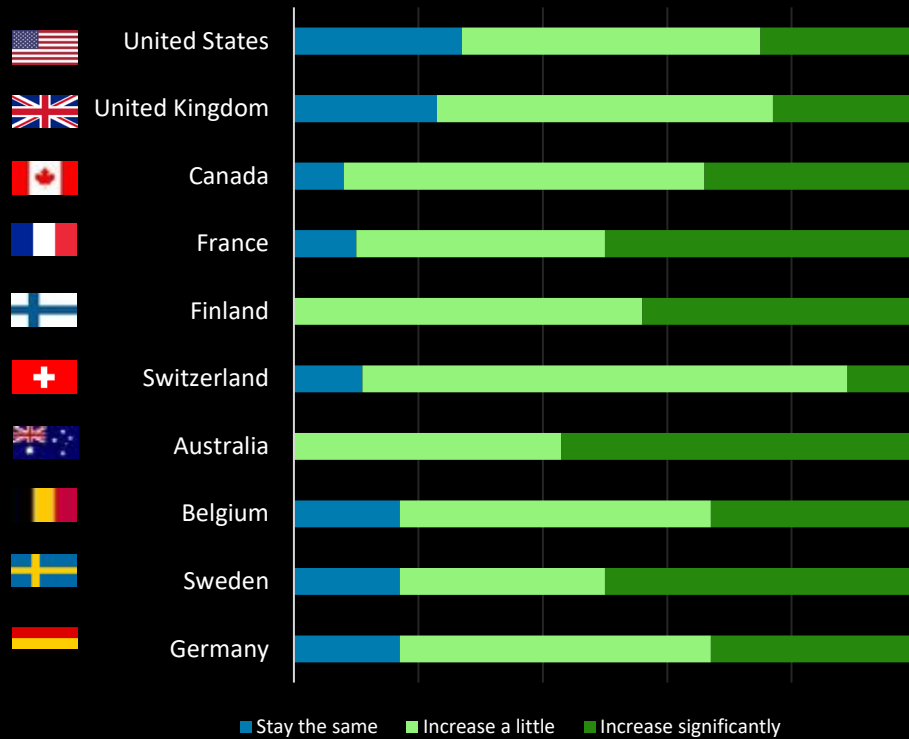
Australia (86%) and the UK (77%) lead in terms of having an up-to-date tax transparency strategy tested with the senior leadership. In Belgium, this is the case only for 17% of the groups. Within industries, financial services and energy & resources sectors lead in terms of tax transparency strategy at 77%. Similarly, respondents in B2C (50%) are more prepared in terms of their tax strategy than B2B (39%).

Question 28 (new question)

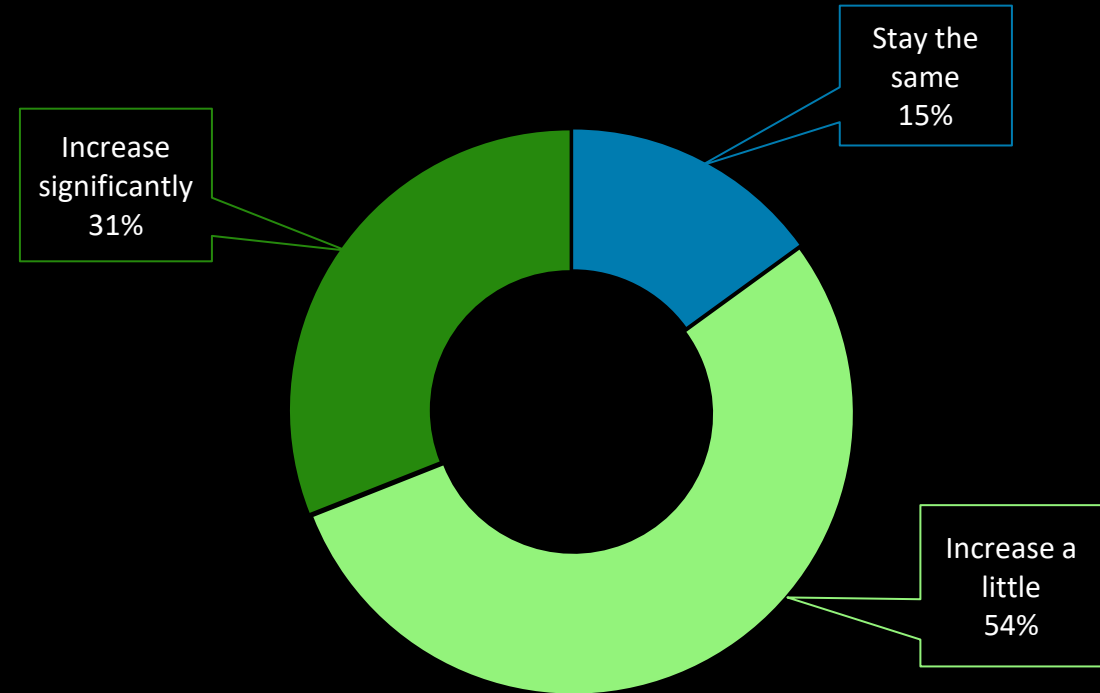
85% of respondents expect an increase in stakeholder interest in tax behaviour and outcomes over the next 3 years.

Country-specific results

How do you expect stakeholder (e.g., investors, employees, customers etc) interest in the tax behaviours and outcomes (i.e., payments) of large corporates to change over the next 3 years?



Overall results



While only 31% expect a significant increase in stakeholder interest, it is telling that 85% expect some level of increase. The healthcare sector has the highest number of respondents expecting a significant increase in interest (63%). This aligns with the level of concern about the continuing high interest of media, political and activist groups in corporate taxation in Question 1.

Question 29 (new question)

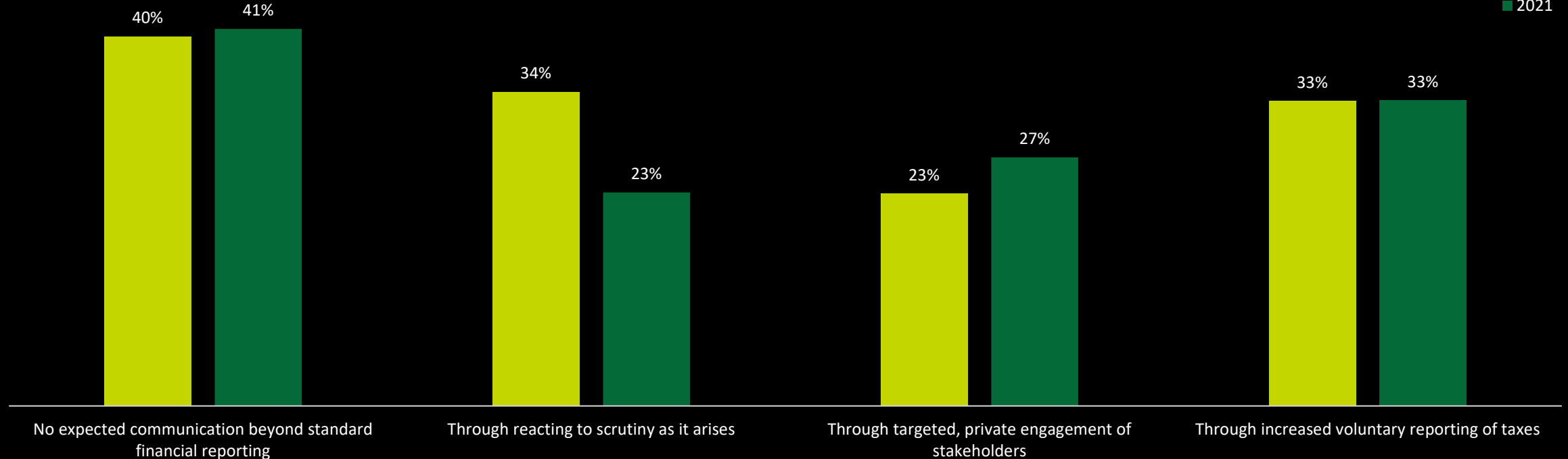
33% of respondents expect to increase their level of voluntary tax transparency over the next year

Overall results

My group expects to communicate with stakeholders over the next year in relation to the tax performance of the group

■ 2022

■ 2021



Note: The total exceeds 100% as some respondents have chosen several responses. These have been disaggregated to show responses for each individual response option.

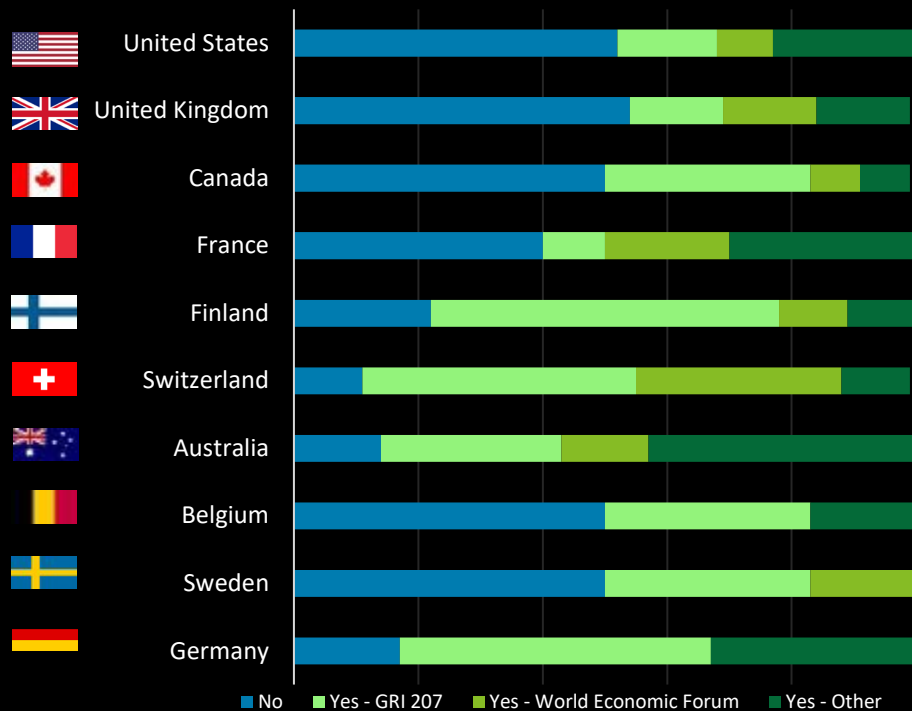
The trend toward increasing voluntary reporting of tax information – covering both the approach (e.g. governance, risk management) and outcomes (e.g. tax payments) – continues into 2022 with one-third expecting to report more next year than this year and over a half anticipating more targeted responses on particular issues and/or with specific stakeholders. Voluntary reporting of taxes is increasingly expected in Australia (78%) over the next year, followed by Switzerland (50%), while a majority of respondents from Belgium (67%), Germany (67%) and US (45%) are planning to limit their disclosures to standard financial reporting. Reacting to public scrutiny regarding tax performance is a dominant approach in Sweden (50%).

Question 30

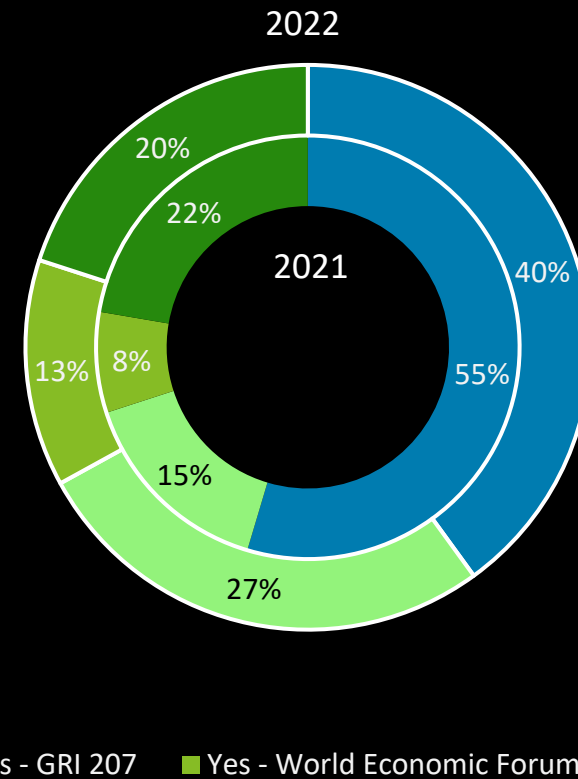
60% of respondents expect their group to align its external communication in relation to its tax performance with a transparency standard

Country-specific results

My group expects to align its external communication in relation to its tax performance with a transparency standard



Overall results



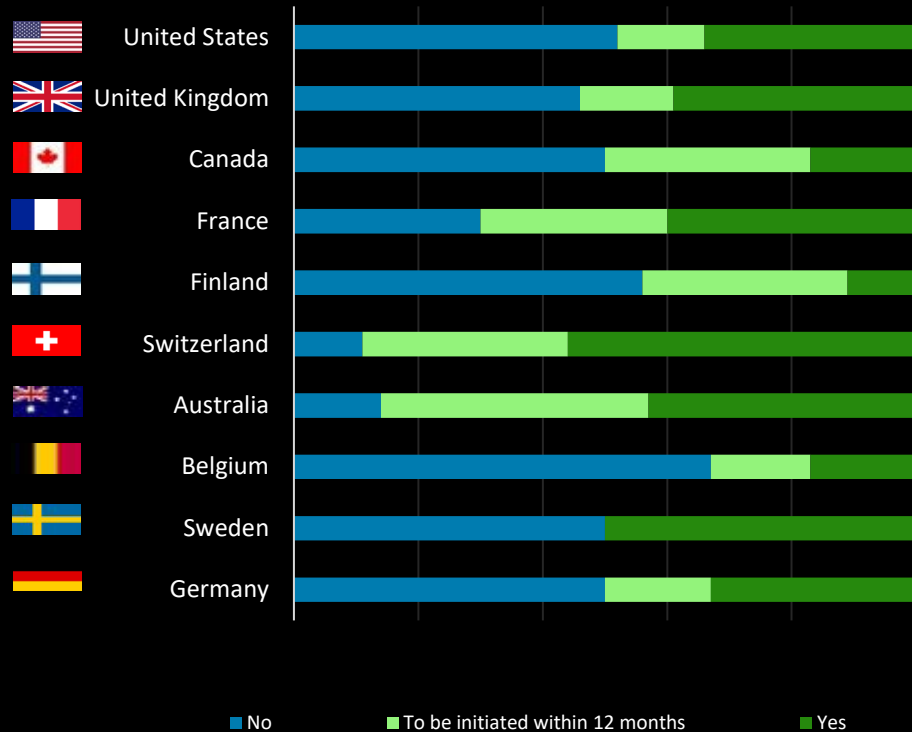
As groups look to say more in tax transparency reports, we are seeing the tax standard of the Global Reporting Initiative (GRI207) and the World Economic Forum tax metric (itself linked to GRI201) emerging as the dominant players. Notably, the overall level of expectation has risen by 15% compared to last year. GRI207 appears to be mainly favored by the financial services sector. However, within the TMT sector 54% do not expect their group to align with a transparency standard. Within B2C, 67% respondents plan on adopting a transparency standard compared to just 58% in B2B groups.

Question 31 (new question)

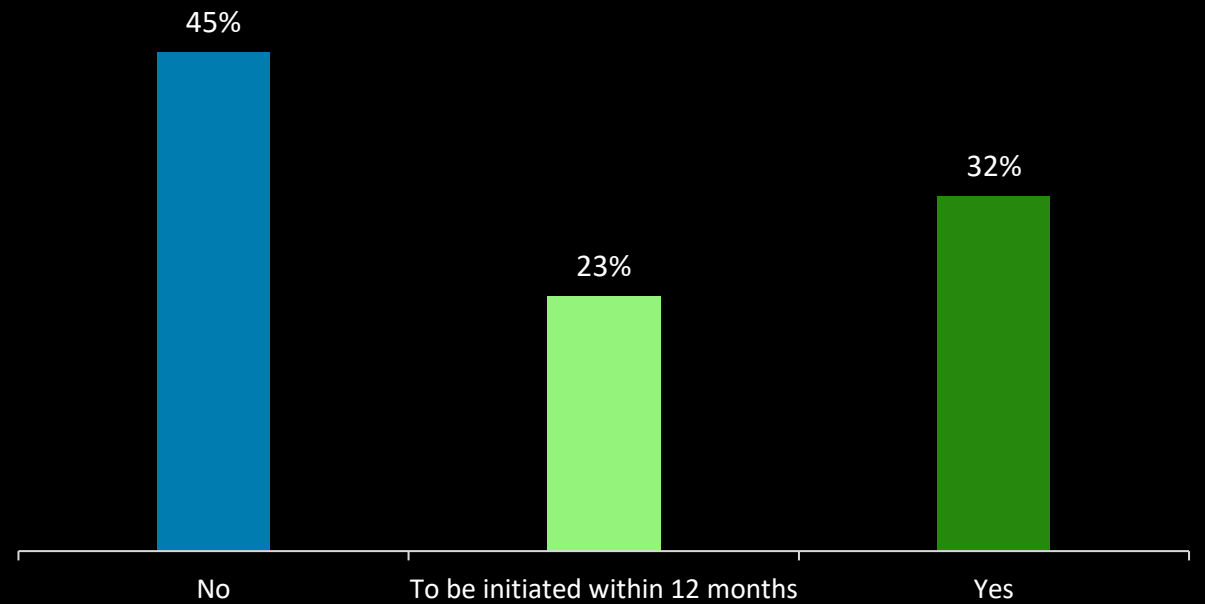
55% of respondents expect that a tax transparency strategy for their group has been or will be set up within 12 months

Country-specific agree/strongly agree results

Have you set a strategy for tax transparency for your group?



Overall results



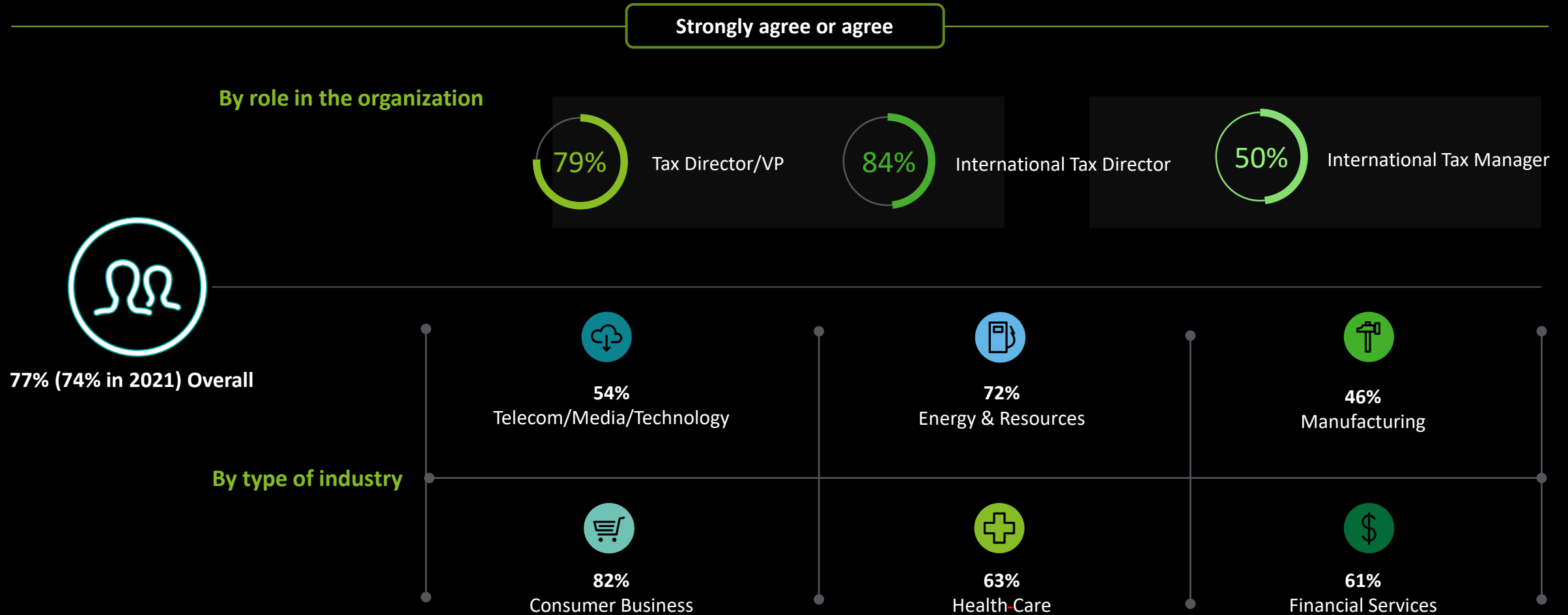
Overall, only 32% of groups have set a strategy for tax transparency, with Switzerland (56%) and Sweden (50%) among the countries that have already set strategies. 86% of respondents in Australia indicate that they have set a strategy or will be doing so within 12 months. In the case of respondents from Belgium, only 33% initiated or expect to initiate a strategy within 12 months. Among the industries, 67% in the energy & resources sector have already set a strategy while in healthcare only 13% have done so.

Multinationals' views on media and political interest

Additional analysis of respondents to Question 1

Respondents' details for Question 1:

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



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

Listed (77% in 2021)



79%

Not Listed (63% in 2021)



67%



77% (74% in 2021) Overall

By sector focus



74%

(70% in 2021)
Business-to-business (B2B)



86%

(85% in 2021)
Business-to-consumer (B2C)

Open questions

Selected participant responses

Question 32: What are your thoughts about the OECD Pillar One/Pillar Two project?

Representative responses

"Consistent and global implementation will [be] key to success."

(Tax Director/ Tax VP – Netherlands)

"I believe it will be difficult for my organization to gather the data necessary to report accurately."

(Tax Director/ Tax VP – US)



"Ambitious but in some form, necessary. I just have concerns about the increased compliance obligations for those groups that aren't necessarily the intended target (i.e. are not anticipating adjustments) but which are still required to fulfil all the compliance obligations to substantiate that no adjustment is required."

(International Tax Director – US)

"Pillar One does not directly 'hit' our group and Pillar Two will likely not have a big impact on group's ETR, but the compliance burden from calculating jurisdictional ETR's under new GloBE rules is immense."

(International Tax Director – Finland)

Note: 147 respondents answered this question. The comments listed are representative of the most commonly stated responses.

Question 33: What are your stay-awake issues arising from the volume of change in tax regimes around the world (as a result of BEPS, COVID-19, and other tax reform initiatives)?

Representative responses



Note: 125 respondents answered this question. The comments listed are representative of the most commonly stated responses.

Question 34: Do you foresee the increased discussion and disclosures regarding environmental, social and corporate governance (ESG) matters impacting your group's tax function?

Representative responses

"Yes, in medium term. Likely to be more disclosure required but for my group only when mandatory rather than voluntary."

(International Tax Director - UK)

"Not much, already hired a person with focus on ESG. We are already quite transparent, and our business has no major impact on the climate."

(Tax Director/Tax VP—Netherlands)

"It will create additional work and we will have to manage new reporting requirements."

(Tax Director/Tax VP—Ireland)

"Definitely...ESG is the "buzz word" that has our organisation's full attention. Increased transparency can only be seen as favourable in alleviating social concerns on the impacts large organisations have on the future state."

(International Tax Manager—Australia)

"Not within the next few years. When the first CBC reports are made public (following the implementation of the amended EU Accounting Directive), the situation might change."

(International Tax Director—Finland)

Note: 150 respondents answered this question. The comments listed are representative of the most commonly stated responses.

Question 35: What impact on your group do you expect from environmental tax measures in the country of your ultimate parent (if any)?

Representative responses



“Increased reporting obligations and tracking items we have never done before.” **(International Tax director—US)**



“Nil - nature of our business means that our carbon footprint is minimal.” **(Tax Director/Tax VP—UK)**



“I expect increasing number of environment related taxes & as a result, increase of tax spending in this area.” **(Tax Director/Tax VP—Germany)**



“If the group can align to net emission targets it can only be seen to be positive at all levels. Organisational aspirations to zero net emissions should be everyone's end goal.” **(International Tax Manager—Australia)**



Note: 121 respondents answered this question. The comments listed are representative of the most commonly stated responses.



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