

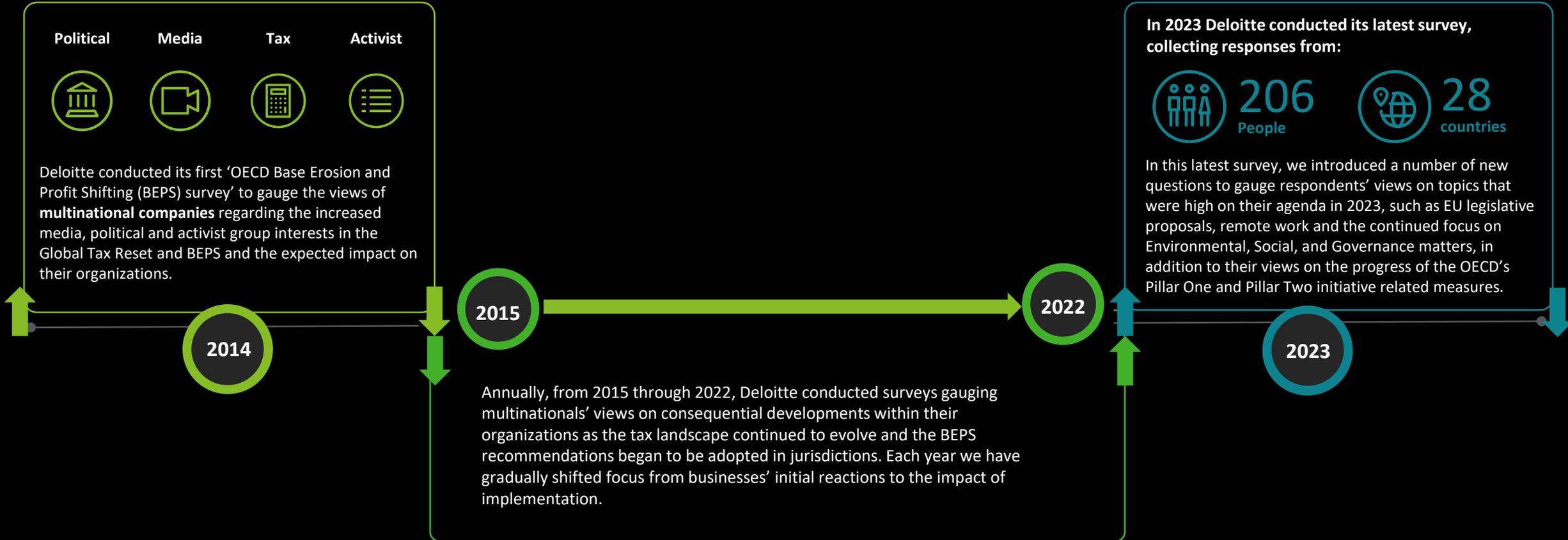
Deloitte's 2023 Global Tax Policy Survey

Results of the 10th annual multinational survey

July 2023



Results of Deloitte's 10th Global Tax Policy Survey



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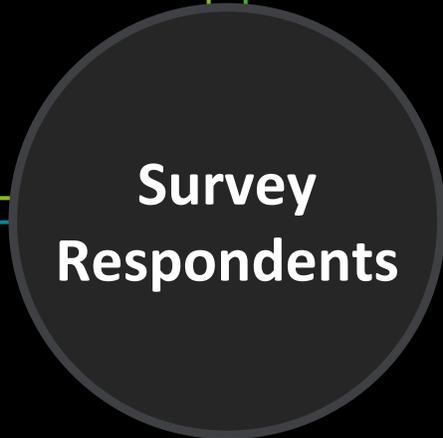


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38

2023 survey demographics

2023 survey demographics



Survey responses

The survey was conducted from 12 January 2023 to 7 February 2023, with a target audience of tax directors and tax managers from multinational companies. 206 people from 28 countries responded to the 2023 survey.



Respondents' role

- Tax Director/Tax VP 138
- International Tax Director 37
- International Tax Manager 16
- Controller/CFO 2
- Other 13

Top 10 Countries (by number of responses)

- | | | | |
|-----------------|----|------------------|----|
| • United States | 85 | • United Kingdom | 8 |
| • Denmark | 13 | • Germany | 7 |
| • Canada | 12 | • Finland | 7 |
| • France | 10 | • Norway | 6 |
| • Switzerland | 8 | • Australia | 5 |
| | | • Other | 45 |

Top 10 Industries (by number of responses)

- | | | | |
|----------------------|----|------------------|----|
| • Manufacturing | 55 | • Retail | 13 |
| • Telecom/Media/Tech | 28 | • Healthcare | 11 |
| • Financial Services | 19 | • Life Science | 9 |
| • Energy & Resources | 17 | • Real Estate | 4 |
| • Consumer Business | 15 | • Private Equity | 3 |
| | | • Other | 32 |



Survey results

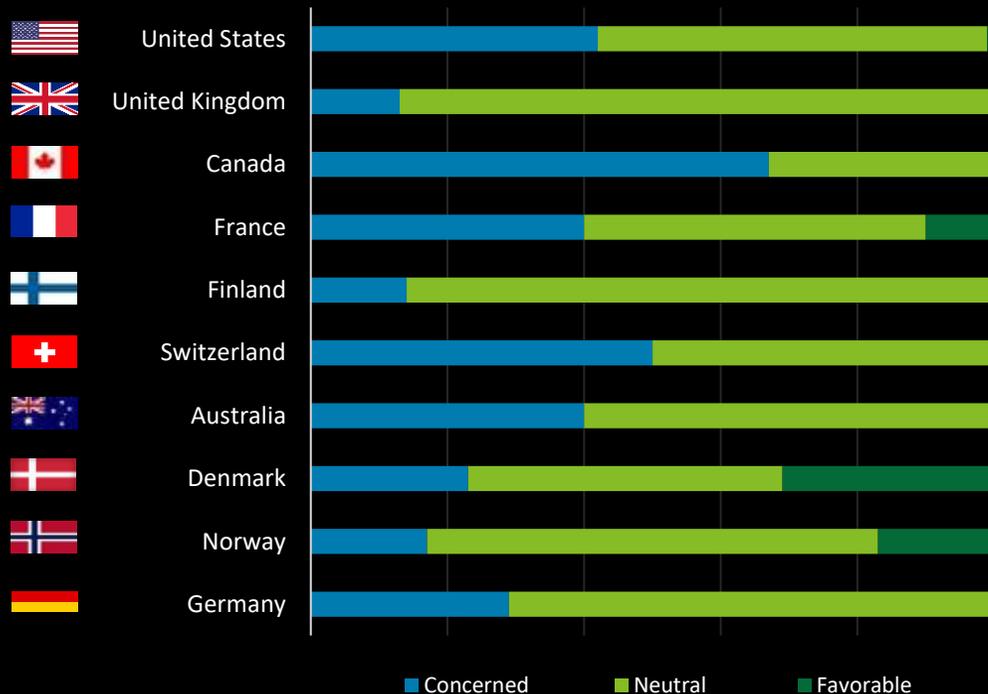
Overall and by country

Question 1 (modified in 2023)

56% have a neutral response to the continuing interest of media, political and activist groups in corporate taxation.

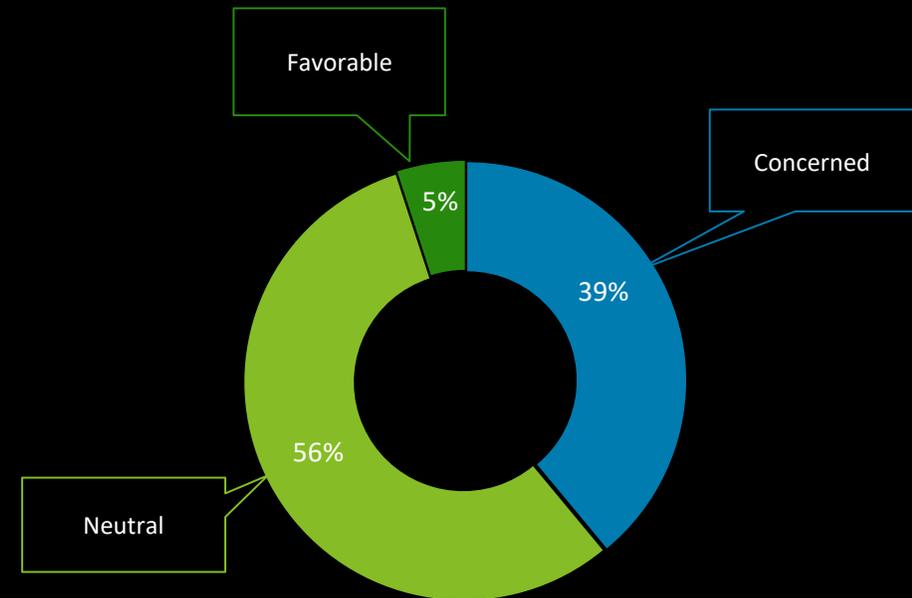
Country-specific results

My group's reaction to the interest in corporate taxation from media, political or activist groups could best be described as: favorable, neutral or concerned.



*Top 10 countries by the number of responses

Overall results



Throughout years of this survey, the level of concern remained consistently high (around 70%), but in 2023 survey respondents mostly have a neutral reaction to media, political or activist groups' interest in corporate taxation (although in 2023 the question was phrased differently). A few countries like Canada (67%) and Switzerland (50%) expressed high concern, while 31% of respondents from Denmark are seeing this favorably. Among the various industries, Energy & Resources (47%), Healthcare (45%) & Life Science (44%) have moderately high concern. Perhaps unsurprisingly, respondent groups that are publicly listed entities are more concerned than those that are not listed (41% vs 28%). Interestingly, 18% of respondents from the Energy & Resources sector are reacting favorably.

Question 2 (new for 2023)

41% agree or strongly agree that it requires significant resource from the tax function to respond to media, political or activist groups in corporate taxation.

Country-specific agree/strongly agree results

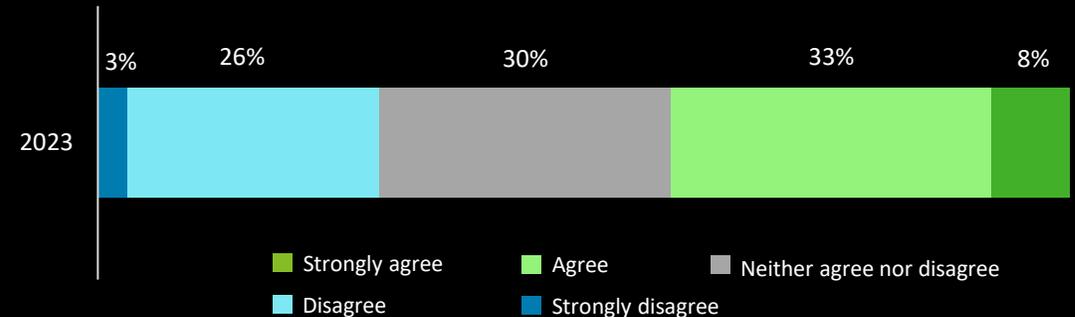
Responding to the interest from media, political or activist groups in corporate taxation requires significant resource from the tax function in my group.

 France 70%	 Norway 33%
 Switzerland 63%	 Germany 29%
 Denmark 54%	 Australia 20%
 USA 35%	 Finland 14%
 Canada 33%	 UK 13%

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

*Top 10 countries by the number of responses

Overall results



Less than half of respondents believe that significant resources from the tax department are necessary to respond to the interest from media, political, or activist groups. This aligns with the moderate level of concern in the previous question. Respondents from France (70%) and Switzerland (63%), however, predominantly agree that significant resources are needed. In terms of industries, respondents from the Energy & Resources (59%) sector predominantly agree with the statement, as do B2B companies (44%) compared to B2C (31%). In line with responses to the previous question, tax functions of respondents from publicly listed groups seem to be facing more demands on their resources to respond to the media, political or activist groups' interest in corporate taxation (45% vs 23%).

Question 3

67% 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

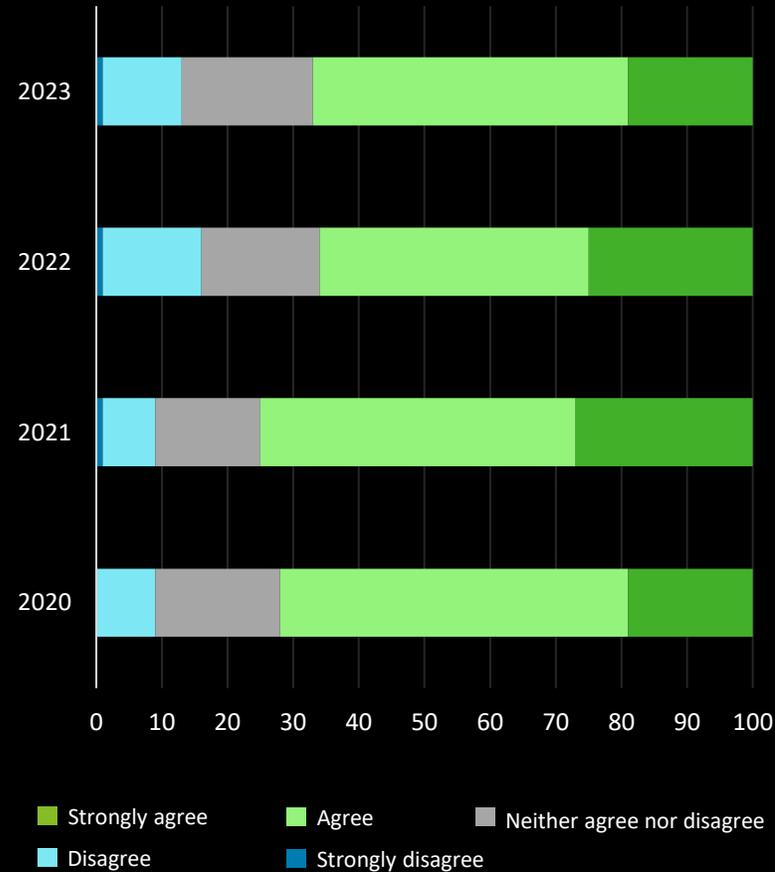
The C-suite and/or Board of Directors of my group is actively engaged in establishing and/or approving my groups tax strategy and in assessing and monitoring risk in this area.

 Australia 100%	 UK 63%
 Switzerland 100%	 Finland 57%
 Denmark 85%	 Germany 57%
 Canada 67%	 USA 58%
 Norway 67%	 France 50%

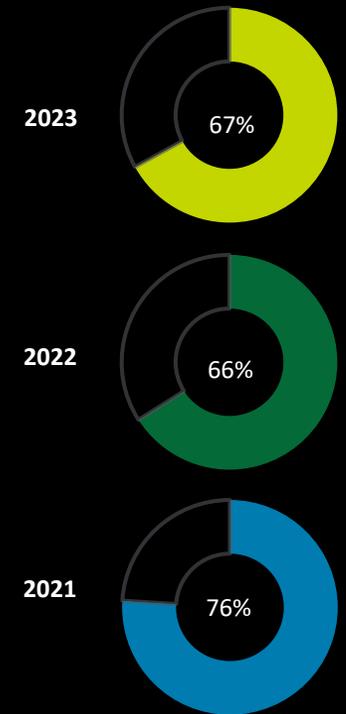
Note: Information above includes only selected countries. Percentages above refer to participants who selected "agree" or "strongly agree".

*Top 10 countries by the number of responses

Overall results



Response Trend



Agree/Strongly agree responses have increased by 1% compared to 2022.

Respondents continue to believe that the C-suite/Board of Directors are actively engaged, consistent with last year's trend. All respondents from Australia evidence active involvement of the C-suite, as was the case in 2022, and there is an increase in Switzerland (from 77% in 2022). In contrast, there is a drop in the UK from 77%. Industry-wise, C-suites/Boards of Directors from the Energy & Resource sector appear to be most involved at 82%.

Question 4

40% 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, while 42% are neutral.

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.

 Australia 100%	 Germany 29%
 Canada 67%	 Switzerland 25%
 Norway 67%	 UK 25%
 USA 40%	 France 10%
 Denmark 38%	 Finland 0%

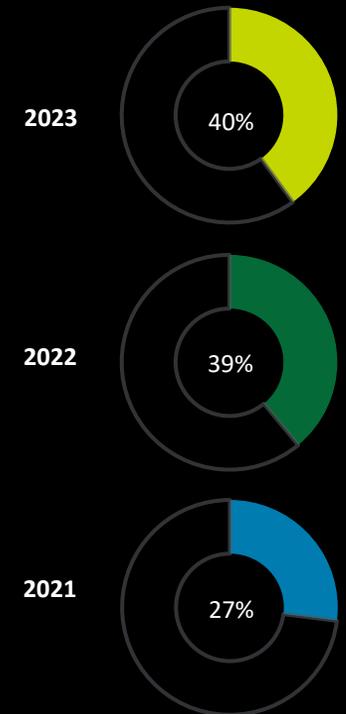
Note: Information above includes only selected countries. Percentages above refer to participants who selected “agree” or “strongly agree”.

*Top 10 countries by the number of responses

Overall results



Response Trend



Agree/strongly agree responses have increased by 1% compared to 2022.

The share of respondents who feel that tax authorities have become increasingly rigorous in tax audits is very similar to 2022. The Australian response stands out, which reflects ongoing rigorous engagement from the ATO with the large market segment. The respondents from the Financial Services (58%) and Life Science (56%) sectors were the most in agreement that tax audits were more rigorous in the past year. It is interesting that notwithstanding the post-COVID 19 fiscal pressures less than half of the respondents consider tax audits as getting tougher.

Question 5

25% 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

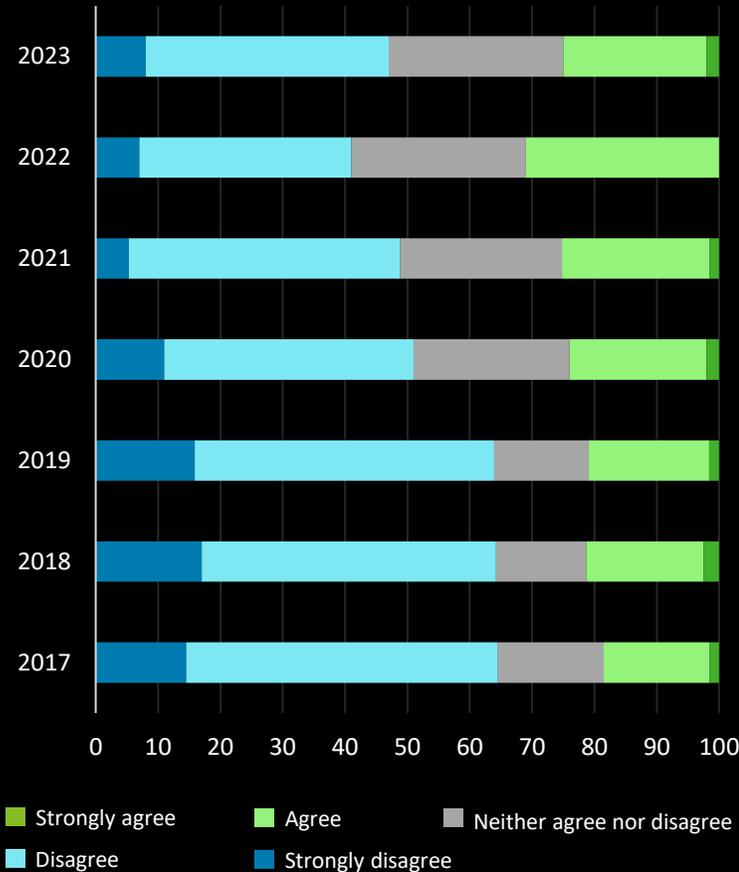
I believe that most tax administrations are interpreting the OECD Transfer Pricing Guidelines in a consistent manner.

 Australia 60%	 Canada 17%
 Norway 50%	 Denmark 15%
 Germany 43%	 Finland 14%
 France 40%	 Switzerland 13%
 USA 19%	 UK 13%

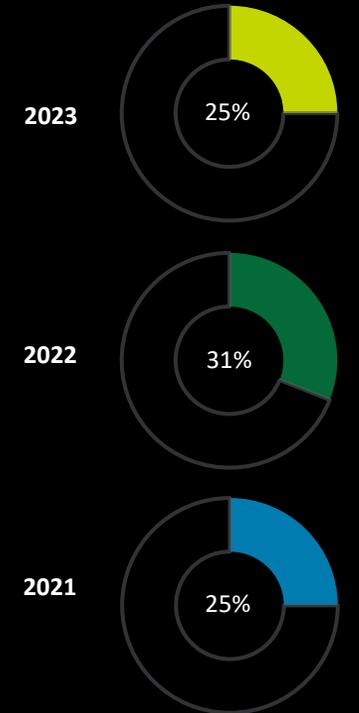
Note: Information above includes only selected countries. Percentages above refer to participants who selected “agree” or “strongly agree”.

*Top 10 countries by the number of responses

Overall results



Response Trend



Agree/strongly agree responses have decreased by 6% compared to 2022.

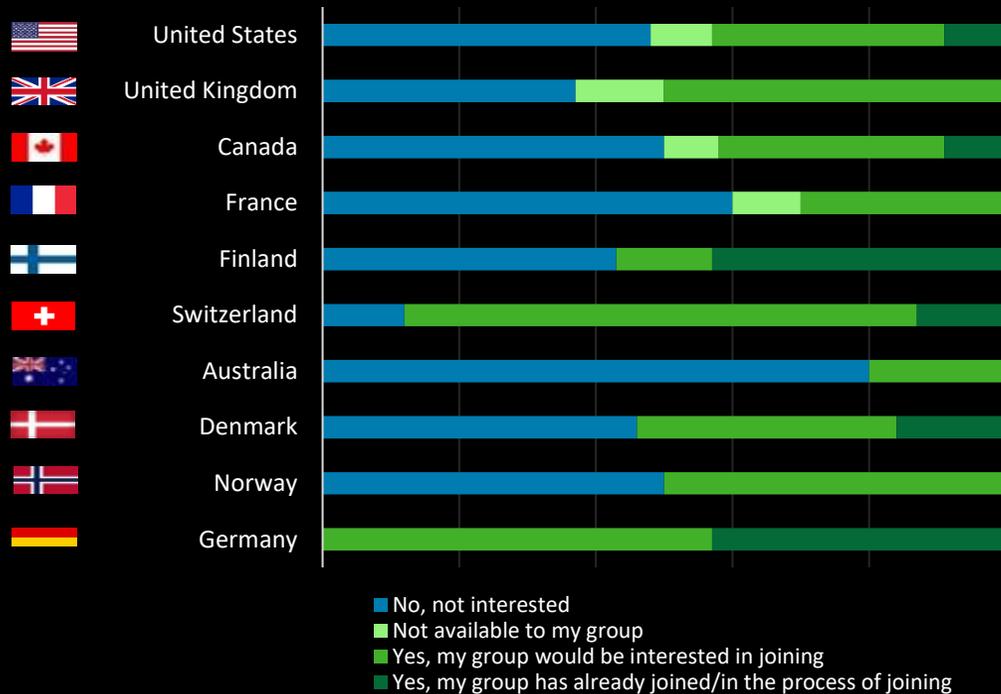
Many of the top respondent countries have experienced a decrease in confidence in the consistent implementation of transfer pricing guidelines by tax administrations, however, respondents from France have become notably more confident (from 0% in 2022). Financial Services respondents (42%) continue to have the most confidence in the consistent interpretation of transfer pricing guidelines by tax administrations. In contrast, respondents from Life Sciences have dropped their confidence levels from 50% to 22% in the consistent interpretation of transfer pricing guidelines in the last year. Tax Directors/Tax VPs are the least confident in consistent interpretation (20%).

Question 6

41% of respondent groups would be interested in joining a cooperative tax compliance program in countries where available.

Country-specific results

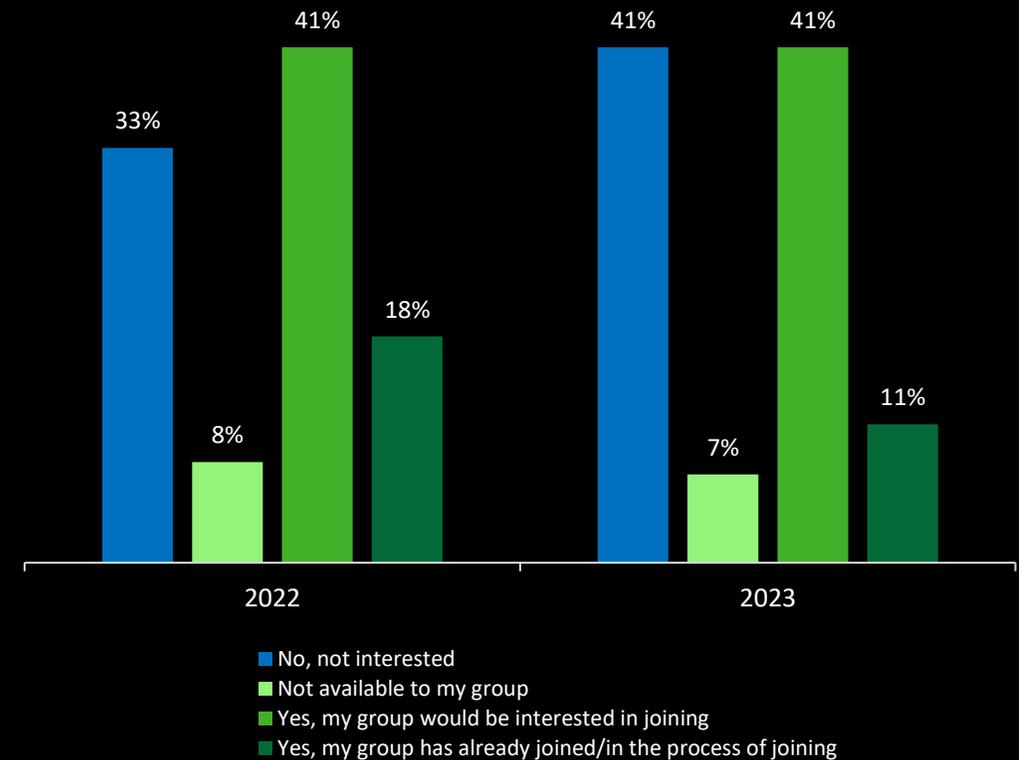
Would your group be interested in joining a cooperative tax compliance program in all countries where available to facilitate its compliance with tax obligations and improve relationships with tax authorities?



*Top 10 countries by the number of responses

Germany and Finland (43% each) take the lead among the countries where respondent groups have joined or are in the process of joining a cooperative tax compliance program. Respondents from Australia have shown the least interest in joining such a program (80% not interested). Respondents from the Life Science sector (44%) show the highest percentage of those that have joined or are in the process of joining a program (the same number of respondents answered as 'interested'), whilst those from the Energy & Resources sector are the most interested in joining (53%).

Overall results



Question 7

60% of respondent groups remain concerned about the lack of guidance from the tax authorities around the world about the principal purpose test.

Country-specific agree/strongly agree results

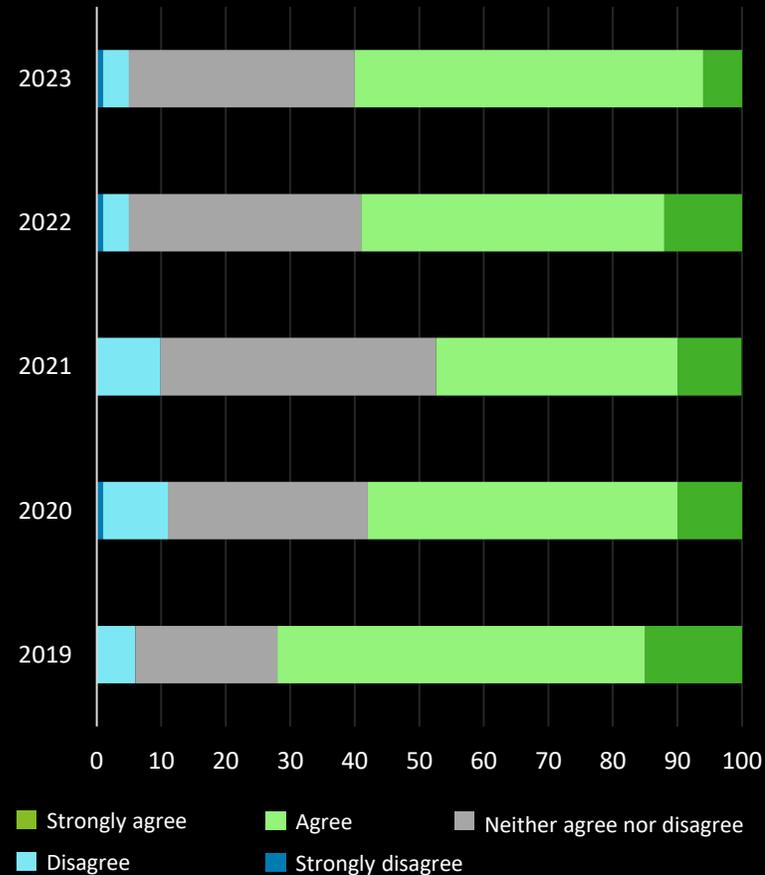
My group is concerned about lack of guidance from the tax authorities around the world about the principal purpose test (PPT).

 Germany 71%	 France 50%
 Denmark 69%	 Australia 40%
 Canada 67%	 Switzerland 38%
 USA 60%	 UK 38%
 Finland 57%	 Norway 33%

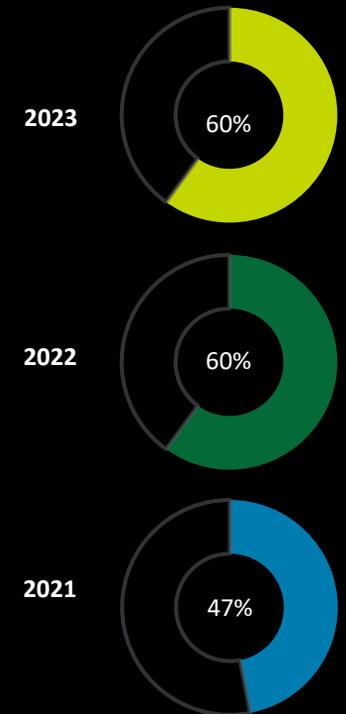
Note: Information above includes only selected countries. Percentages above refer to participants who selected “agree” or “strongly agree”.

*Top 10 countries by the number of responses

Overall results



Response Trend



Agree/strongly agree responses have remained the same compared to 2022.

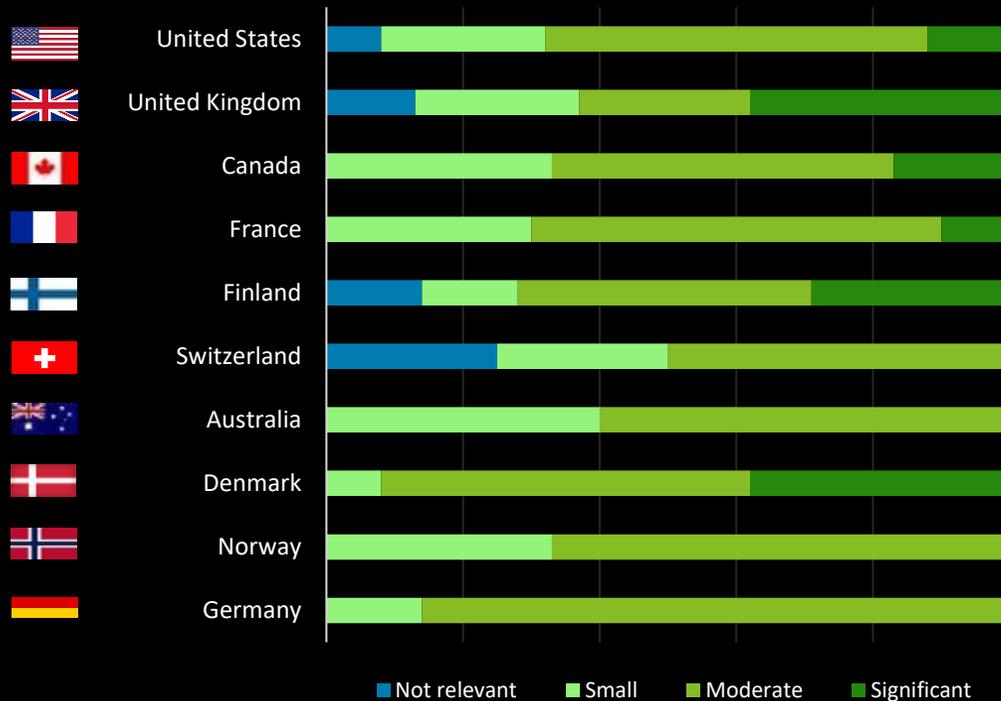
Concern levels regarding the lack of guidance about the principal purpose test (PPT) from tax authorities remains high which might be explained by the limited development on this topic in 2023 and it will also take some time before case law can provide additional guidance. Among the industry sectors, respondents from the Energy & Resources sector are the most concerned (76%), while those from the Life Science sector experienced a sharp fall in concern levels (from 100% to 44%) compared to last year.

Question 8

78% expect the impact on their group, of permanent establishment issues related to the increasing trend towards remote working to be small or moderate.

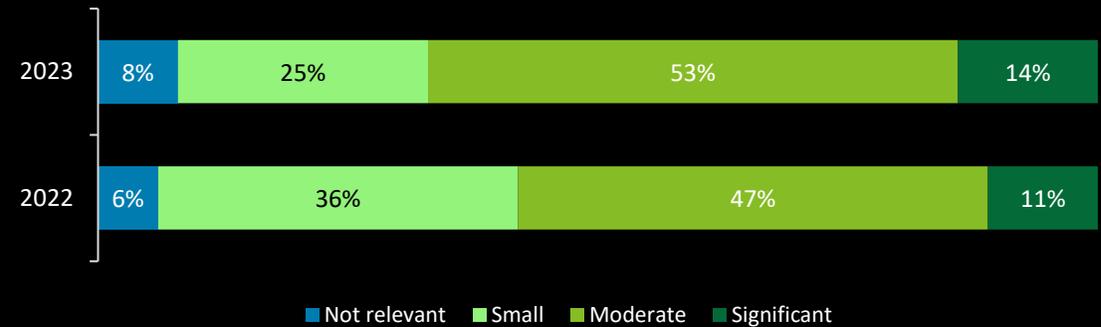
Country-specific results

Do you expect the impact on your group, of permanent establishment issues related to the increasing trend towards remote working to be small, moderate, significant or not relevant?

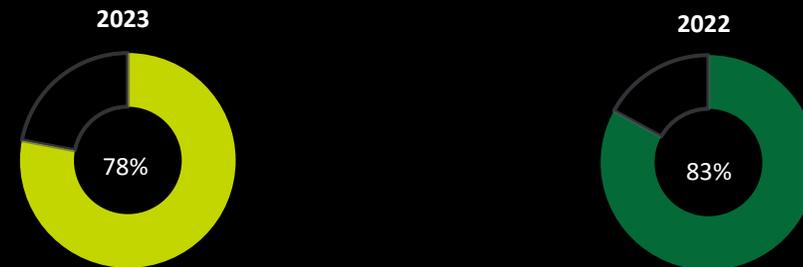


*Top 10 countries by the number of responses

Overall results



Small and Moderate results



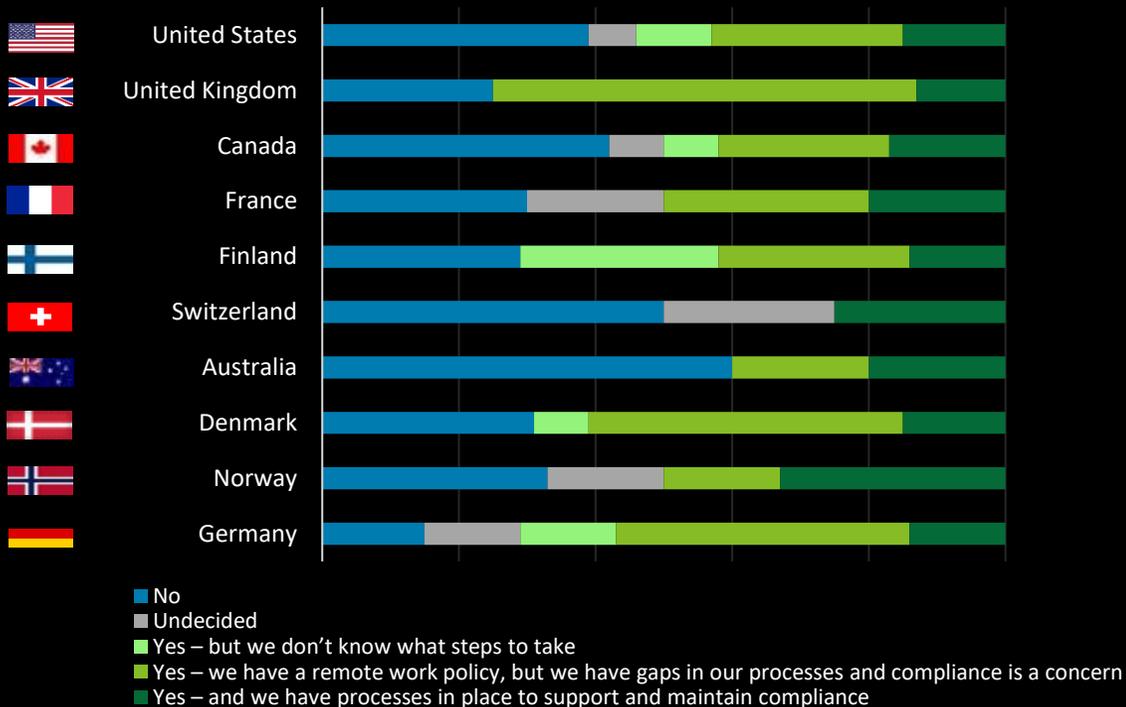
Compared to last year, while most respondents still expect permanent establishment issues related to remote working to be small to moderate, there is a slight increase in those who expect it to be significant (from 11% to 14%). This is particularly evident among the respondents from Denmark and UK (both 38%). Respondents from Healthcare (27%) and Financial Services (26%) expect to experience a significant impact compared to respondents from other industries.

Question 9 (new for 2023)

54% of respondent groups are planning to change their policies or already have processes in place to accommodate international remote work.

Country-specific results

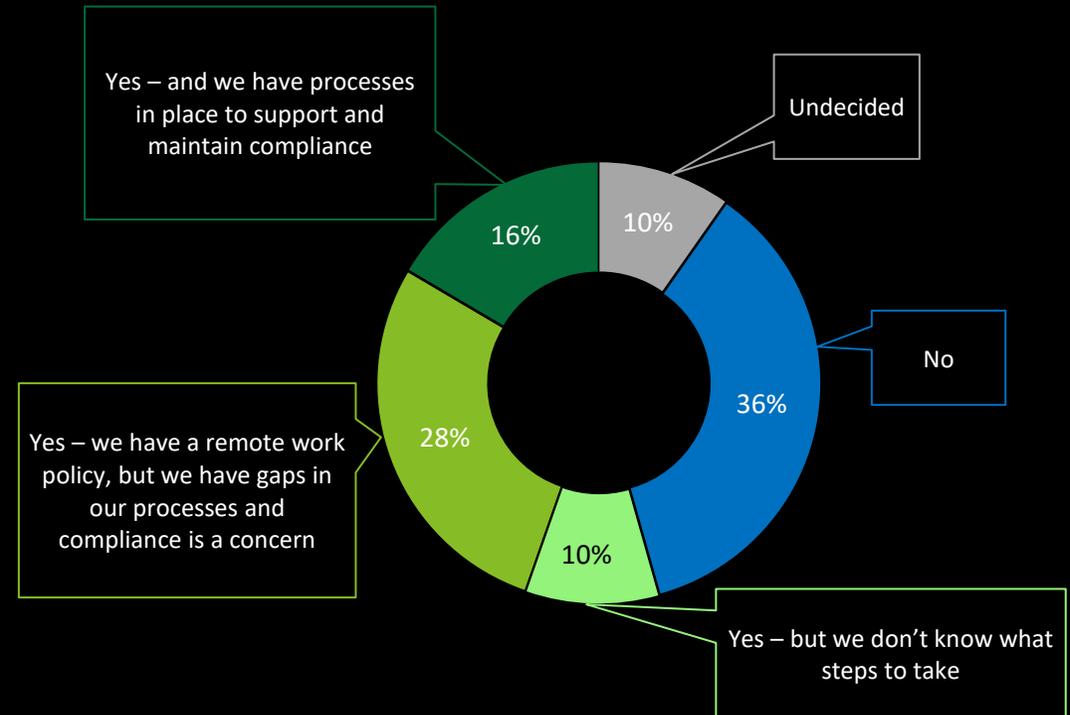
Is your group planning on changing its policies to accommodate international remote work?



*Top 10 countries by the number of responses

Respondents from the UK (75%), Germany, and Finland (both at 71%) lead the way in accommodating policies for international remote work. The Healthcare sector has the highest number (91%) of respondents who intend to change their policies to accommodate international remote work, unlike the Manufacturing (44%) and Energy & Resources (47%) sectors, where the respondents seem to be the least interested. It appears that the European respondents lead the way in terms of allowing international remote working. The majority understand the issues and complexities involved.

Overall results

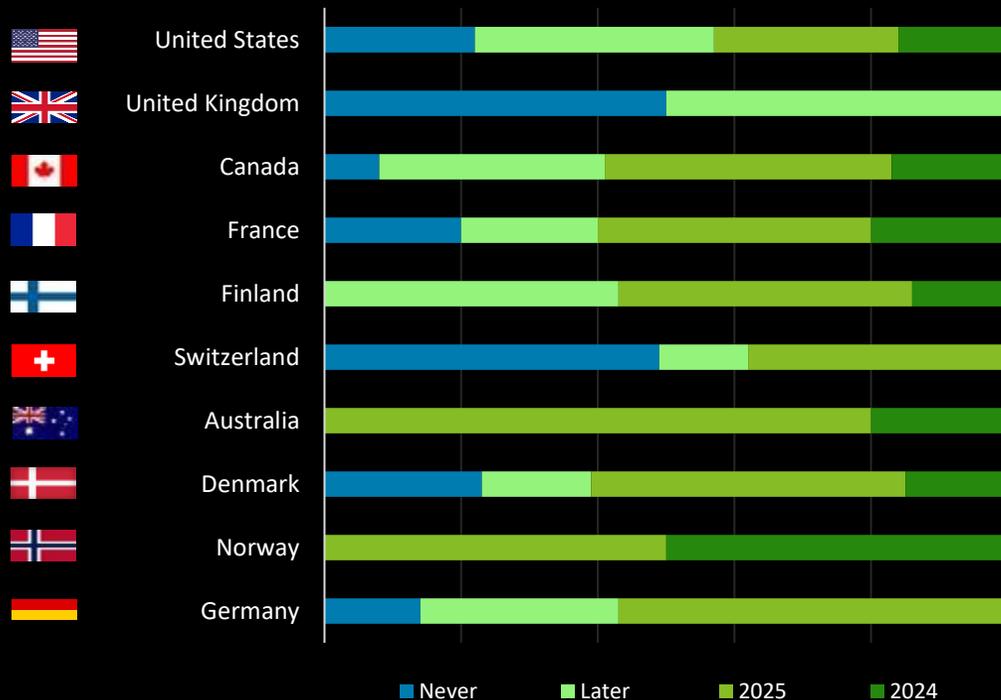


Question 10 (modified in 2023)

51% expect that a critical mass of countries will implement Pillar One by 2025 or earlier.

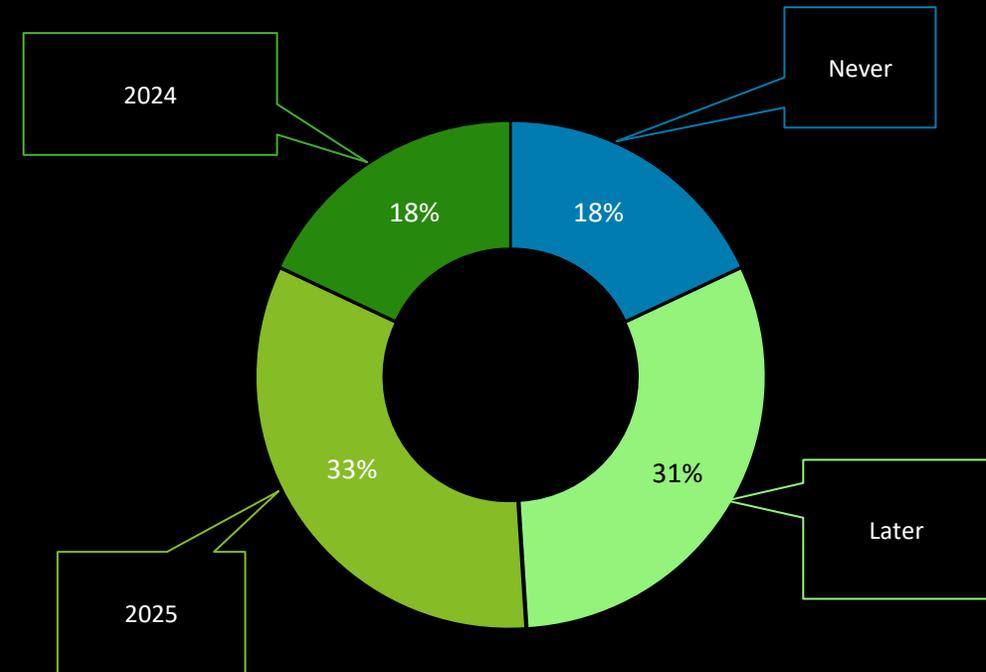
Country-specific results

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



*Top 10 countries by the number of responses

Overall results



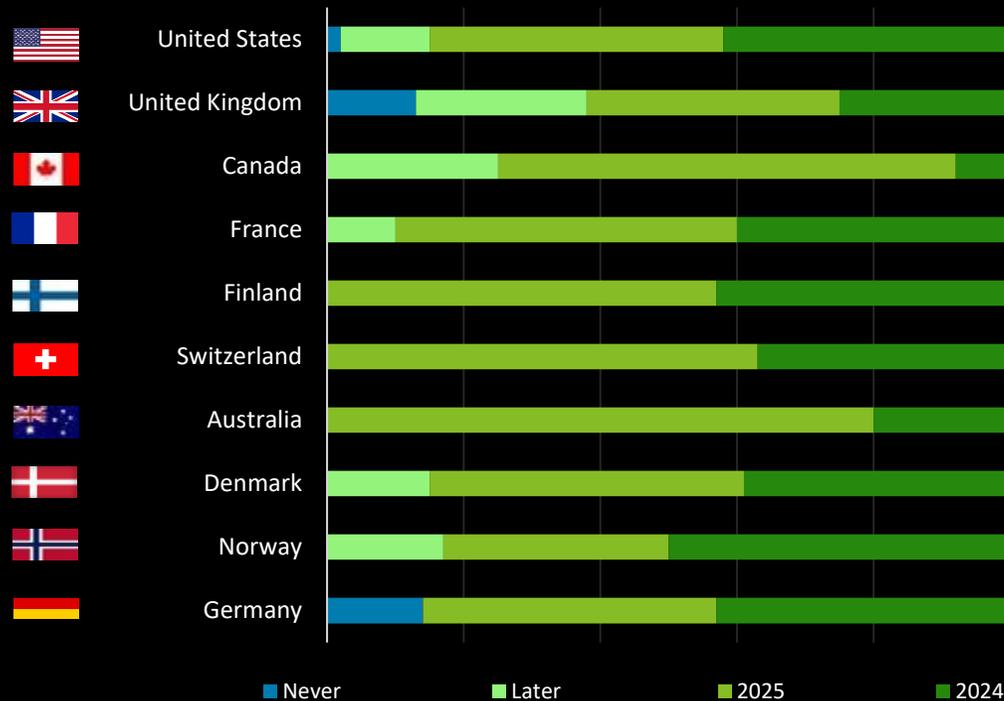
Among industries, respondents from Life Science are the most positive, with 67% expecting implementation by 2025 or earlier, followed by those in Energy & Resources at 65%. Respondents from Financial Services are the least positive, with only 42% expecting implementation by at least 2025.

Question 11 (new in 2023)

85% expect that a critical mass of countries will implement an Income Inclusion Rule under Pillar Two by 2025 or earlier.

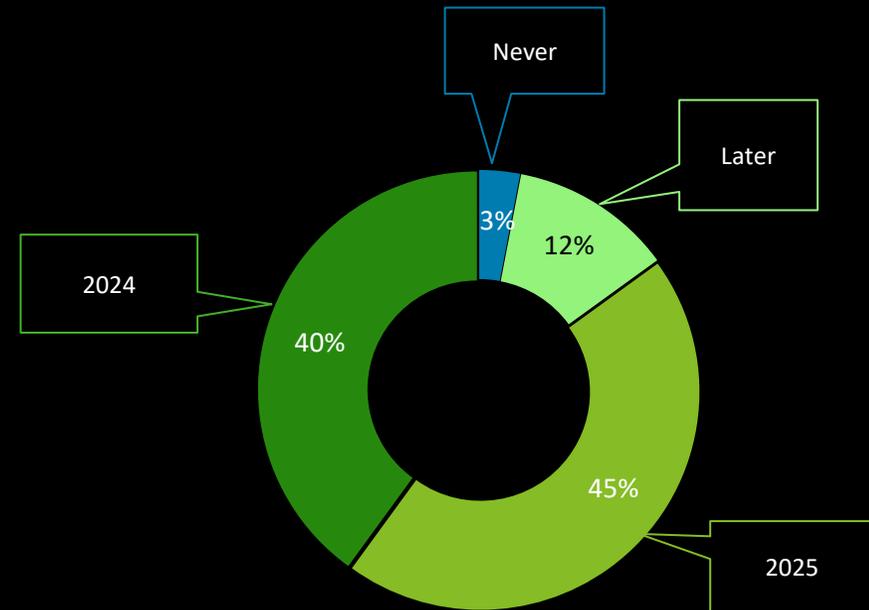
Country-specific results

I expect that a critical mass of countries will implement an Income Inclusion Rule under Pillar Two by:



*Top 10 countries by the number of responses

Overall results



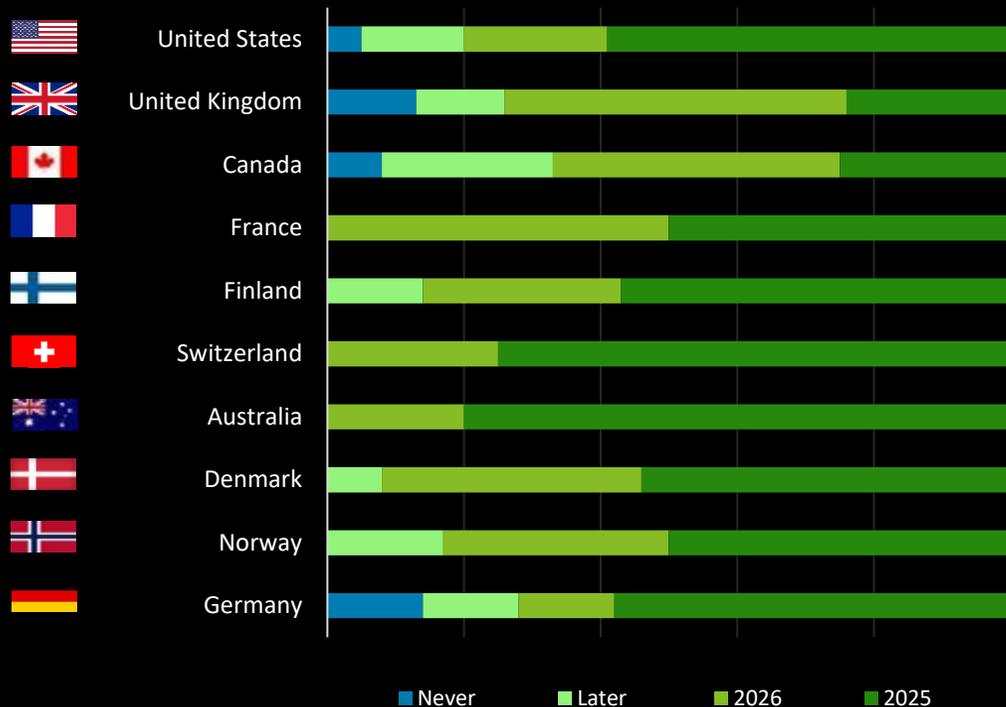
The high level of confidence regarding the timing of the implementation of Pillar Two is not surprising, given the progress governments have made in introducing legislation.

Question 12 (new in 2023)

81% expect that a critical mass of countries will implement an Undertaxed Profits Rule under Pillar Two by 2026 or earlier.

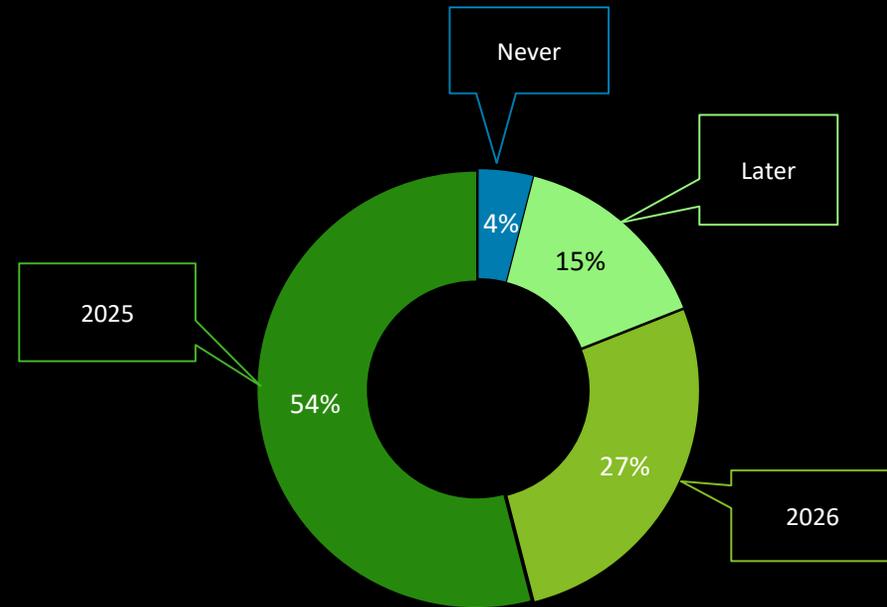
Country-specific results

I expect that a critical mass of countries will implement the Undertaxed Profits Rule of Pillar Two by:



*Top 10 countries by the number of responses

Overall results



The high level of confidence regarding the timing of the implementation of the Undertaxed Profits Rule (UTPR) is not surprising.

Question 13

34% 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

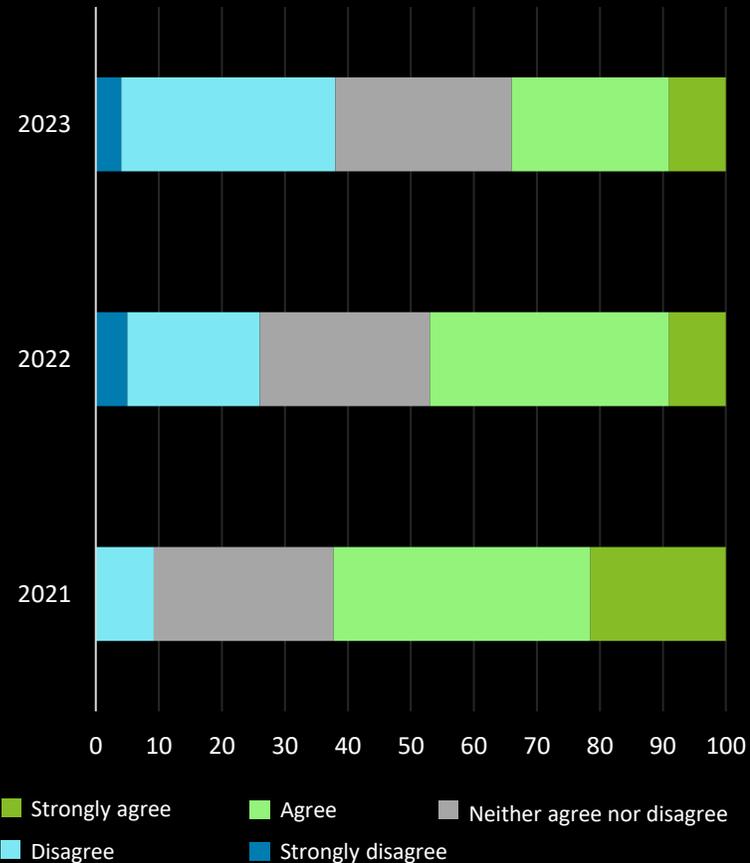
I expect that Pillar One/Pillar Two will result in a significant increase in my group’s global effective tax rate.

 Switzerland 50%	 Australia 20%
 USA 39%	 Germany 14%
 Canada 33%	 UK 13%
 France 30%	 Finland 0%
 Denmark 23%	 Norway 0%

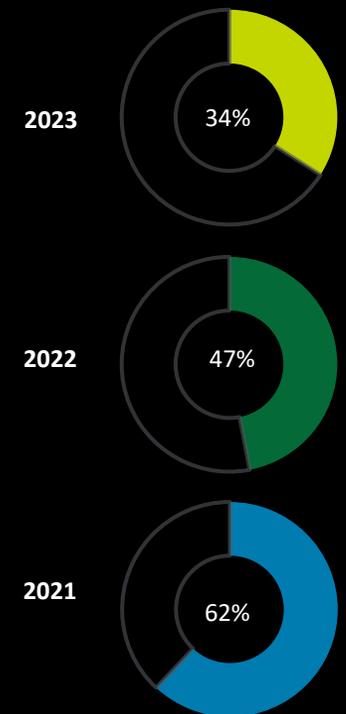
Note: Information above includes only selected countries. Percentages above refer to participants who selected “agree” or “strongly agree”.

*Top 10 countries by the number of responses

Overall results



Response Trend



Agree/strongly agree responses have decreased by 13% compared to 2022.

The number of respondents who expect Pillar One/Two to result in a significant increase in their group’s effective tax rate (ETR) has drastically fallen in the past two years. Although respondents from Switzerland, like last year, are the most concerned about the ETR increase, there has been a sharp decline from 78% to 50% in 2023, and this has been reflected across almost all respondent countries. B2C respondent groups (48%) are more concerned compared to B2B (31%). The level of concern about the increased ETR appears highest among the respondents from Energy & Resources (53%), while those from Healthcare (9%) expect it the least.

Question 14

51% 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

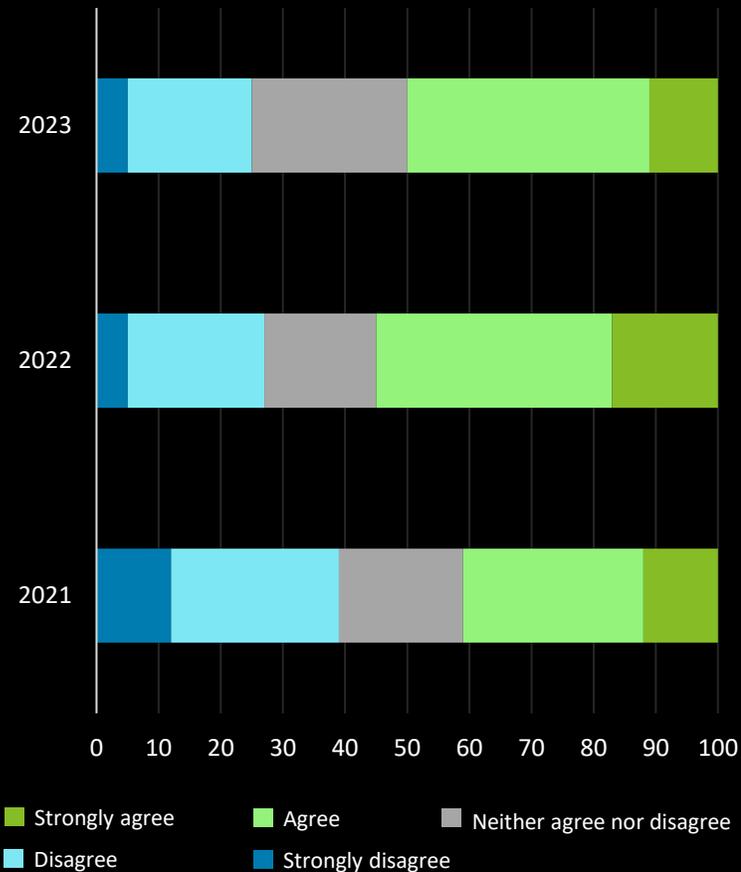
My group has been actively engaged in the OECDs Pillar One/Pillar Two project consultation either directly or through other channels.

 Switzerland 75%	 France 50%
 Germany 71%	 Norway 50%
 Finland 57%	 UK 50%
 Denmark 54%	 USA 49%
 Canada 50%	 Australia 40%

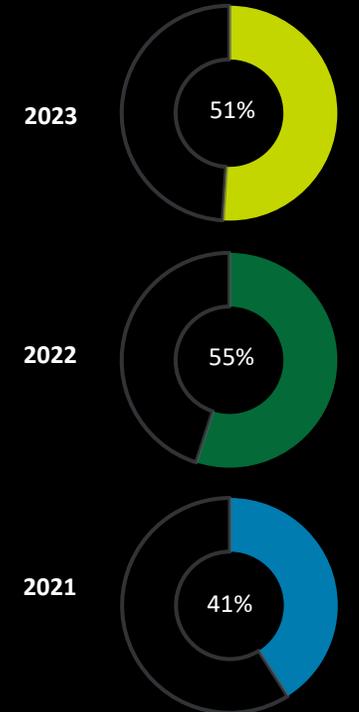
Note: Information above includes only selected countries. Percentages above refer to participants who selected “agree” or “strongly agree”.

*Top 10 countries by the number of responses

Overall results



Response Trend



Agree/strongly agree responses have decreased by 4% compared to 2022

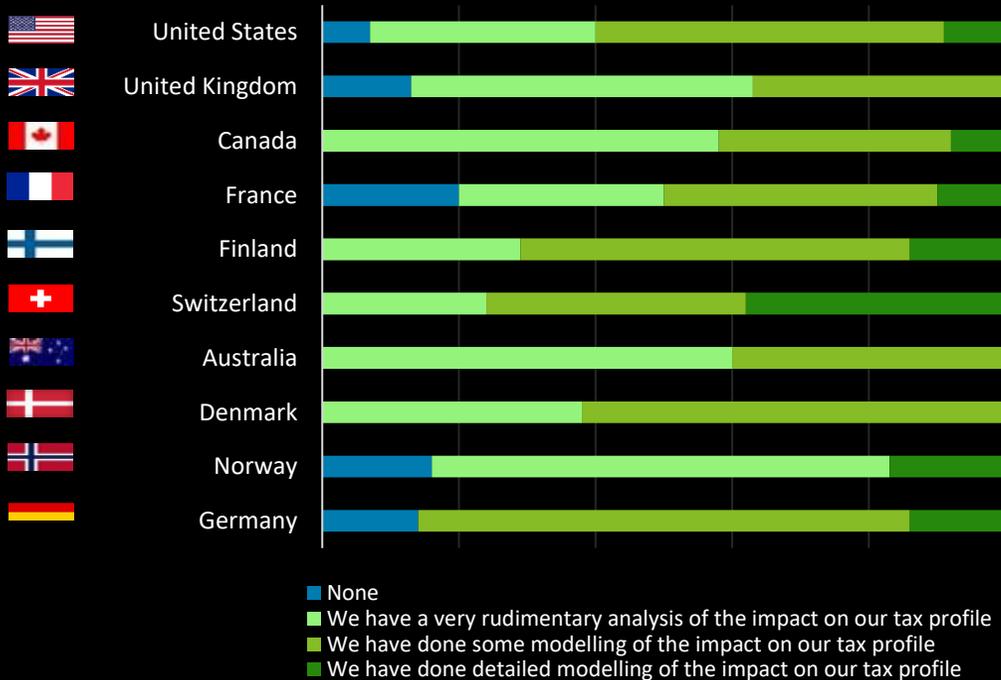
Germany has seen the highest year-over-year increase in respondent groups actively engaged in Pillar One/Pillar Two consultation, rising from 33% to 71%. In contrast, the UK has experienced the sharpest fall, with the number of actively engaged respondent groups dropping from 92% to 50%. Among industries, the Life Science sector (67%) and Energy & Resources sector (65%) have the highest number of respondent groups actively engaged in the consultation.

Question 15

56% have done at least some kind of modelling of the impact of Pillar Two on their tax profiles.

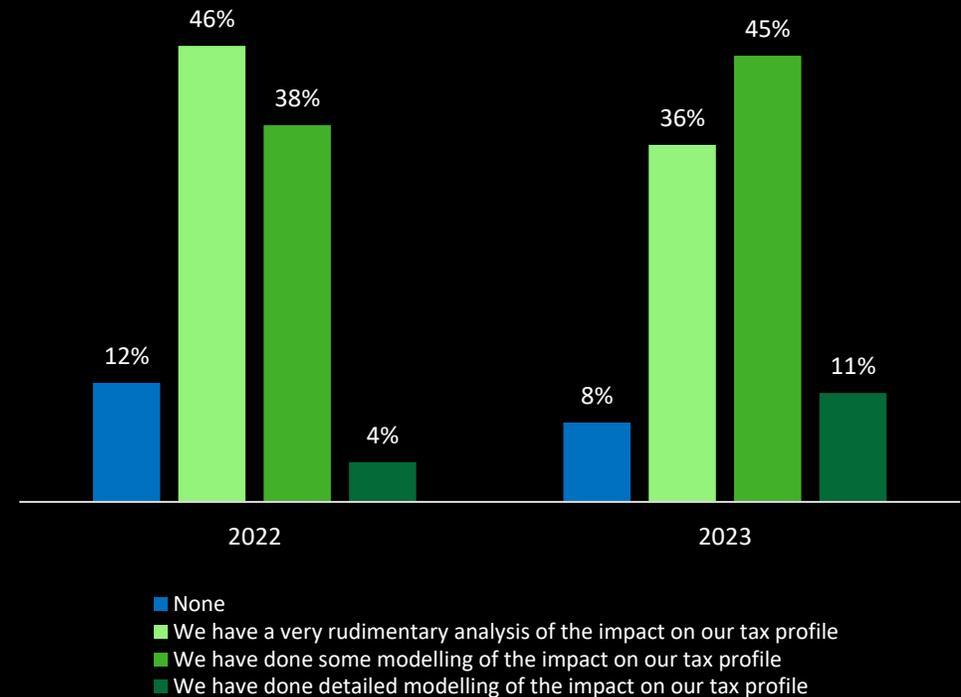
Country-specific results

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



*Top 10 countries by the number of responses

Overall results



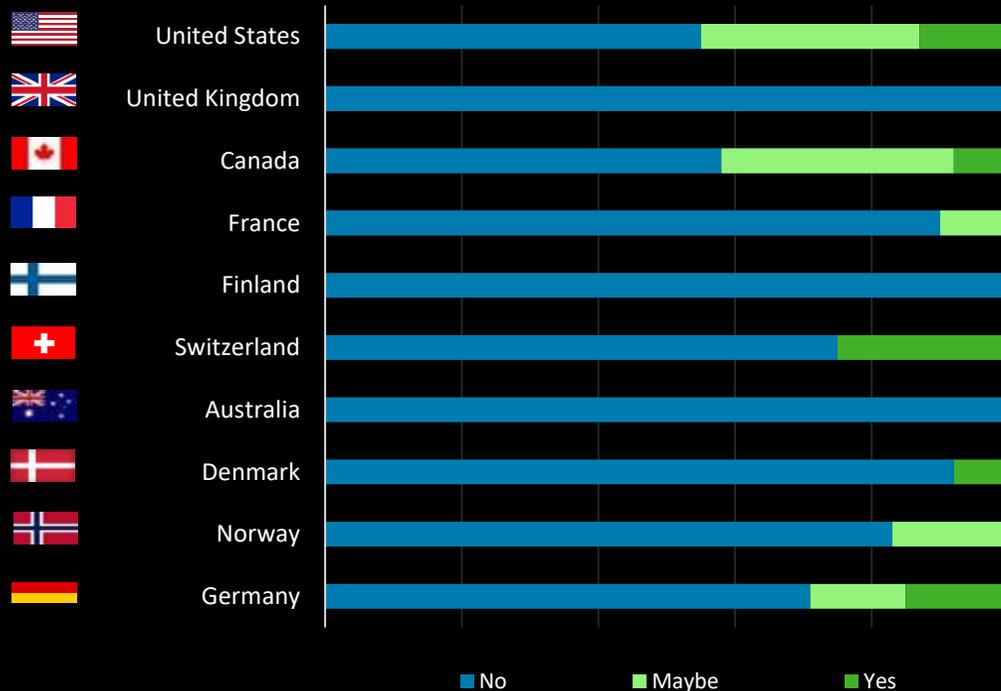
In 2023, more groups have done work to prepare for the implementation of Pillar Two, with a 7% increase in detailed modeling and a 7% increase in some form of modeling of its impact. Switzerland leads other countries with 38% of respondents with detailed modeling. Among industries, the Life Science sector is performing significantly better than all other respondent sectors, with 33% of respondents having done detailed modeling and 44% some form of modeling of the Pillar Two impact.

Question 16

67% of respondent groups do not expect that the implementation of Pillar Two will cause them to make significant changes to their corporate structure.

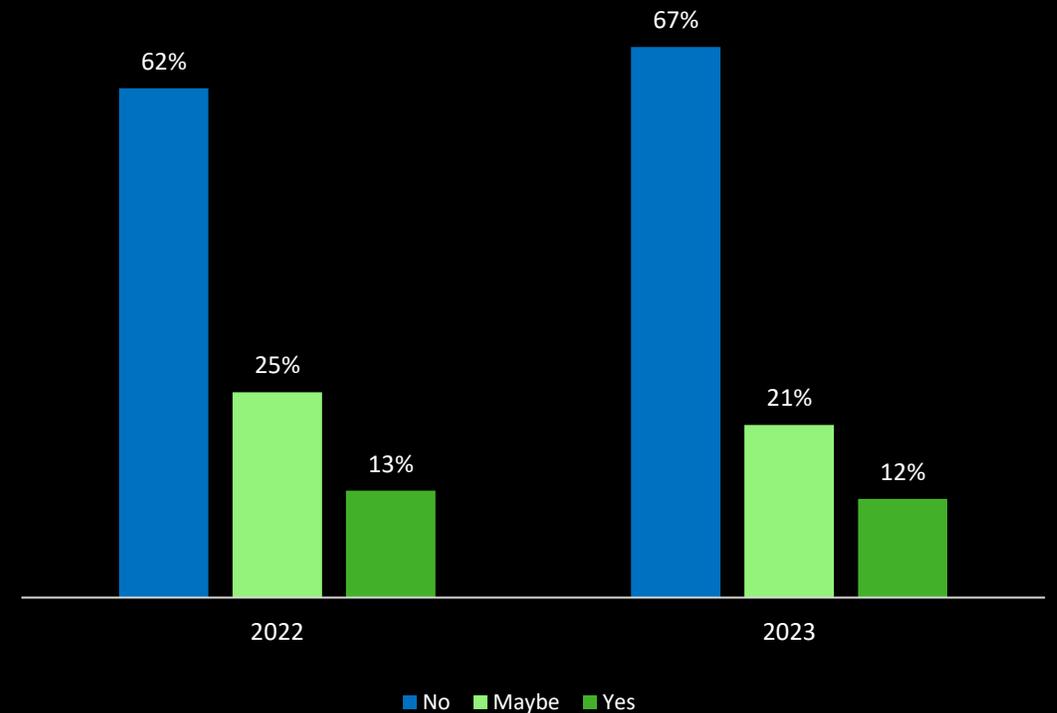
Country-specific results

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



*Top 10 countries by the number of responses

Overall results



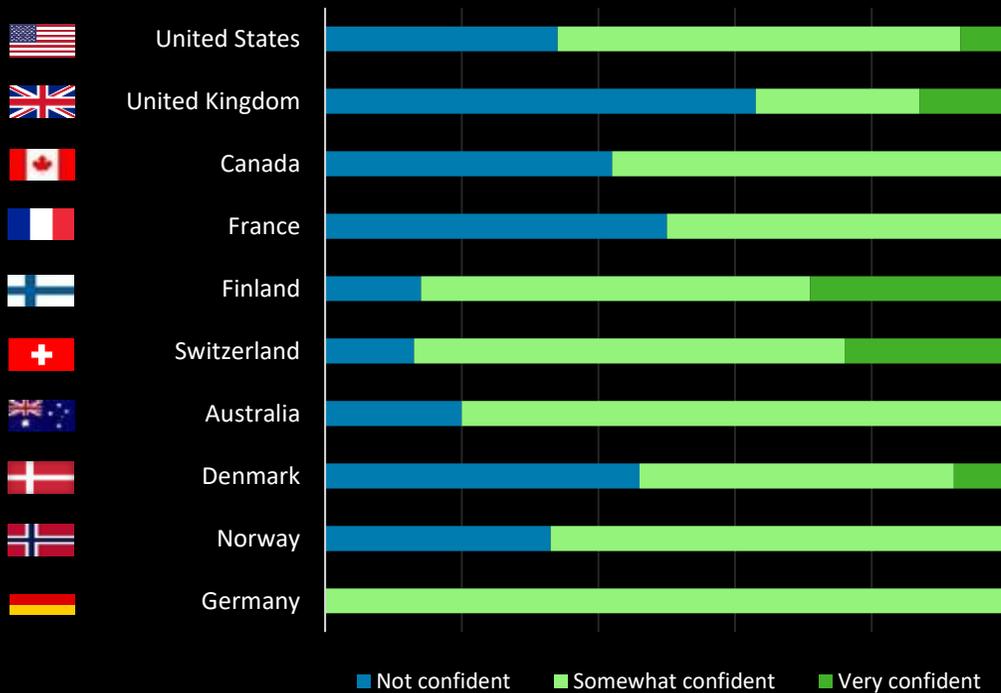
Respondents still do not expect significant changes to their groups' corporate structures after the implementation of Pillar Two, especially in Australia, Finland, and the UK, where all respondents (100%) do not anticipate any significant changes. The respondents from the Retail (92%) and Healthcare (92%) sectors are the most convinced that there will be no significant changes.

Question 17

62% are somewhat confident that they will have readily available tax and accounting data necessary to comply with Pillar Two.

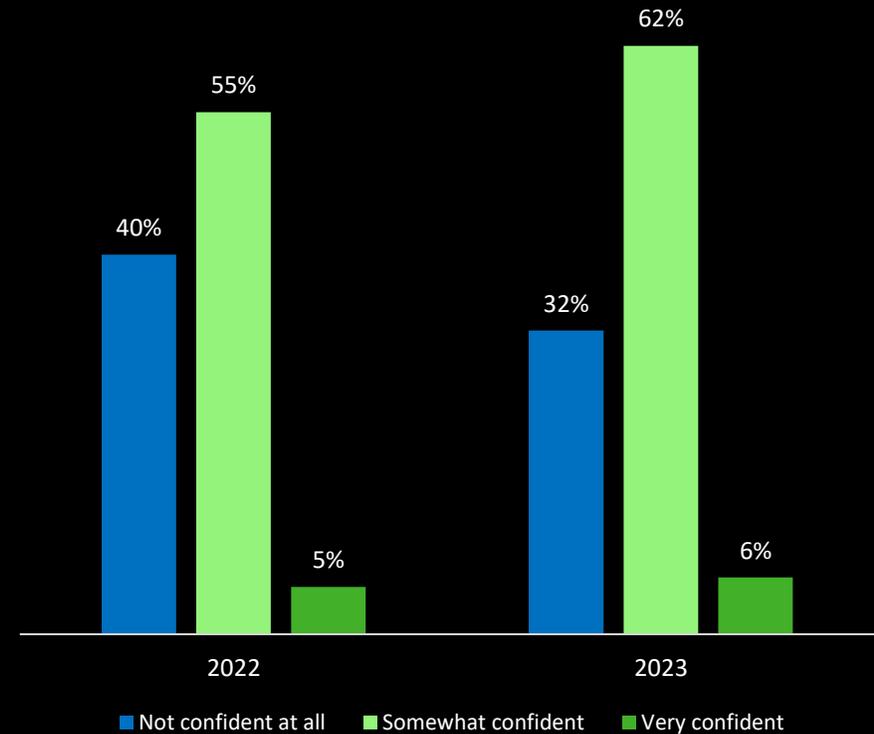
Country-specific results

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



*Top 10 countries by the number of responses

Overall results



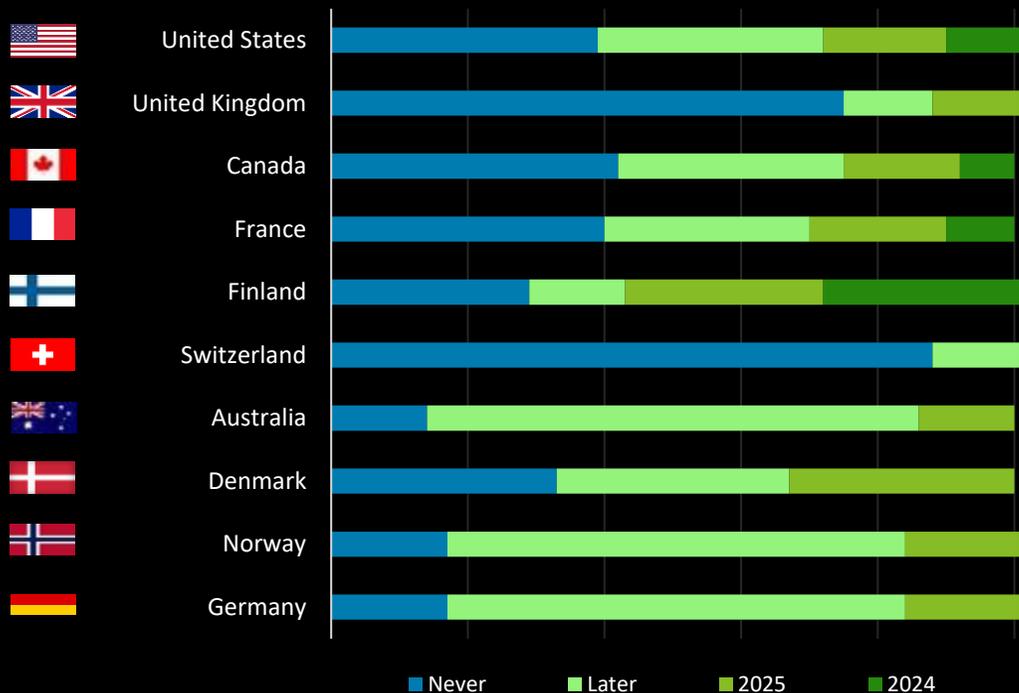
More groups than in 2022 are now confident in their preparedness for Pillar Two compliance – this is probably as a result of more groups embarking on preparatory activity. The UK respondents have the least confidence in having all the necessary data, while 100% of respondents from Germany are somewhat confident. Industry-wise, respondents from the Financial Services (47%) and Retail (46%) sector are the least confident about their preparedness.

Question 18 (modified in 2023)

69% do not believe that the US Senate will pass a treaty to implement Pillar One by 2025.

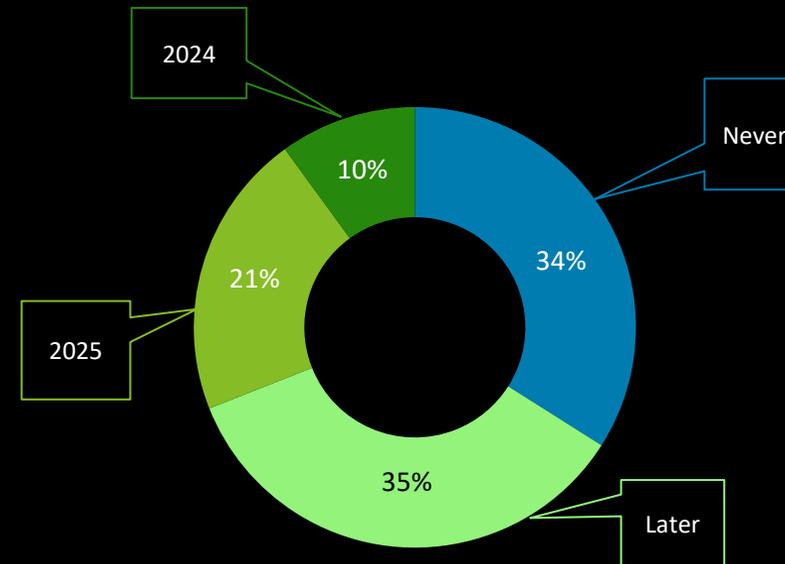
Country-specific results

I expect the US Senate will pass a treaty to implement Pillar One in:



*Top 10 countries by the number of responses

Overall results



Respondents, including those from the US, are considerably less confident about the US Senate's ability to pass a treaty to implement Pillar One soon. Indeed, 34% believe that it will never be passed, which is an increase from last year's 20%.

Question 19 (new for 2023)

Only 13% do expect legislative measures in the US Inflation Reduction Act to result in a significant increase in their group's US corporate income tax liability.

Country-specific agree/strongly agree results

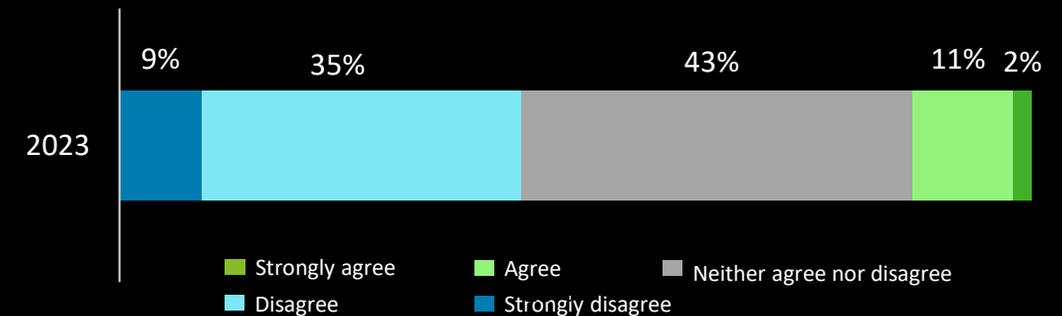
I expect that the legislative measures in the US Inflation Reduction Act will result in a significant increase in my group's US corporate income tax liability.

 Canada 17%	 France 10%
 Norway 17%	 Australia 0%
 Denmark 15%	 Finland 0%
 Germany 14%	 Switzerland 0%
 USA 13%	 UK 0%

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

*Top 10 countries by the number of responses

Overall results



Canada and Norway had the highest number of respondents (both at 17%) who agreed that the US Inflation Reduction Act (IRA) would significantly increase their US corporate income tax liability. However, respondents from most of the surveyed countries do not expect such an increase – this might be due to those groups having no US presence. Among the industry sectors, the Telecom/Media/Tech sector had the highest percentage of respondents (18%) who expect that the IRA would significantly increase their US corporate income tax liability.

Question 20 (modified for 2023)

Only 13% anticipate that structural/operations changes are likely to be implemented as a result of US Inflation Reduction Act.

Country-specific agree/strongly agree results

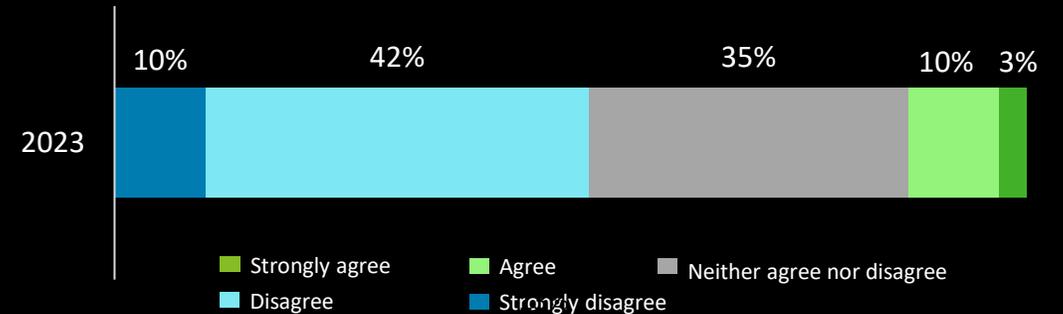
My group anticipates structural and/or operational changes are likely to be implemented as a result of the US Inflation Reduction Act.

 Norway 33%	 Australia 0%
 Denmark 23%	 Finland 0%
 France 20%	 Germany 0%
 Canada 17%	 Switzerland 0%
 USA 14%	 UK 0%

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

*Top 10 countries by the number of responses

Overall results



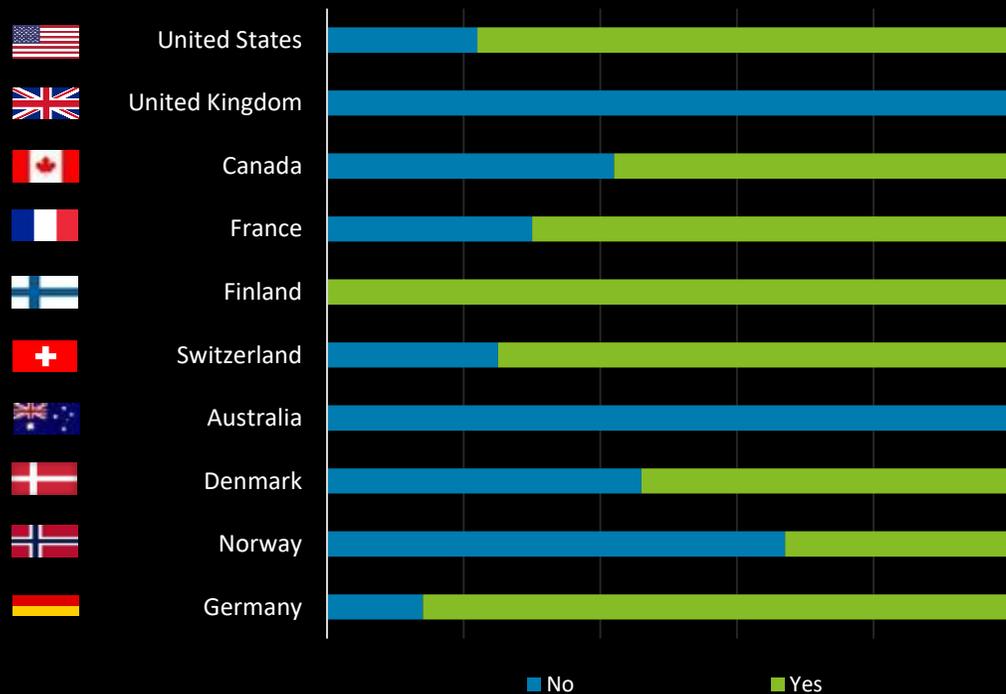
Norway has the highest number of respondents (33%) who expect structural and operational changes that may result from the US Inflation Reduction Act, however, similar to the previous question, in most of surveyed countries respondents do not expect such changes. Among the industries, Energy & Resources and Telecom/Media/Tech had the highest percentage of respondents expecting such changes, with 24% and 21%, respectively.

Question 21 (new for 2023)

65% of respondent groups reported arrangements under EU Mandatory Disclosure Regime to one or more tax authority in the EU since the Directive came into force.

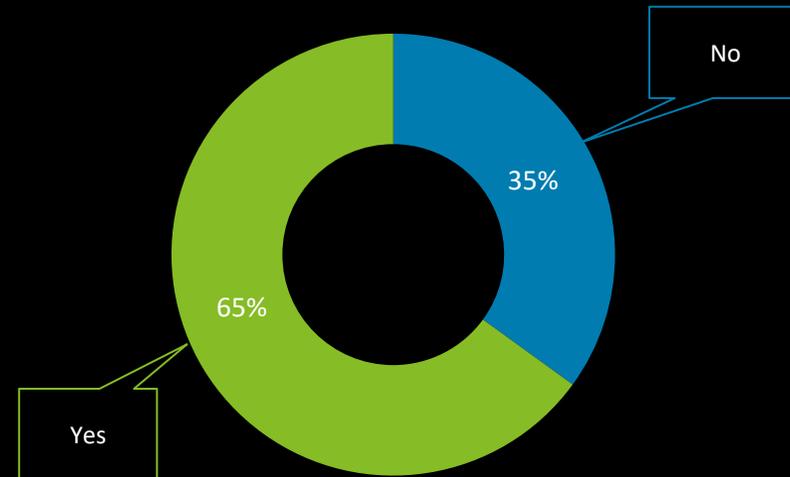
Country-specific results

My group reported arrangements under the EU Mandatory Disclosure Regime to one or more tax authority in the EU since the Directive came into force.



*Top 10 countries by the number of responses

Overall results



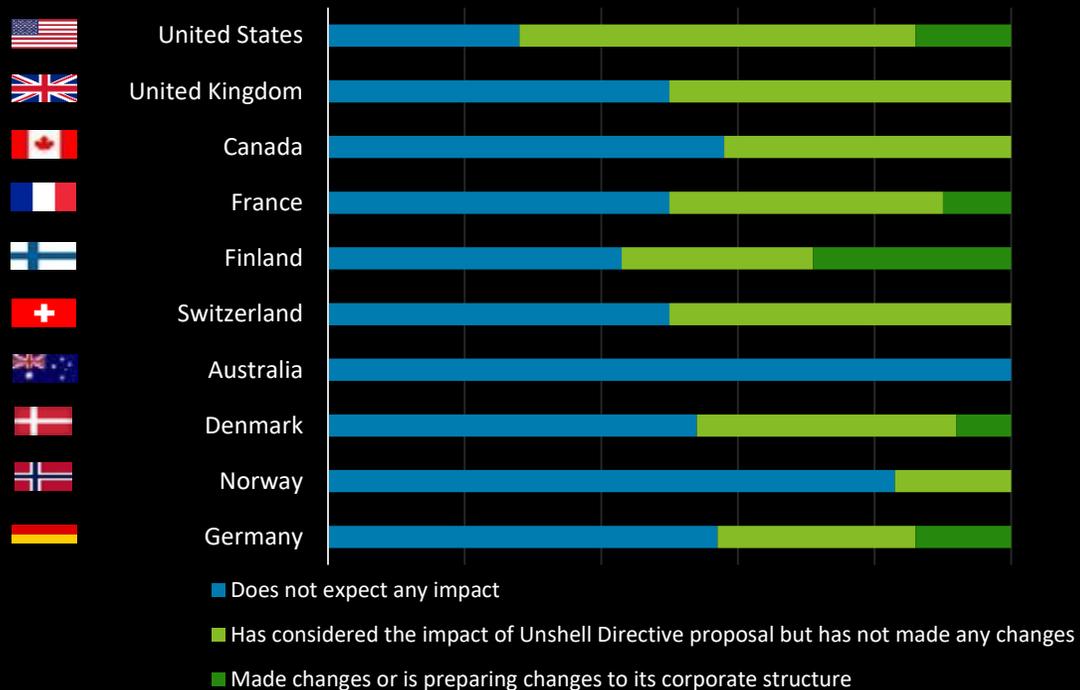
While 70% of B2B respondent groups reported arrangements under EU MDR (DAC6), only 50% of those from B2C reported them. Publicly listed respondent groups reported more (67%) than the ones that are not listed (56%). Additionally, all Life Science respondent groups (100%) reported arrangements to one or more tax authorities. As reportable transactions are very much group specific varying results are not surprising. The level of reporting is an interesting outcome given that some EU stakeholders reportedly believe that there is not enough reporting of transactions under DAC6. DAC6 is under review and assessment by the EU in 2023 and 2024 so it will be interesting to monitor the proportion of reporting going forward.

Question 22 (new for 2023)

47% of respondent groups considered the impact of the EU Unshell Directive proposal but have not made any changes yet.

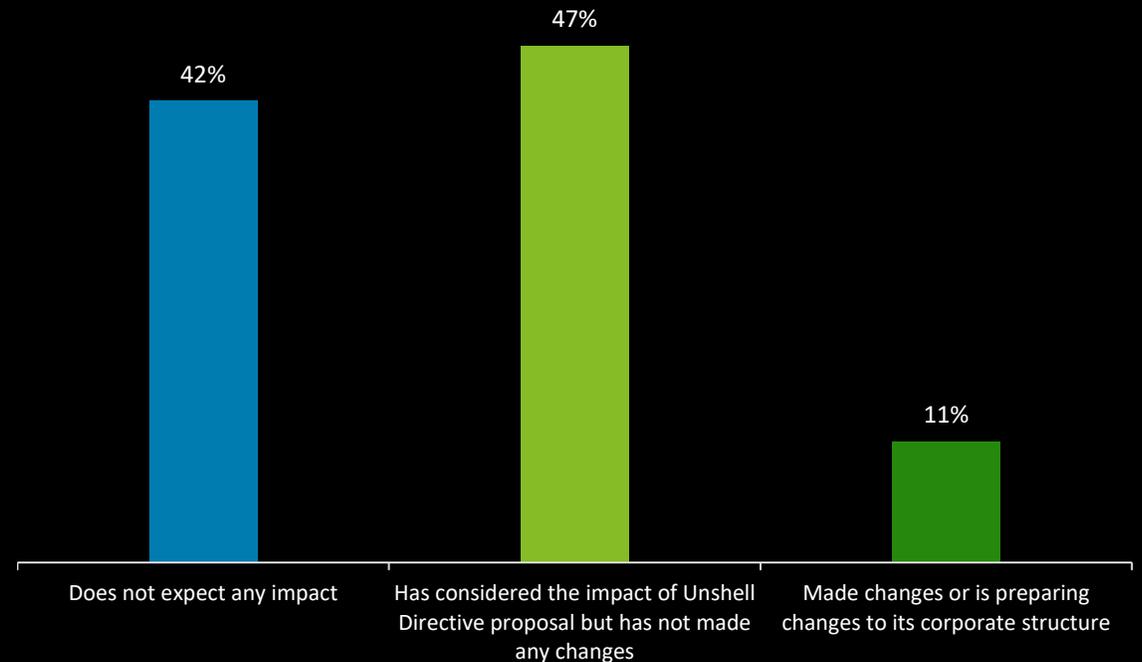
Country-specific results

As a result of the EU Unshell Directive proposal, my group: does not expect any impact; has considered impact but has not made changes; made changes or is preparing changes to its corporate structure.



*Top 10 countries by the number of responses

Overall results



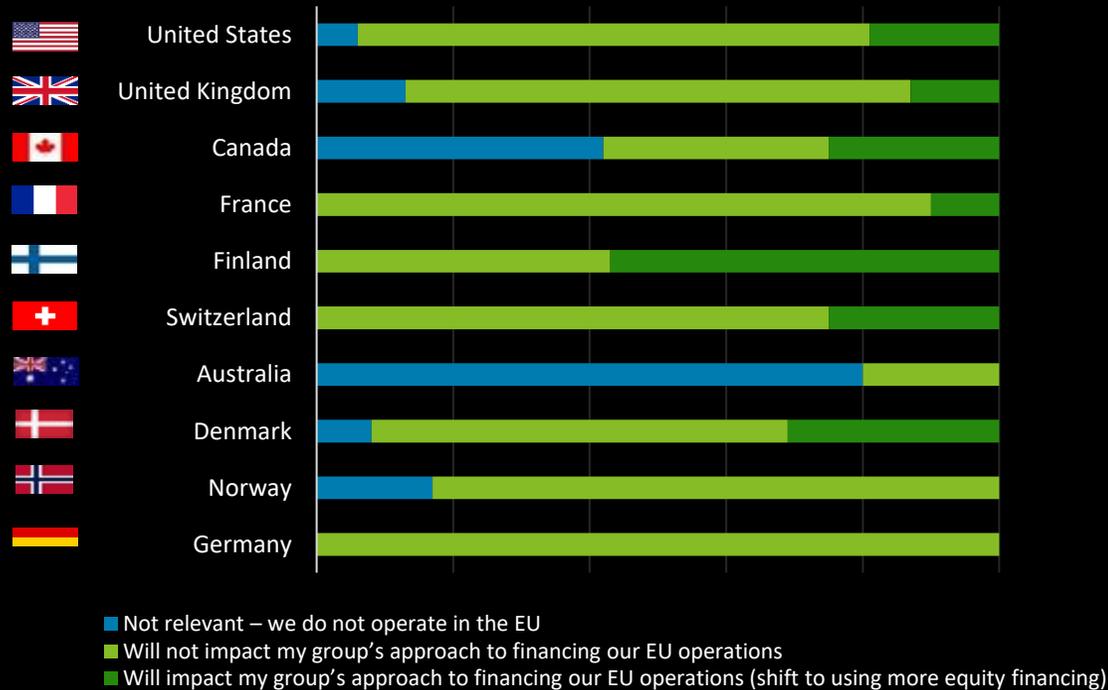
Only a small number of respondent groups made actual changes in anticipation of the EU Unshell Directive proposal, which is expected given the slow progress and uncertainty surrounding it. Respondent groups from Finland lead in terms of making or preparing changes to their corporate structures (29%). A notable 20% of respondent groups in the Manufacturing industry have made changes or are currently preparing for them.

Question 23 (new for 2023)

67% expect that the new EU Debt Equity Bias Reduction Allowance (DEBRA) proposal will not impact their group’s approach to financing EU operations.

Country-specific results

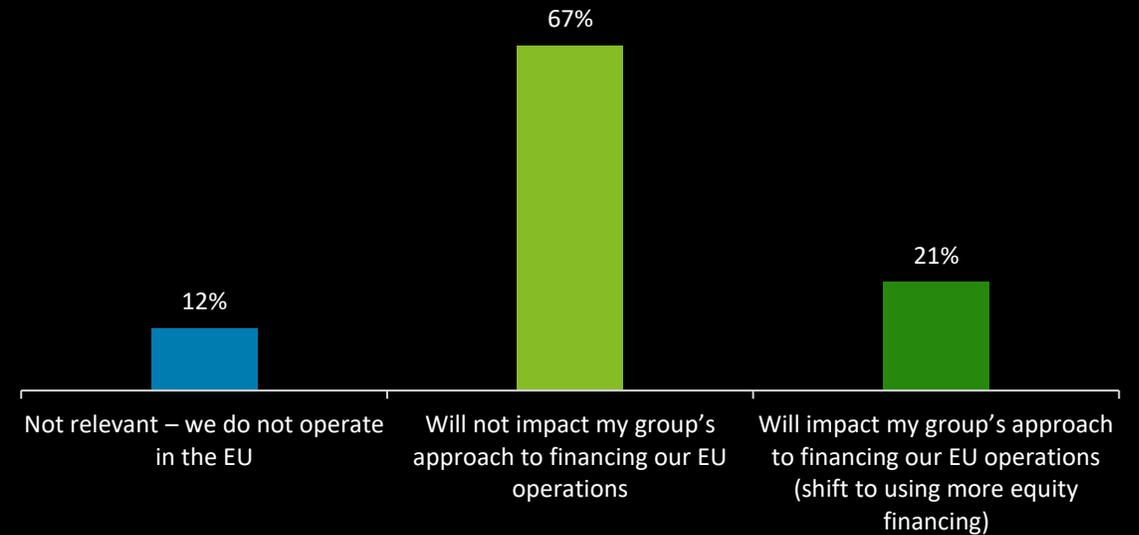
We expect that the new EU Debt Equity Bias Reduction Allowance (DEBRA) proposal will either: not be relevant, have no impact or impact groups approach to financing operations in EU



*Top 10 countries by the number of responses

Finland has the highest number of respondent groups (57%) expecting the DEBRA proposal to impact financing of their EU operations, while 100% of respondents from Germany are confident that the proposal will not have any impact. The survey was conducted before the European Commission decided to pause work on DEBRA until other corporate proposals have progressed. The outcome tends to confirm that the impact of DEBRA will be limited, either because there would be too many constraints and anti-abuse rules alongside DEBRA, or due to the new interest limitation rules.

Overall results

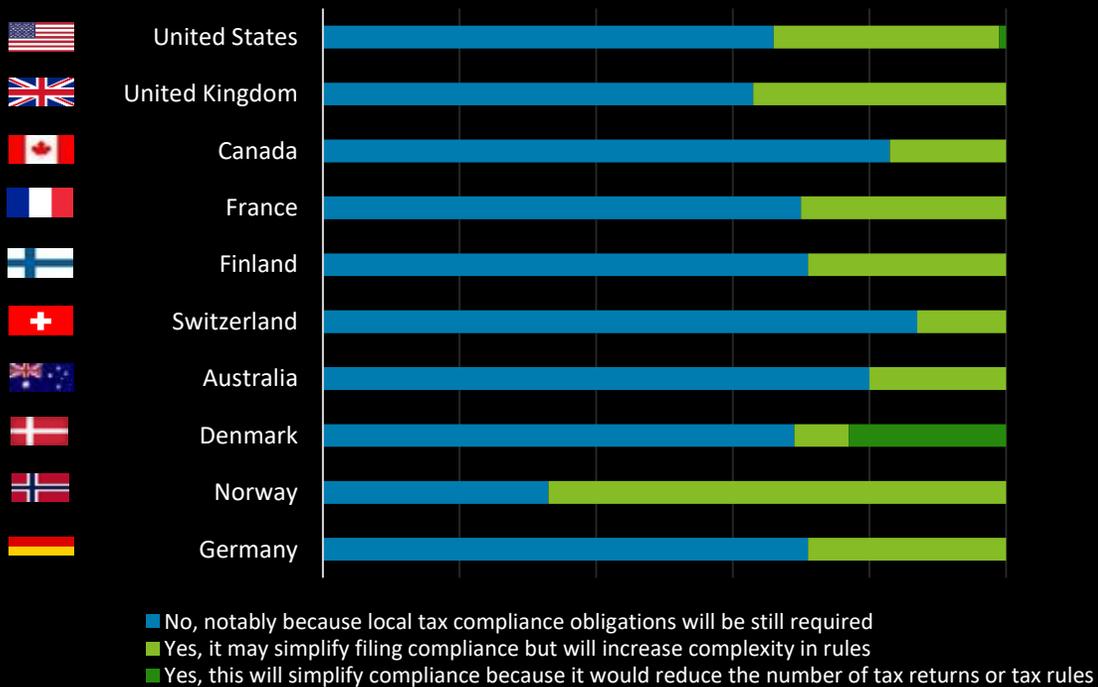


Question 24 (new for 2023)

65% does not expect that the proposed EU single corporate tax rulebook (BEFIT) will simplify corporate tax compliance for their group in the EU.

Country-specific results

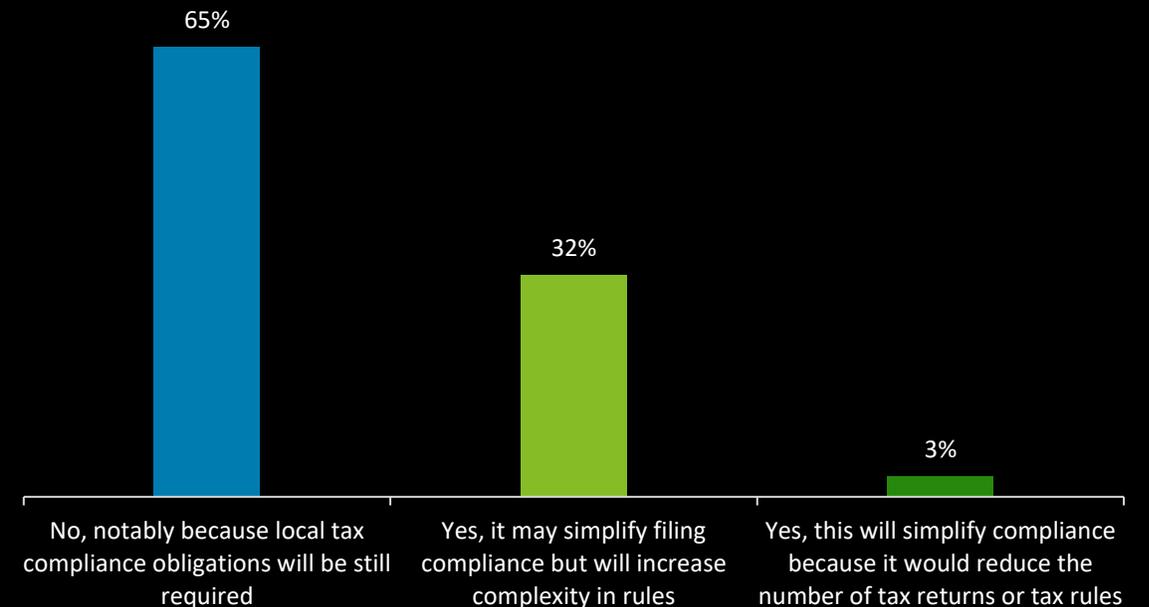
My group expects that the proposed EU single corporate tax rulebook (BEFIT) will simplify corporate tax compliance for my group in the EU.



*Top 10 countries by the number of responses

Respondents from Switzerland are the least optimistic, with 87% not expecting BEFIT to simplify tax compliance for their groups. This sentiment is echoed among respondents from the Life Science sector (89%). Respondents from Denmark appear to be most optimistic with 23% expecting BEFIT to simplify compliance by reducing the number of tax returns or tax rules. The result demonstrates the challenges faced by the EU tax system to be simpler. The aim of simplifying the corporate tax compliance in the EU is widely welcomed, but the results suggest BEFIT risks falling short of its goals due to the potential complexity of the calculation of the common EU taxable basis and the formula apportionment rules to allocate tax to the various EU Member States. Experience with Pillar Two may change perceptions over time.

Overall results

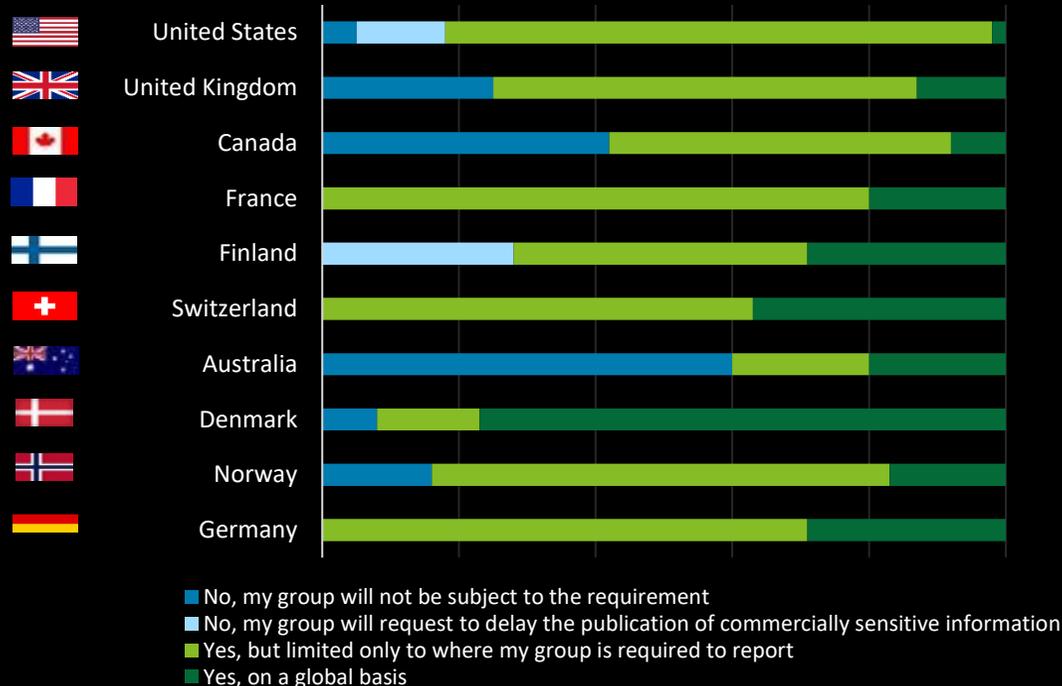


Question 25 (new for 2023)

65% of respondent groups expect to report in line with the EU public country-by-country reporting Directive within the next three years, but limited to where they are required to report.

Country-specific results

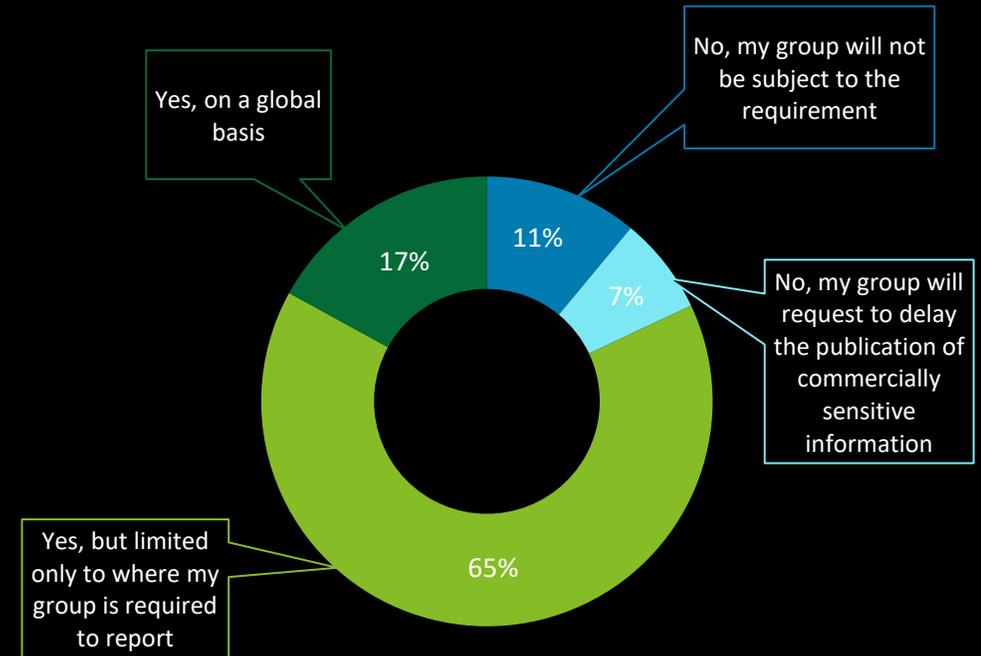
Does your group expect to report in line with the EU public country-by-country reporting Directive within the next 3 years?



*Top 10 countries by the number of responses

In Denmark, 77% of respondent groups expect to report under the EU public country by country reporting (EU PCBCR) on a global basis compared to 60% of respondents from Australia who believe they won't be subject to the requirement (it is worth noting that the survey was conducted before the release of the recent PCBCR proposal in Australia, that is more extensive than the EU version). Within industries, 36% of respondents from the Healthcare sector consider they would need to report on a global basis. Reporting groups should consider developing a transparency statement that provides context to the EU PCBCR data.

Overall results

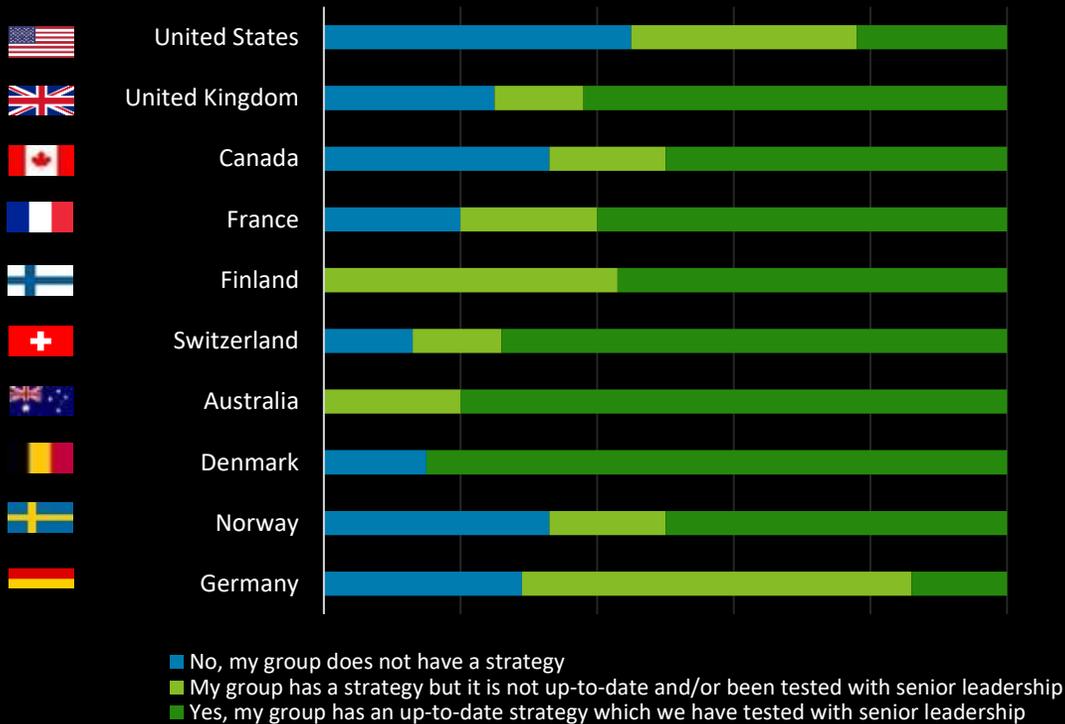


Question 26

40% have an up-to-date tax transparency strategy for their groups, which has been tested with the senior leadership.

Country-specific results

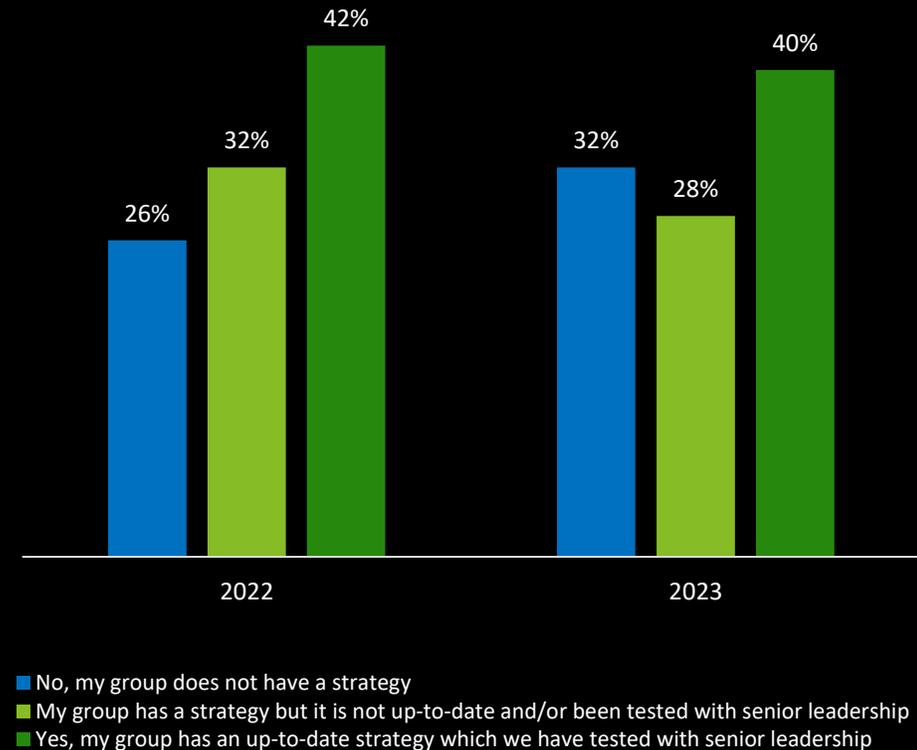
Have you set a strategy for tax transparency for your group?



*Top 10 countries by the number of responses

Compared to 2022, groups are experiencing a marginal decline in having a tax transparency strategy. Denmark leads those having an up-to-date tax transparency strategy (85%). On the other hand, 45% of groups in the US still does not have a tax transparency strategy. More respondents from the B2B sector (42%) have a tax transparency strategy for their groups (up-to-date/tested with senior leadership) compared to those from B2C (35%). Among the industry sectors, respondent groups from the Energy & Resources (59%) and Financial Services (58%) sectors are most likely to have such a tax transparency strategy.

Overall results

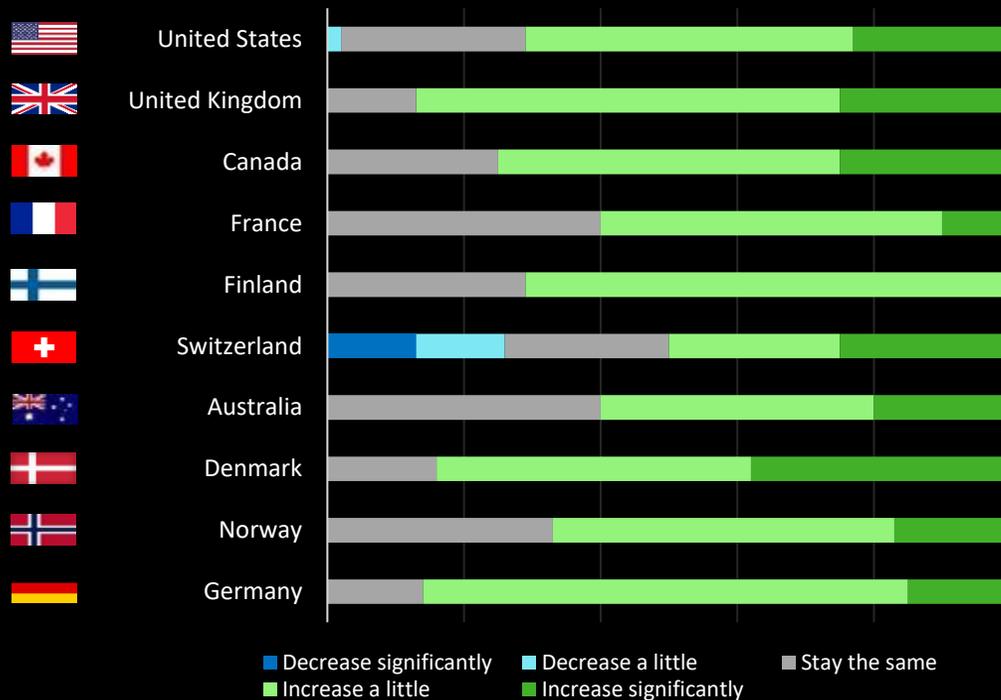


Question 27 (modified in 2023)

75% expect stakeholder interest in tax behavior and outcomes of large corporates to increase over the next 3 years.

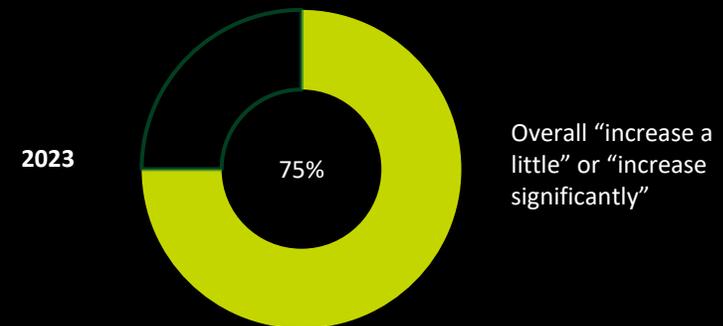
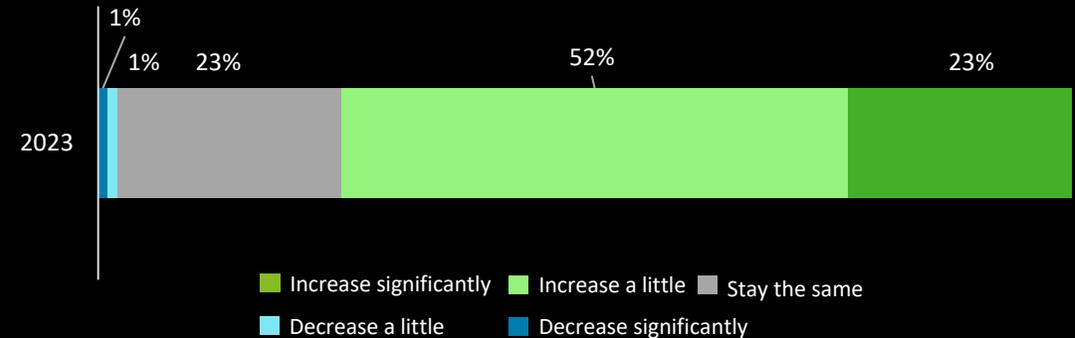
Country-specific results

How do you expect stakeholder interest in the tax behaviors and outcomes (i.e. payments) of large corporates to change over the next 3 years?



*Top 10 countries by the number of responses

Overall results



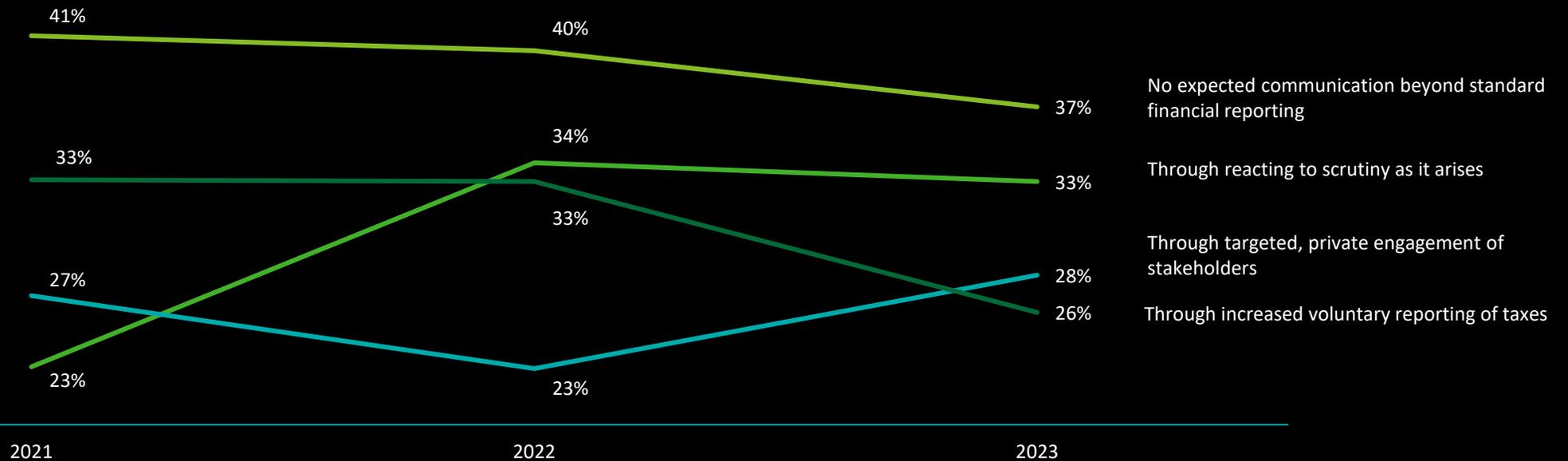
Although only 23% of respondents expect a significant increase in stakeholder interest, it is noteworthy that 75% expect some level of increase. Denmark has the most respondents expecting a significant increase in stakeholder interest (38%) and, interestingly, Switzerland is the only jurisdiction with a notable number of respondents (25%) expecting a decrease in such interest. The Life Science sector had the highest percentage of respondents expecting a significant increase in interest, at 89%.

Question 28 – Yearly trends

37% do not expect any kind of communication with stakeholders beyond standard financial reporting 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



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

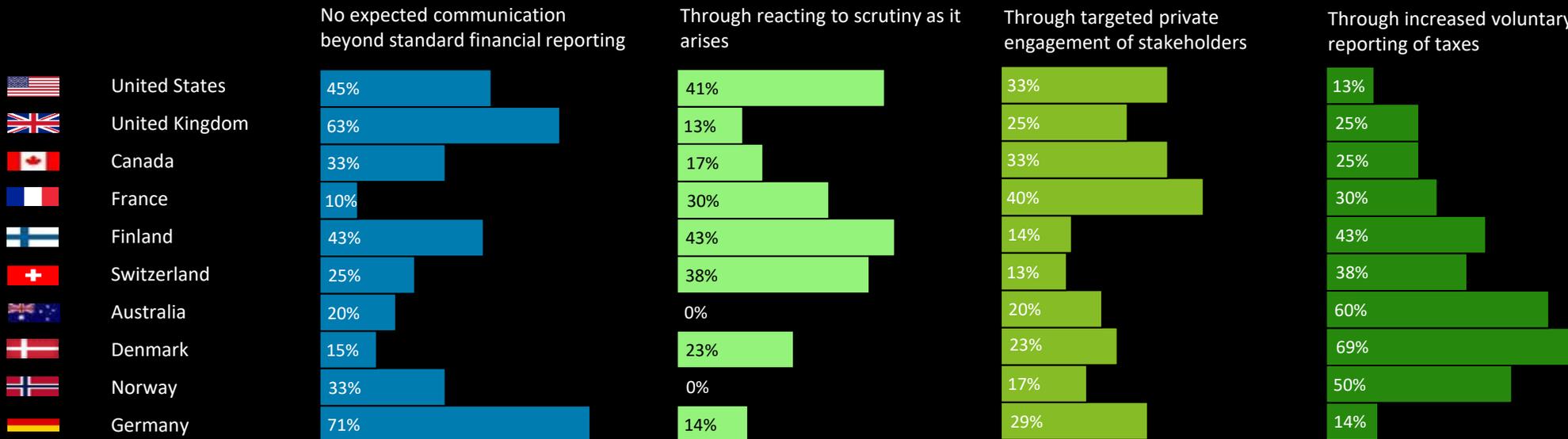
Voluntary reporting has decreased in 2023. In contrast, targeted and private engagement with stakeholders has increased by 5% compared to the previous year. We expect these results to change in the coming years due to the public country-by-country reporting requirement in the EU.

Question 28 – Responses by country

37% do not expect any kind of communication with stakeholders beyond standard financial reporting 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



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

*Top 10 countries by the number of responses

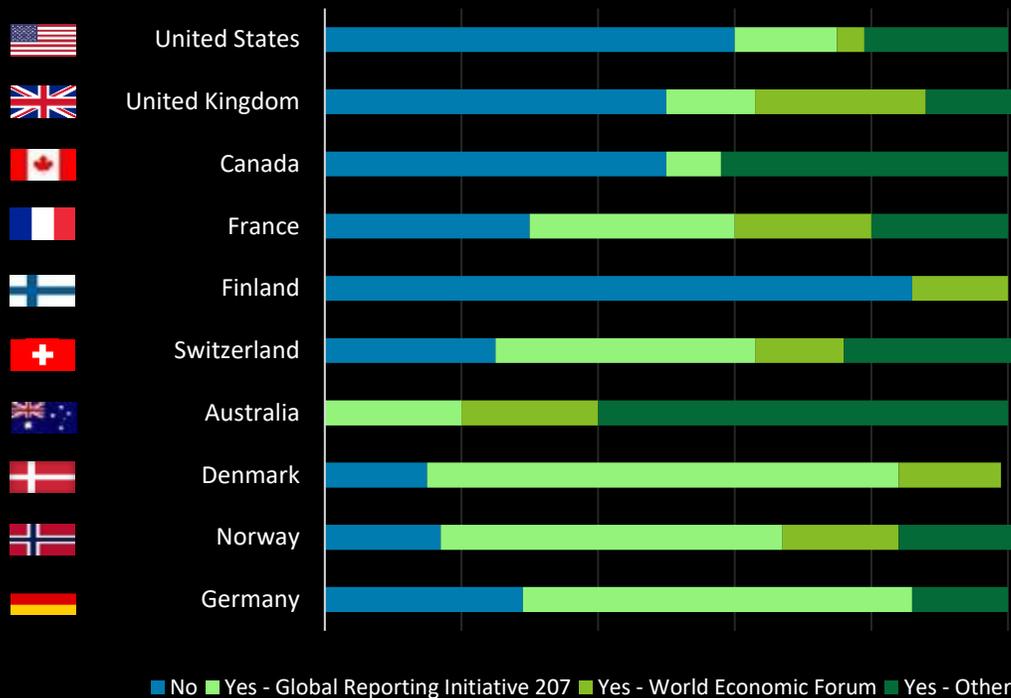
Denmark (69%) and Australia (60%) lead the list of respondent groups that expect to increase their voluntary reporting. On the other hand, most groups in Germany (71%) and the United Kingdom (63%) do not plan communication beyond standard financial reporting. Among industry sectors, a significant number of groups in the Financial Services (42%) and Energy & Resources (41%) sector expect increased voluntary reporting, whereas a large percentage of respondents in Healthcare (45%) plan no communication beyond standard financial reporting. Publicly listed entities (28%) plan to increase voluntary reporting more than those that are not listed (18%).

Question 29

54% expect their group to align its external communication in relation to its tax performance with a transparency standard.

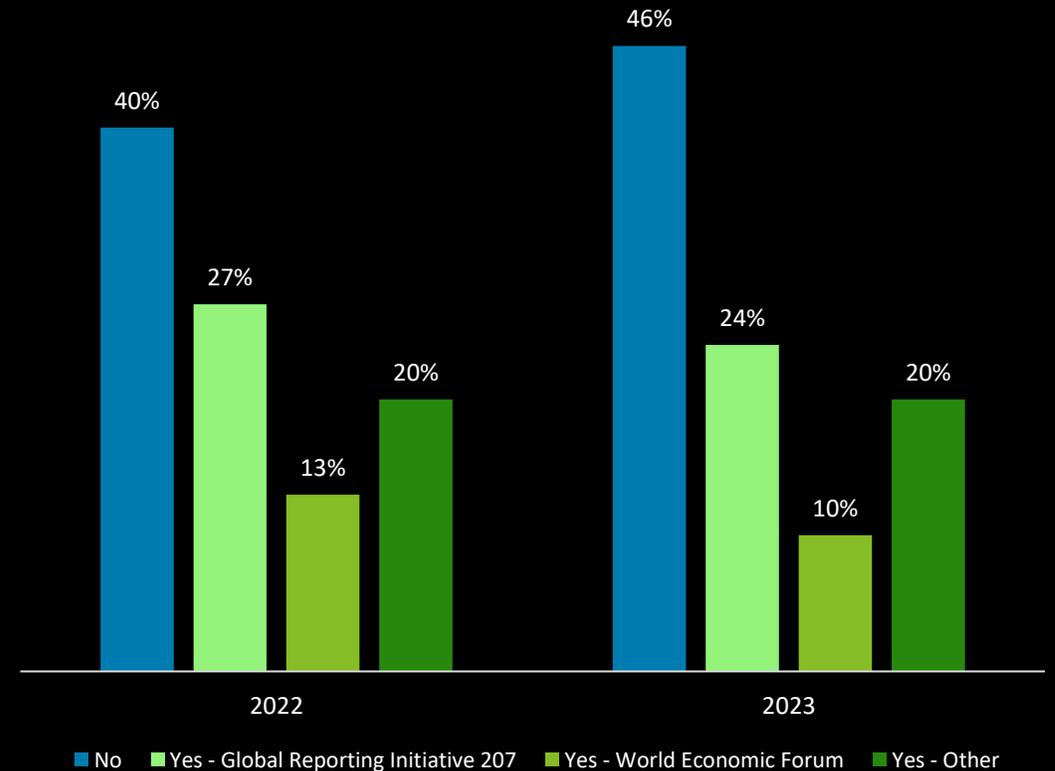
Country-specific results

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



*Top 10 countries by the number of responses

Overall results



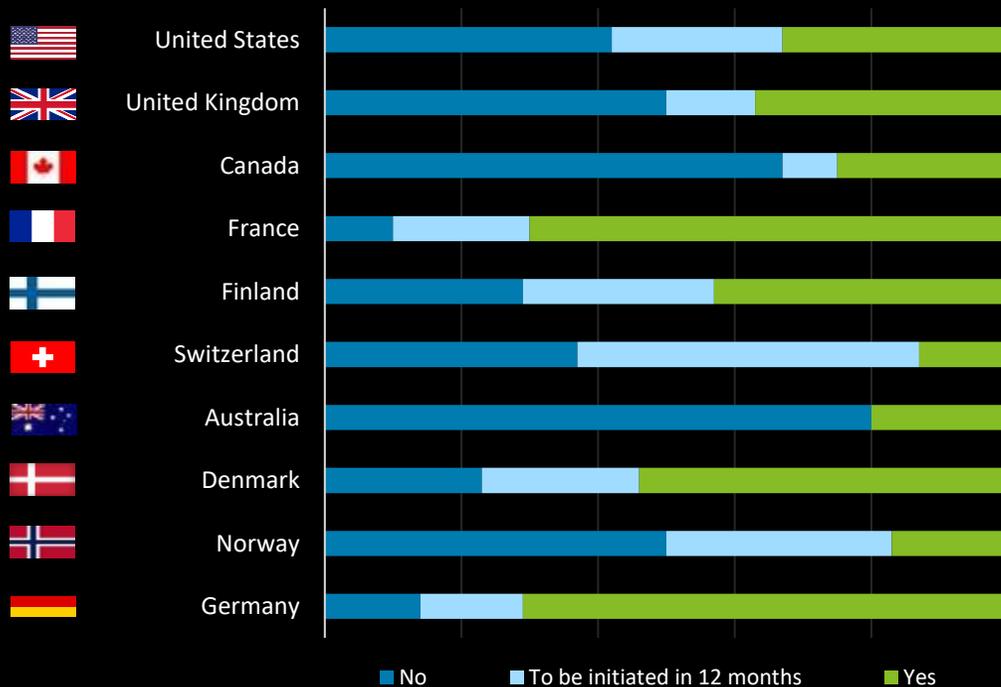
Notably, in Finland, the percentage of respondents who expect to align with a transparency standard has decreased from 78% to 14%. In contrast, all respondent groups from Australia plan to align their external communication on taxes with a transparency standard, reflecting the increasing and incremental tax transparency developments in Australia. Industry-wise, the Manufacturing and Consumer Business sectors have the highest number of respondent groups that are not planning to align with a tax transparency standard. GRI-207 appears to be mostly favored by the respondents from the Life Science sector (67%). Unsurprisingly, adoption of tax transparency standards is more prevalent among publicly listed respondent groups (59%) than those that are not listed (36%).

Question 30 (new for 2023)

39% of respondent groups have started to analyze the impact of environmental taxation on their business and operations.

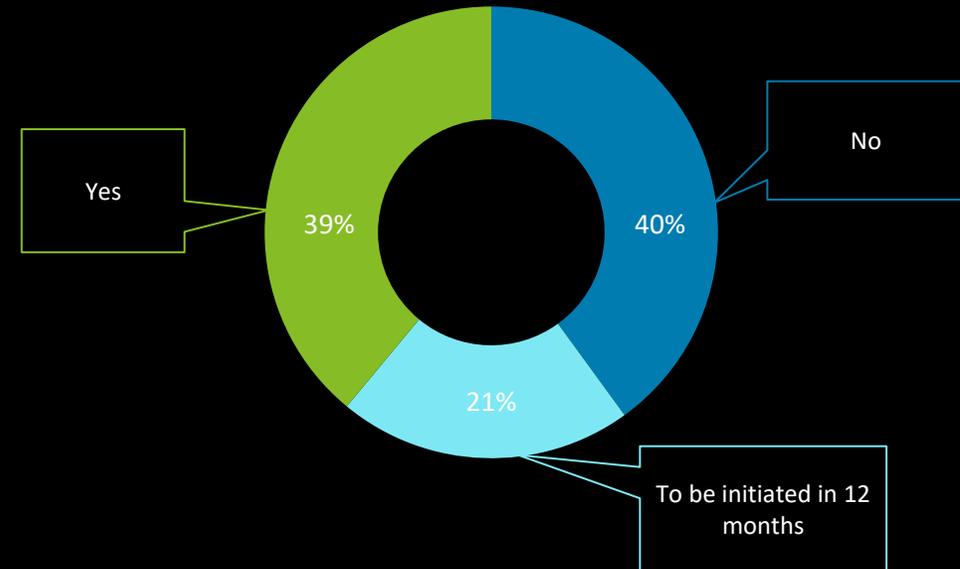
Country-specific results

Has your group started to analyze the impact of environmental taxation on its business and operations?



*Top 10 countries by the number of responses

Overall results



More respondent groups in Germany (71%) and France (70%) have begun to analyze the impact of environmental taxation more extensively than in other surveyed countries. In contrast, 80% of respondent groups in Australia and 67% in Canada responded 'no', while 50% of those in Switzerland are mainly postponing it until the next 12 months. Unsurprisingly, many respondents from the Energy & Resources sector (59%) are preparing for impact of environmental taxation, while a small number of respondents from Financial services (11%) are doing so.

Open Questions

Selected participant responses

Question 31: What are your thoughts about the OECD Pillar One/Pillar Two project?

Representative responses



Note: 129 respondents answered this question. The word clouds represent the most commonly stated responses and may not represent the views of Deloitte.

Question 33: Do you foresee the increased discussion and disclosures regarding environmental, social and corporate governance (ESG) matters impacting your group's tax function?

Representative responses



Note: 133 respondents answered this question. The word clouds represent the most commonly stated responses and may not represent the views of Deloitte.



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