



GLOBAL TAX OUTSOURCING SERVICES

# Managing Compliance in a Complex World

TAX

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Today's unprecedented economic challenges are forcing companies to rethink the way they do business. For many, this includes taking a closer look at how they manage their compliance obligations on a world-wide basis.



Managing tax and statutory compliance in today's highly complex economic and regulatory environment is no easy task. Rapid globalization, new developments in tax laws, changes in accounting standards and increased demands from revenue authorities for greater transparency and cooperation are all increasing the burden on tax and finance departments. At the same time, they are expected to provide more and better reporting and compliance in an ever shorter time frame.

Complicating matters are a dearth of qualified, experienced compliance professionals and the challenge of obtaining timely and accurate data from accounting and ERP systems and shared service centers not often set up for in-country compliance.

Given these challenges, it's not surprising that tax and finance departments often spend a disproportionate amount of time on compliance activities, rather than focusing on higher value activities such as strategic tax planning, risk management and closer integration with the rest of the business.

As a result, many companies are looking for more consistent, more efficient and more cost effective ways to meet their compliance obligations.

# Outsourcing – an attractive option

As in-house departments strive to balance the demands of trying to do more with less, outsourcing (or co-sourcing) can be a versatile, scalable and cost effective way of moving beyond current constraints and better meeting the needs of both in-country compliance and the business as a whole.

Factors influencing a company's decision to outsource - and the extent to which they outsource some or all of their compliance functions - vary.

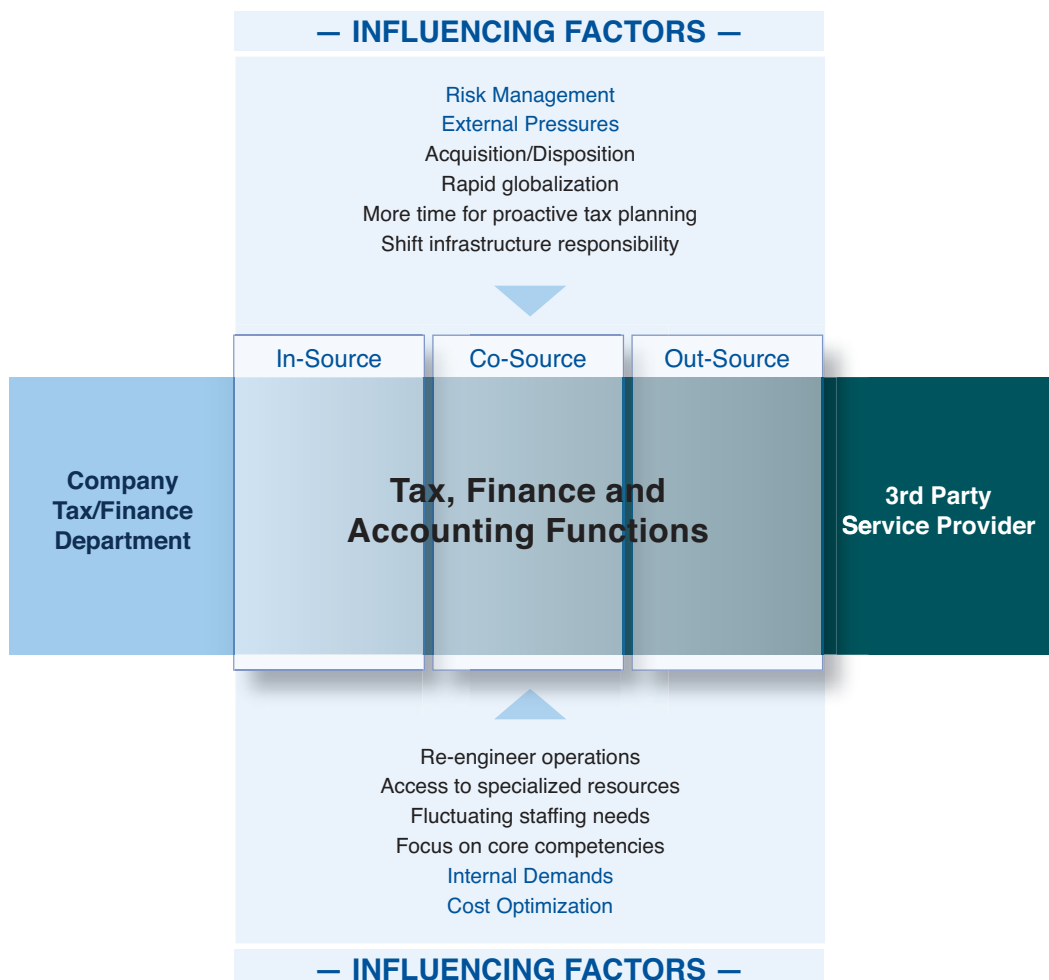
Yet, by outsourcing an organization can, at a minimum, capitalize on the economies of scale, specialized labor and the application of industry best practices (assuring processes are aligned with current regulatory demands) available through an external service provider.

Moreover, organizations that outsource can enhance process efficiencies, improve quality and risk controls and benefit from the latest innovation

in technology systems, without having to fund the considerable capital outlay themselves.

Furthermore, by outsourcing, organizations only pay for the services they require, not headcount or overhead – freeing up valuable in-house resources to focus and deliver on business support and long-term strategic initiatives, while still meeting current compliance obligations in an accurate and timely manner.

## Factors influencing the outsourcing decision



Source: For illustration purposes only, KPMG in the U.S.

# How KPMG can help

KPMG’s professionals understand the ever-changing and challenging business and regulatory environment. Our outsourcing service offering is responding to our member firms clients’ pressing needs.

Our service premise is simple: leverage our tremendous investment in our people and our technology to provide the tools and resources our clients’ need to achieve long-term, sustainable value.

Organizations often want a coordinated and consistent approach to global compliance to ensure access to leading practices and effective risk management. From the outset of an engagement, our outsourcing framework establishes a core team to provide a single point of contact

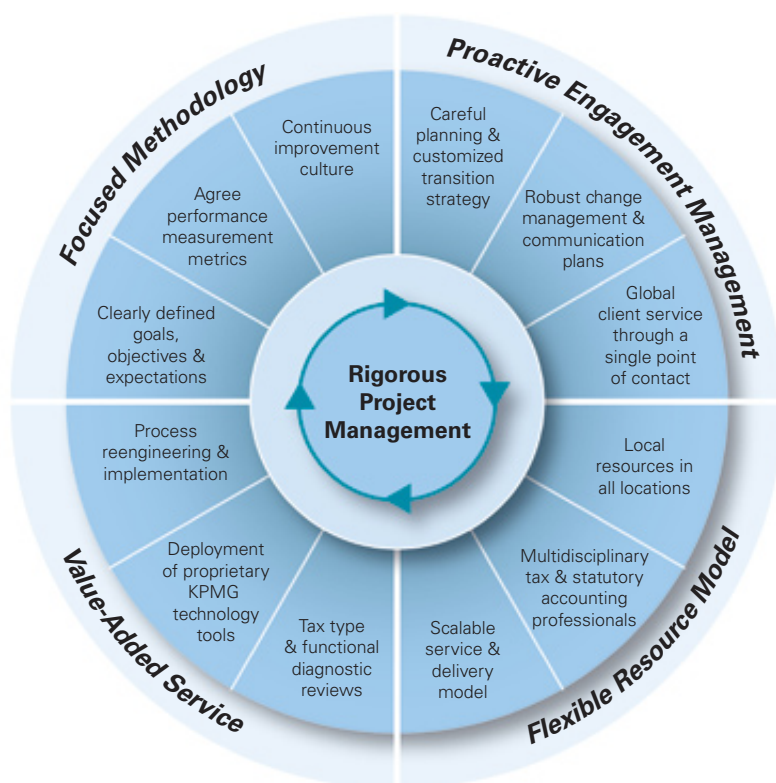
and manage the overall relationship and services. The core team can help ensure processes and procedures are put in place that add value straight away and into the future. Trained in industry best practice for compliance outsourcing, project management, and reengineering methodologies, KPMG’s team of professionals work to provide a clear, logical approach to help companies design, implement and manage an outsourcing structure shaped around the specific needs of their organization.

### KPMG professionals – providing perspective and insight

Working closely with the core team and within our global outsourcing framework, our in-country teams bring local knowledge and experience, critical to effective and value added compliance.

By immersing themselves in their local business and regulatory environments, our teams provide perspective and forward-looking insight to outsourcing engagements – perspective and insight which are critical to managing risk on a global basis and which cannot be obtained from centralized processing centers.

## KPMG’s outsourcing framework



With over 22,000 tax professionals located in offices in 144 countries, we have the global mindset and cross-border reach, combined with the local experience, to meet our clients’ compliance needs wherever they choose to do business, both now and in the future.

### KPMG’s compliance services include:

- Tax compliance and related tax planning
- Tax provision preparation
- Tax authority inquiry and examination
- Statutory accounting, bookkeeping and payroll compliance
- Compliance process, technology and controls advice
- Project coordination and management

## Why KPMG?

Our outsourcing professionals think beyond the immediate compliance task to add longer-term value to your organization through our:

### Global mindset

Our global service recognizes the international reach of today's businesses providing effective global client service with local expertise.

### Forward thinking

KPMG recognizes that outsourcing is a major commitment for both parties and should be a long term partnership. We seek to build relationships that can change as you develop and improve your compliance processes and relationship with your regulator for the longer term.

### Value adding

At KPMG, we won't relegate your regulatory reporting to a mere process. We aim to provide reassurance around your key filing positions and add value through the identification of better disclosure positions and planning opportunities.

## GTMS – facilitating rigorous project management

KPMG's proprietary software provides a secure, real-time collaborative environment, allowing transparency and control over important projects.

Functionality includes:

- 24/7 access
- project status monitoring
- process monitoring
- tax data tracking
- file sharing
- tax calendars
- shared work plans
- management reports
- role-based security

### Tools to help manage the process

Transparency and control over business processes are critical, particularly with regard to outsourcing. Tax and finance departments and their advisers must be able to share information, collaborate on global projects and proactively manage the overall process to meet both business and regulatory demands.

KPMG has made significant investment in technology, allowing our clients to leverage a level of investment that would be difficult for a single company to maintain. Our proprietary technology tools are designed to interact with company data and leading compliance software to facilitate efficient management of data collection and compliance processes.

KPMG's Global Tax Management System (GTMS), our Web-enabled collaboration and reporting tool, provides tax and finance departments with real-time visibility over the entire compliance project – across multiple entities in multiple jurisdictions.

### Embedding value wherever possible

Turning knowledge into value for our clients is what differentiates KPMG from other outsourcing service providers. Because our professionals think beyond the immediate compliance task, and can leverage institutional knowledge from throughout the firm, they are well positioned to provide insight and advice around planning, compliance governance and risk management, and process and technology consulting. We seek to embed value whenever and wherever possible.

In partnering with KPMG, you can improve your compliance processes, technologies and risk management and meet your global compliance obligations at the same time as freeing-up your tax team to focus on better support of your business, both now and in to the future.

KPMG's outsourcing team: we call it people thinking beyond...you'll call it KPMG.

## GTMS – KPMG's proprietary software



## Contacts

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Designed and produced by KPMG LLP (UK)'s Design Services.

Publication name: Managing Compliance in a Complex World

Publication number: RRD-140668

Publication date: May 2009