



At-a-glance highlights for tax leaders in the healthcare and lifesciences sector

Global Tax Function Benchmarking Survey

KPMG International conducts an ongoing survey of tax leaders that enables benchmarks across tax function structure and resourcing, performance measurement and metrics, use of technology and data, and initiatives supporting ESG. Below are some of the highlights of the survey data by respondents in the healthcare and lifesciences sector.

Structure and resourcing

- Most Chief Tax Officers report to:

38%

Chief Financial Officer (CFO)

- Most common organizational design is:

30%

Co-sourced/outsourced — e.g., all or a significant portion of the tax function's responsibilities are contracted to be performed by service providers

- Expected resourcing model changes in the next 5 years:

Tax Headcount — Home Country/ Jurisdiction



65%

Increase

Contractors



37%

Increase

Tax Headcount — Non-Home Country/ Jurisdiction



40%

Increase

Use of SSCs or GBS or CoEs*



39%

Increase

Transformation, technology and data

- Top 3 benefits of tax transformation/technology initiatives cited:

45%

Improved data management and an improved ability to analyze tax and financial data

35%

Improved ability to manage legislative changes and support tax planning activities

35%

Cost savings

- Anticipated technology use increases in the next 5 years:

75%

Overall leverage of enterprise finance IT systems

63%

Use of condition system data or a data warehouse

60%

Tax sensitization of GL, other accounts of business forecasting system



Most challenging data issue experienced cited is usability.

ESG and the tax function

- 55% of organizations in the Healthcare and Lifesciences sector do not have a policy that considers the ESG impacts of tax-related business decisions.

- Of those with policy that considers ESG impacts:

44%

Yes



Less than half report that Tax is consulted but not really involved in company ESG strategy.

- Top 3 immediate term Tax ESG priorities include:

38%

Developing process/tool to capture tax payment data

38%

Developing/updating our public tax strategy/policy

25%

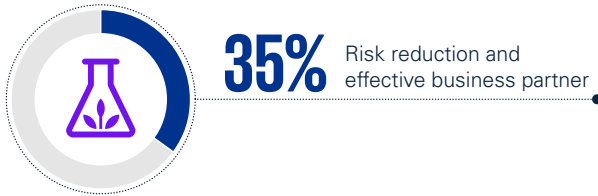
Publishing a group-wide tax strategy/policy for the first time

Only 5% use data and analytics tools to prepare ESG analysis.

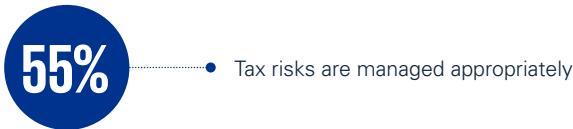
* SCC: Shared Service Centers, GBS: Global Business Services, and COE: Centers of Excellence.

Strategy, performance and business impact

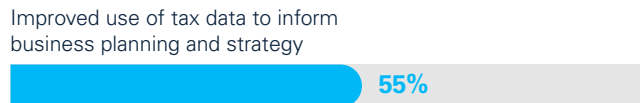
- Most tax leaders in the Healthcare and Lifesciences industry describe their tax function's primary strategy as aligned to:



- Performance is often measured by the impact the tax function has on the business across a range of metrics, with these topping the list of importance:



- Top 3 desired process improvements:



- Top disruptor to the organization in the last year:



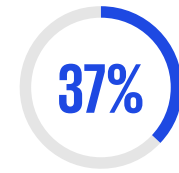
- Frequency of CTO meetings with:

Full board of directors



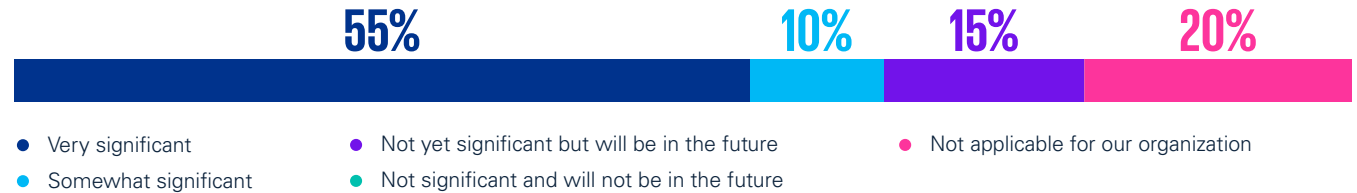
Never

Audit committee



2-4 times annually

- Expected significance of BEPS Pillar 2 on the organization:



Contacts



David Linke
Global Head of Tax & Legal
KPMG International



PD. Dr. Thorsten Helm
Global Sector Leader for Tax (GIGH)
KPMG in Germany

kpmg.com/socialmedia



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