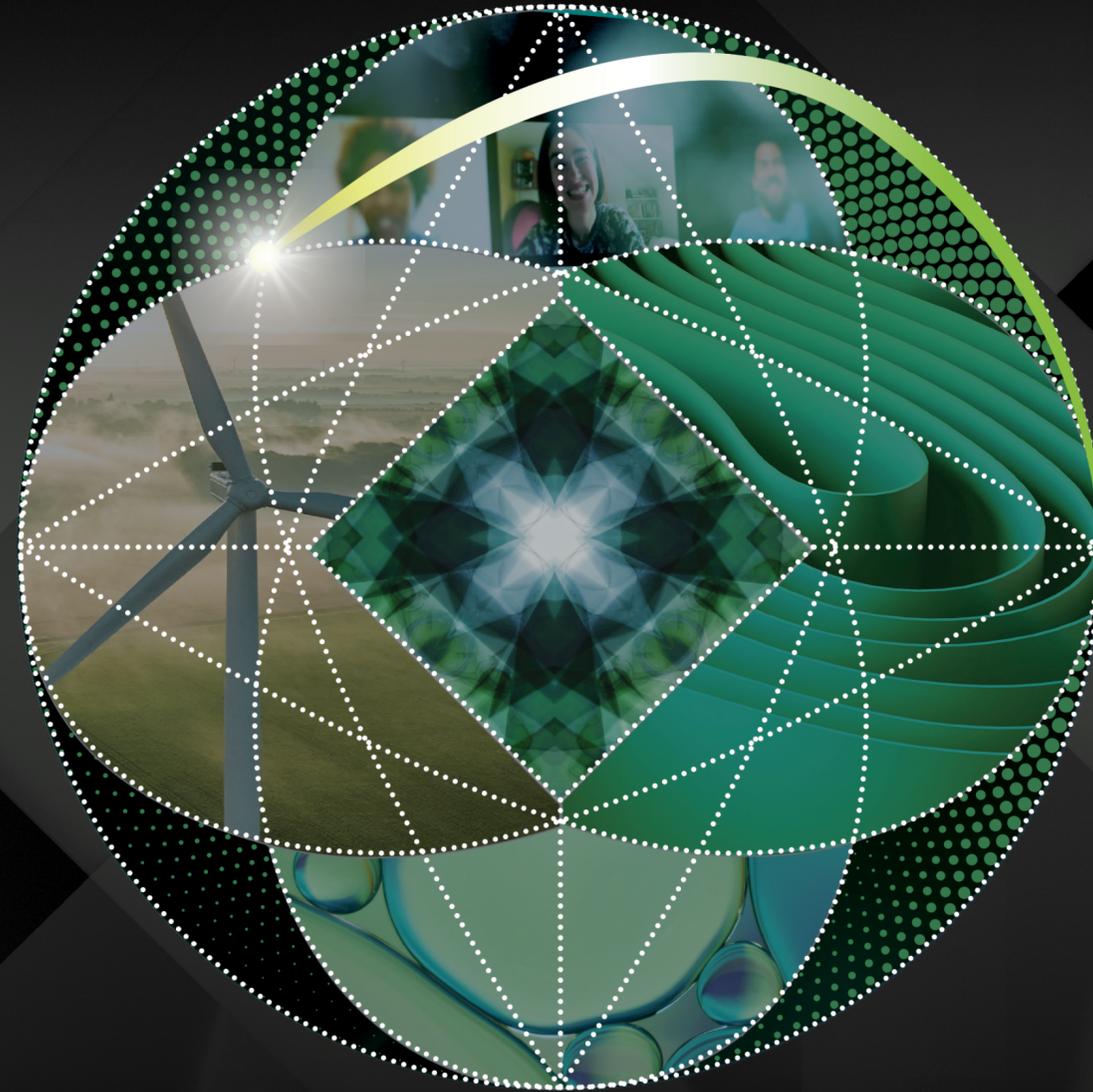


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2024 Global Tax Policy Survey
The future in focus



Executive summary

The 2024 Global Tax Policy Survey explored the key topics emerging around the world through the lens of five global tax policy themes that are shaping the changing tax landscape. Given the prominence of artificial intelligence (AI) and generative artificial intelligence (GenAI) in current tax discussions and debates, we also asked respondents to rank their impact against those of the main themes.

Our respondents ranked the impact of the five themes as follows:



This overall ranking will inevitably raise a few eyebrows, and arguments could be raised for a different ordering, in particular as to why the pressing matter of Pillar Two in International Tax Reform is not being ranked more highly. In our view, this is likely to be a question of timing, with the impact of reporting and filing not being felt until 2025. What is clear from the survey's detailed findings is that each of these themes present significant and pressing challenges for companies across the globe.

01 ▶ Transparency & Reporting

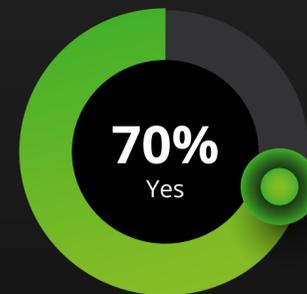
The growing pressure for companies to be more transparent about tax makes this the number one issue for tax leaders. Given that disclosures cover the totality of global tax management across all tax types and jurisdictions—compliance, planning, judgments, contribution, governance, and risk, etc.—this is not a surprising outcome.

Most expect public country-by-country reporting to lead to an increase in their public tax transparency disclosures, with many looking to report more than is required under the rules. This fuller reporting may be driven by the respondents' desire to ensure their wider stakeholders understand the context and circumstances underlying the tax data.

The pressure on tax functions is expected to grow, as most respondents expect to be affected by the environment, social, and governance (ESG) discussions, with tax data being drawn into wider reporting—alignment across various departments will then be critical to the efficient delivery of tax transparency strategies.

While the majority of respondents have a tax transparency strategy in place, they face challenges in executing it, ranging from providing comfort to senior leadership, to governance, data, risks, and understanding the applicable rules.

Respondents expecting an increase in public reporting on tax:



02 ▶ Digitalization of Tax

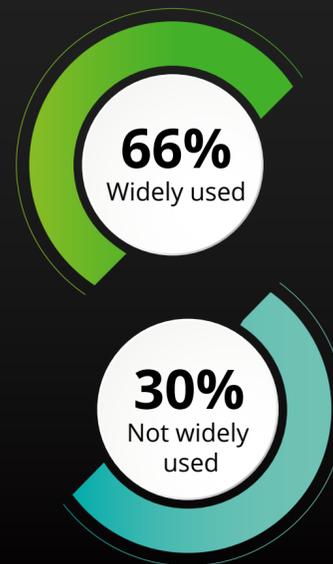
There is a general recognition that digitalization will become more prevalent in tax processes and a sense of moderate progress towards Tax Administration 3.0 (a digitalized model where 'tax just happens').

While many respondents expect Tax Administration 3.0 to bring a wide range of benefits, others are wary of increased costs and complexity. This may be due to a lack of clarity of what Tax Administration 3.0 actually means and its potential benefits, as well as an absence of clear delivery roadmaps.

Respondents are broadly optimistic about the use of GenAI in tax compliance in the next three years (though often with significant human oversight) but remain somewhat cautious about the expected benefits. This may be linked to the reported slow progress in implementing regulations for the use of AI in tax.

It is encouraging to see more business confidence in e-invoicing and e-trade/customs requirements simplifying compliance, albeit at a significant initial investment in software. The high level of support of the EU VAT in the Digital Age proposal evidences the value of harmonization and alignment.

In tax compliance, respondents expect AI to be:



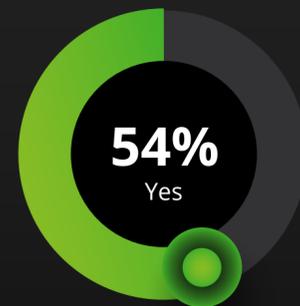
03 ▶ International Tax Reform

Given the centrality of Pillar Two, as well as Pillar One and digital service taxes, on the international tax scene, we might have expected these issues to top the list as significant topics for the respondents. Their lower ranking may, however, be a question of timing where tax transparency and, to some degree, digitalization of tax is already part of daily life. The real impact of Pillar Two, in particular, is yet to be felt and at the time the responses were collected, there was little certainty on Pillar One and digital services taxes.

Pillar Two has clearly gained momentum with a majority of respondents expecting implementation in the next three years, although opinions split between those foreseeing increased complexity and those who see simplification being delivered through the “decluttering” of existing measures.

While Pillar Two may have closed the book on tax competition based on headline tax rates, many anticipate and welcome the emergence of a new form of competition based on Pillar Two compatible tax incentives.

Respondents expect more complexity under Pillar Two?



For an in-depth look at Pillar Two practice insights read the 2024 Pillar Two survey: [Committed to Compliance](#)

04 ▶ Future of Work

International remote work is a key challenge for organizations managing the tax and legal risks arising from increased flexibility and mobility. A stand-out finding was that the tax implications of international remote working topped the 'most impactful' list for respondents from Africa.

Overall, respondents are mainly concerned about corporate tax implications of international remote working, closely followed by employee tax and social security issues. This may point to the need for multidisciplinary teams (including HR, tax, mobility, immigration, employment law, data privacy, etc.) to holistically consider the tax, legal, and regulatory risks of international remote working, along with associated guardrails to protect the business.

International remote working is still a relatively new concept in the tax landscape, so it is not surprising that the respondents showed some appetite for Organization for Economic Co-operation and Development (OECD) input on harmonization of tax rules, provision of clearer guidance and simpler administration.

Respondents main concerns of international remote working:



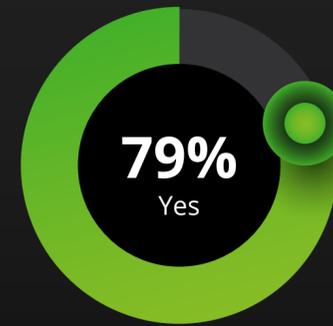
05 ▶ Climate & Sustainability

In a classic case of “last but not least” climate and sustainability issues remain a core concern. The lower ranking may be due to governments relying on other measures alongside tax measures, and discretion available to taxpayers in relying on ‘green’ tax incentives which may be viewed as being less impactful.

Across the variety of environmental taxes, taxes on energy consumption are having the most significant impact on our respondents, with, somewhat surprisingly, taxes on waste and pollution ranked last in the list.

The survey exposed a key tension between the expected benefits of carbon-pricing regimes in principle (climate change mitigation, clear technologies) and the challenges of how these regimes are administered in practice (with high compliance costs, complex legislation, and limited guidance).

Respondents impacted by EU Carbon Border Adjustment Mechanism (CBAM):



Conclusions: the future focus of global tax policy

Tax leaders of large multinational enterprises (MNEs) have an ever-growing agenda with competing priorities. While Pillar Two is a fundamental change, tax transparency and tax digitalization are having more impact right now. These three themes are strongly interconnected, with Pillar Two generating new reporting obligations, and MNEs embracing tax technology to manage the complex data requirements.

The pressure on businesses to disclose more about their tax affairs is growing with demands from other policy areas being added to the agenda. These reporting burdens will increasingly compete with core business activities for both time and resources. There may, though be some let up, as both the OECD and the EU Commission intend to 'declutter' tax laws post-Pillar Two.

Tax leaders are ready to embrace the digitalization of tax compliance, with strong optimism about simplification stemming from e-invoicing and a more cautious expectation of the benefits to come from AI. The moderate progress in moving towards Tax Administration 3.0 and regulating the use of AI in tax may suggest a need for governments to pick up the pace and provide more clarity by defining concepts and setting out roadmaps.

The future of work brings its own, mainly corporate tax-related, challenges and harmonization of tax rules on cross-border remote work would be widely welcomed. This is, however, not just about tax—immigration and employment law are equally important, calling for a holistic approach.

Finally, on climate and sustainability, EU CBAM takes center stage with an overwhelming majority of surveyed MNEs being affected. There is a strong link between climate and transparency—most respondents expect ESG reporting to impact their tax function.

Across our five global tax policy themes, businesses will face growing challenges, such as increasing burdens under transparency and reporting, increased complexity emerging from Pillar Two, or the compliance risks of remote working. On the upside, they will be able to draw on the benefits of increased digitalization and the opportunities emerging from post-Pillar Two tax competition.

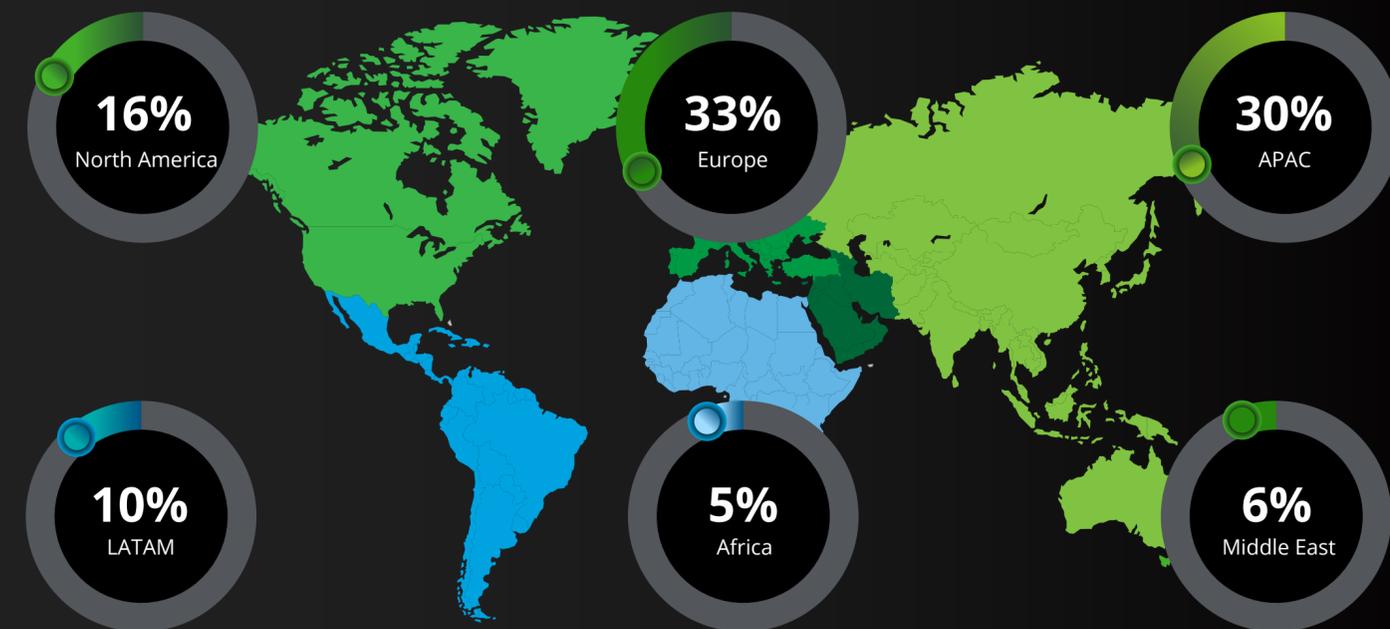
About the research

Deloitte surveyed 1012 professionals from tax leaders (69% of the total), CFOs (28% of the total) and other executives (3% of the total) across the world between March and April of 2024. Across the 28 countries represented, the industry breakdown included the consumer industry (27% of the total); ER&I (23% of the total); TMT (22% of the total); FSI (20% of the total); and Life Sciences and Health Care (8% of the total). Companies represented all had a minimum of US\$100 million in global annual revenue in their last fiscal year,

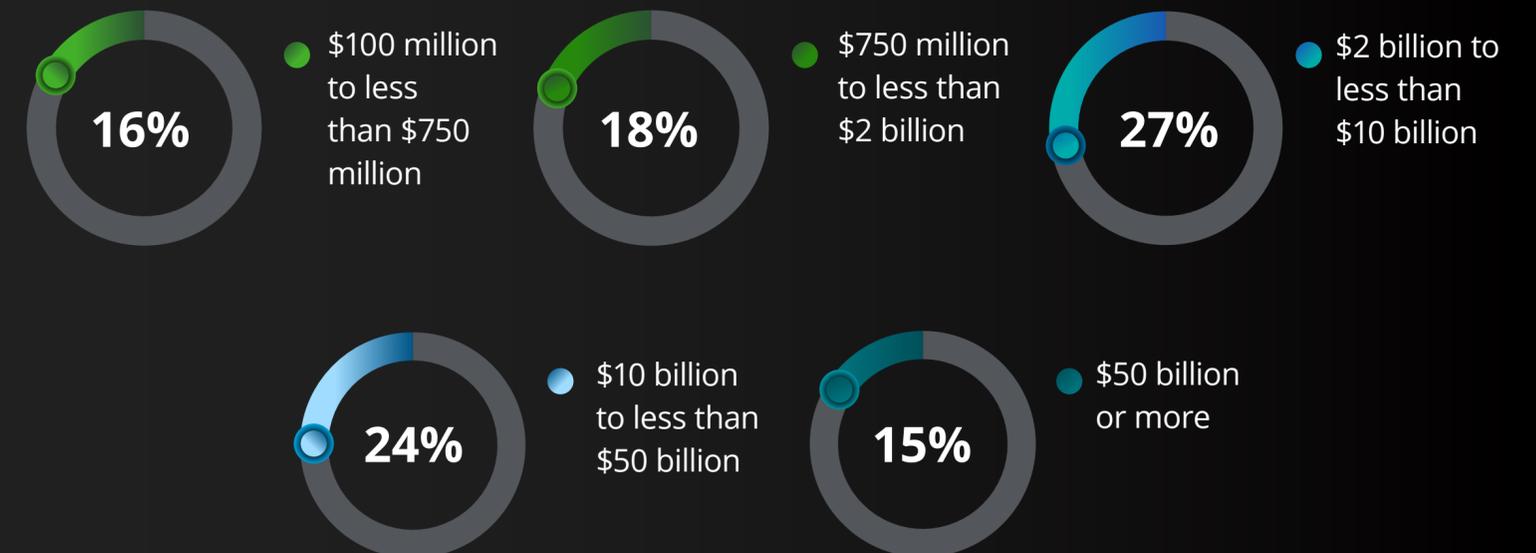
and 90% were multinational organizations operating in two or more countries. The aim was to examine companies' views, concerns, and actions regarding various tax policy reforms and trends.

The below represents the breakdown of respondents' regions; company size by revenue, titles, and roles.

Location of Respondents by Region

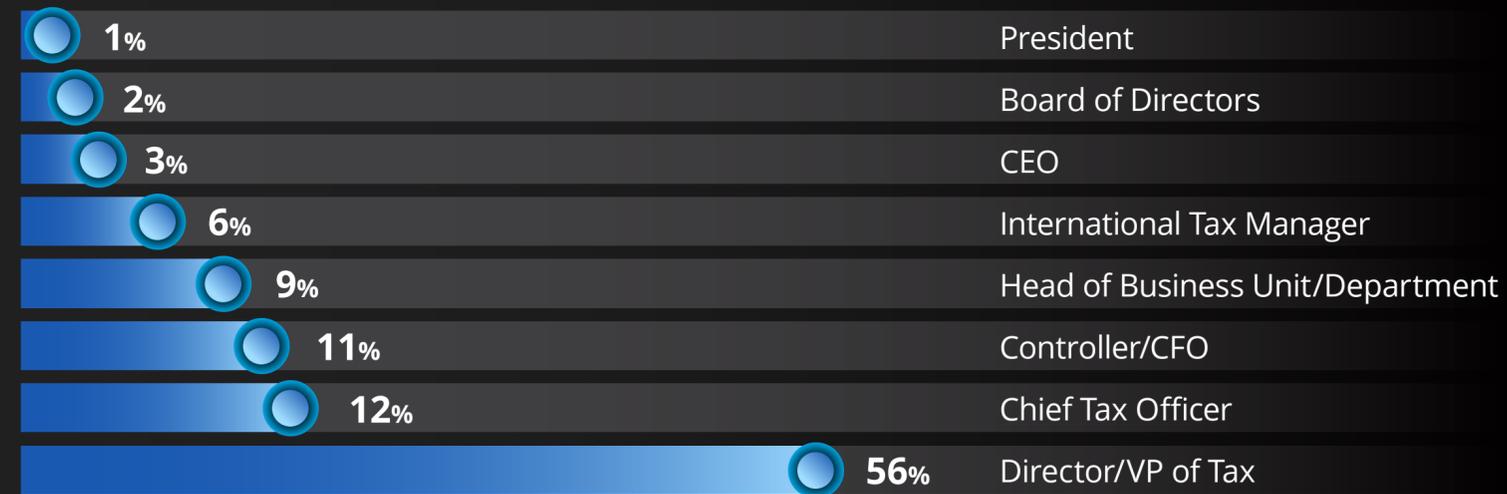


Global Revenue for Last Fiscal Year in US Dollar

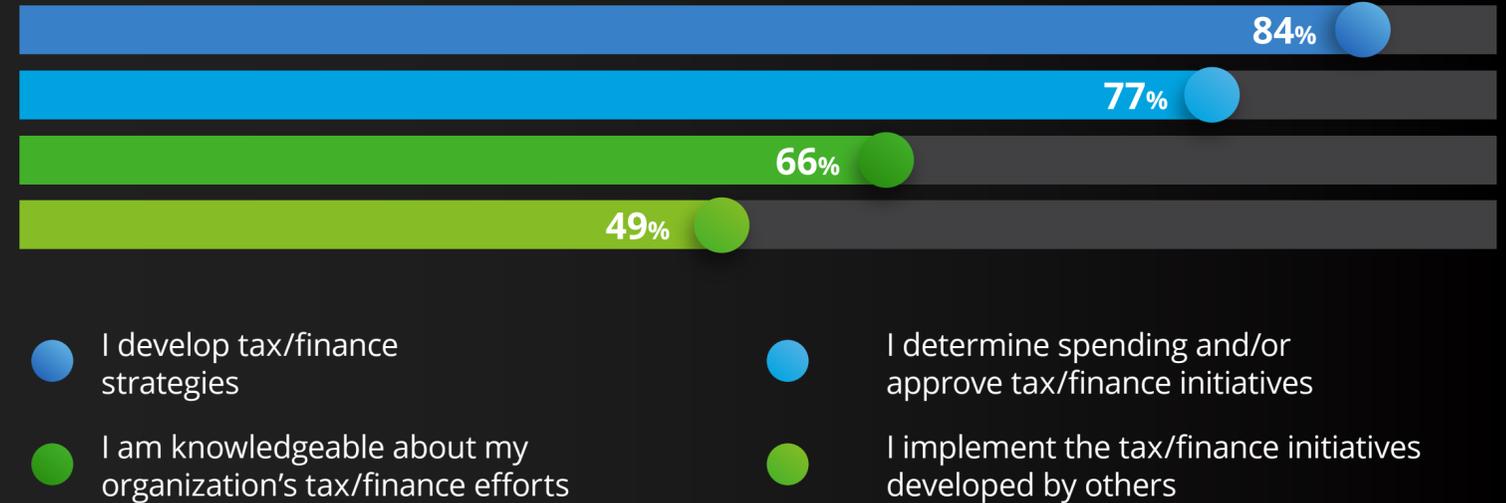


About the research

Job title



Level of Responsibility for Tax/Finance Decisions at Company



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