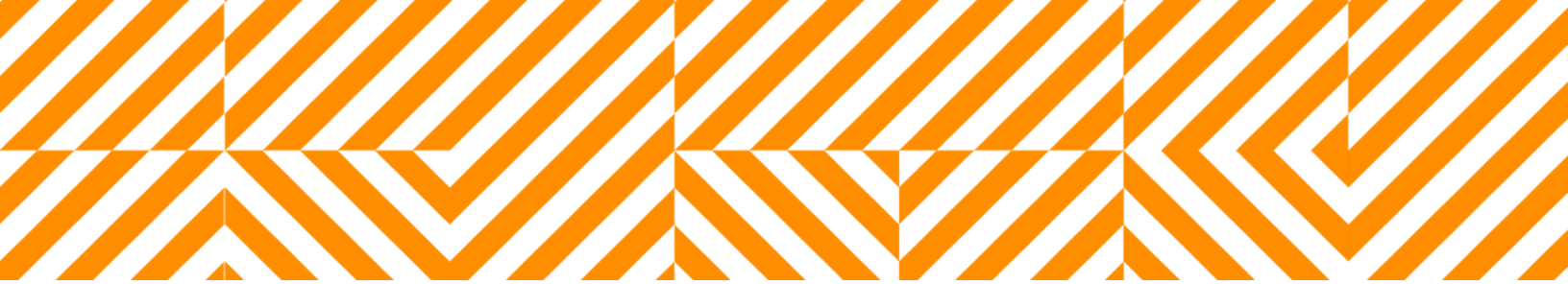




# Six Priorities for your Tax Agenda



***Tax Function of the Future***  
**May 2019**



In these uncertain times, changes to tax policy across the world have brought uncertainty and complexity, causing businesses to rethink where and how they operate. Trade controversy has intensified, adding another dimension to global business concerns. At the same time rapidly evolving technologies continue to impact the way people live and work. As we look ahead, how will Tax and Finance tackle these challenges? We've identified six key areas that we suggest should be top of your company's Tax agenda

**1 Adapting to Tax policy changes – Be ready for how your business will change.**  
Evolution in Tax policy has been felt around the world, and business leaders need to quickly understand how these new or proposed rules help (or challenge) structural aspects of the organisation. As your organisation considers tax planning strategies in light of better guidance, keep in mind that Tax should be aware of, and included, in all business decisions that can affect the outcome of these strategies (such as changes to supply chain, acquisitions/divestitures, treasury cash positions, and entry into new markets).

Agility is key to managing the complexity of incorporating new rules associated with Tax policy changes. Now, more than ever, you will need to be able to quickly access data and models for decision making and planning for potentially complex and overlapping rules. Tax should be the trusted advisor to business leadership that the organisation needs.

**2 Embracing small automation as an opportunity to accelerate your drive towards end-to-end automation..**  
Small automation does not replace traditional IT-driven technology; however, it fills the many gaps left unaddressed by large-scale technology development. And, it delivers quick wins when used as part of your overall tax technology strategy.

What's the key to small automation success? When orchestrating multiple technologies, including new and emerging technology, Tax should be leading from the front seat and playing a key role in driving the change needed, including governance and internal controls around financial data and processes.

Based on [PwC's 2018 Digital IQ survey](#), 60% of organisations seeking to gain efficiencies report that lack of structure to delivering training is an upskilling obstacle.

**3 Upskilling your workforce is mission critical to attract, develop, and retain employees – Focus on both tax technical and digital skills is essential.**  
Tax teams will need to spend time understanding changes to tax rules **and** how new technologies can help you succeed. Will tax technical learning upstage your digital upskilling – or vice versa?

Most tax professionals will need to dig deep into the new rules (see our [Paying Taxes](#) publication for more information) to effectively perform their roles. For digital upskilling, here are three ways to begin to bring new digital competency to life within your organisation:

**A** Implement “fingers on the keyboard” practical training for all.

**B** Look to gamify your digital upskilling approach to make it more interesting.

**C** Incorporate and lead with digital upskilling as a core element of your talent framework.

## 4

### **Challenging the traditional Tax function operating structure – Is it a core competency of your organisation to have an in-house Tax function?**

Organisations are realising how difficult it is to attract and retain top talent in this complex regulatory, and controversy-prone environment. Company’s technologies may no longer support new global tax and reporting requirements and may need upgrading, with enhancements both time consuming and cost prohibitive. Therefore, for some Tax functions, it may be efficient or cost effective to move the Tax function to an external service provider. PwC has been leading in this space with our focus on:

- Access to skilled professionals with ‘in-house’ experience
- Ability to leverage leading-edge technology and processes
- An integrated approach to managing the complete tax life-cycle

## 5

### **Aligning with Customs and Trade – It’s time for Tax to connect.**

Without a doubt, uncertainty and risk associated with ongoing global trade controversy and volatility require a strong focus from Tax. Changes in the flow and pricing of goods and services between affected countries could have a major impact on tax strategy. Strategic acquisitions may provide access to alternative global suppliers; however, at the very least, tariffs could add unexpected costs to the supply chain, eroding profitability, and disrupting transfer pricing and global effective tax rates.

There are multiple possible scenarios; however, what’s clear is that Tax needs to become closely tied to Customs/ Trade in the future. Two key considerations around trade and customs are::

- How is Tax aligned with the Customs/ Trade function? It’s time to forge collaboration.
- In cases of trade controversy aligning with the current tax position, planning is important.



# 6

## **Recognising that artificial intelligence (AI) — including machine learning — has made a beachhead in Tax and Finance.**

Many organisations are using emerging technology in their core business operations; however, in the broader Tax and Finance functions, many have not yet considered how these new solutions could be useful or practical. We expect these models to have a direct impact on all functional areas, with some quick wins available in compliance, mergers and acquisitions (M&A)/ due diligence, controversy, and document management.

Another hurdle for the Tax professional is figuring out how these emerging technologies can solve existing challenges. It's important to understand the power of these new tools and how they can deliver a good return on investment.

Based on PwC's 2019 AI Predictions survey, 58% of Finance executives will implement continual learning initiatives in 2019 that include AI, so employees can integrate the learnings into the way they work.



### **Connect with us**

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