2017 GLOBAL TAX MARKET ASSESSMENT

TaxSearch® Incorporated

BPA

In conjunction with:

Tax Talent®

TABLE OF CONTENTS

TABLE OF CONTENTS

Non-US Tax Market | 16-24

PREFACE

To Our Distinguished Audience,

Breaking with tradition, we have decided to add a preface to this year's Global Tax Market Assessment. Normally, the focus of this annual report is on the latest global tax trends and predictions that fall into a twelve-month period starting at the beginning of each year.

In our evaluation of this year's tax market trends, we are seeing the potential of what we are calling a "perfect storm" that could significantly impact the tax world. We are tracking three major trends that, if they occur simultaneously, may have a mega-trend impact on how tax departments and tax service providers staff and operate for years to come.

The first element of this potential "perfect storm" comes with the high likelihood of major tax reform here in the US and in places like Switzerland and throughout the EU. In 1986, the US went through a major recodification of the tax code which had a massive impact on the tax profession. Prior to that, there was a major tax code shift in the US in 1954. If these major tax reforms follow a thirty-year cycle, then we could be directly in the path of another significant event as soon as this year.

The second impact element is the development of Non-Governmental Organizations (NGOs) and the tax policy regulatory reform changes with the Organization of Economic Co-operation Development (OECD). This trend will also have global implications to tax departments with international interests.

Lastly, we are facing an unprecedented demographic shift where a large population of Baby Boomers are retiring or reducing their time commitment to consulting projects. These tax leaders are holding a huge asset of technical and leadership knowledge that now will be exiting the market. This "brain drain" may be coming at a time when these individuals are needed most.

In response to this growing "perfect storm" and potential mega-trend for the tax profession, our team will be monitoring and reporting on this situation each month in several of our communication outlets. We are advising all our clients to track these trends with us and to be prepared for significant disruption that may affect tax staffing and department operations on a national and global basis. We wish you all the best in 2017!

Regards,

Tony Santiago
President and Founder
TaxSearch and TaxTalent

KEY TAKEAWAYS

Predictions for the US Tax Market

- Change is coming to the tax profession potentially as a "perfect storm" in 2017. The upcoming tax reform is still unknown but will likely result in tax professionals needing to quickly change and adapt to new rules and regulations. Additionally, US corporate tax departments will potentially explore outsourcing arrangements, such as PwC/GE. Is this a one-off situation or a transformational trend?

- 2017 will be a candidate-driven market, even more so than in 2016. This is due to a number of factors, including the large number of open positions as a result of Baby Boomers retiring and increased pressure on compensation causing unexpected turnover.

- Non-technical skillsets continue to be in high demand in 2017 and it will now be essential for tax professionals to be able to effectively communicate within tax, cross-functional groups, business units, at the C-level, and with outside advisors.

- Transfer pricing candidates will be in high demand due to new BEPS rules and regulations, potential tax reform changes and non-US tax audit pressure revolving around transfer pricing globally. As a result, indirect tax roles will unlikely be a focus for US corporate tax departments.

Predictions for the Non-US Tax Market

- **Europe:** BEPS implementation and US tax reform will create a more transparent tax landscape. In these politically volatile times, tax professionals and tax departments will need to be adaptable.

- **LATAM:** This region will face a few challenges in 2017 including increased tax reviews and audits; modifications to the official tax audit process; and governments adapting to future changes in tax collection systems. Additionally, the LATAM region relies on several trade agreements that are under review and any changes will affect economies, which in turn impacts taxes.

- **APAC:** Expect tax authority activity to step up in terms of aggressiveness and intensity. Raising awareness of the importance of tax to C-Suite will become increasingly important. Recruiting tax professionals with the ability to understand the business, their issues and drivers, and to be able to devise tax strategy accordingly is now more important than ever.

- **Middle East:** 2017 promises to be a very exciting time from a recruitment perspective for a few reasons, such as the implementation of VAT in 2018, increased frequency of audits, oil prices steadily increasing and improved conditions for emerging markets recovery.

US TAX MARKET

2016 Review

OECD/BEPS

International Tax Planning

As predicted in our 2016 Global Tax Market Assessment, we saw an increase in demand for international tax planning professionals due to the regulatory pressures from BEPS and OECD.

In addition to OECD/BEPS being the driver for this high demand, we have seen tax departments move their attention towards effective tax rate (ETR) reduction. Historically, tax departments focused heavily on risk mitigation and tax accounting; however, as the economy has improved, ETR reduction has become as important as risk mitigation.

Transfer Pricing

Overall, 2016 did not see as high of an increase in pure transfer pricing positions as we previously predicted. We did not see the uptick until mid-year of 2016, which continued to increase throughout the rest of the year.

Tax Accounting/Reporting

In 2016, we predicted tax accounting and reporting positions would be in high-demand due to the new country-by-country reporting requirements. While we did see an increase in requests for these professionals, it was likely not for the reason we predicted (country-by-country).

Demographic Impact

As we predicted in 2016, we did see an exodus of Baby Boomers retire, some even earlier than we expected. This had a major impact on the Gen X population, many of them being pulled into high-level positions to fill in the gaps left by the Baby Boomers.

As we stated last year, the Gen X population is limited in size compared to the larger Baby Boomer and Millennial generations. As a result, we found it difficult to find Gen Xers to fill the open positions.

We predicted last year that this would cause companies to move Millennials into higher-level positions to fill positions that could not be filled by Gen Xers. Instead, companies hired Baby Boomers on a short-term or contractual basis to give their internal people an opportunity to grow and develop into the more senior-level positions since the external pool was not prepared for these positions.

Although later than we predicted, employers will be forced to move Millennials into more senior-level positions. The trend of companies hiring Baby Boomers on a short-term basis gives tax departments the time they need to further develop Millennials before promoting them.

Candidate-Driven Market

Our prediction of 2016 being the year of a candidate-driven market proved to be true. As a result, corporate tax departments were surprised with an unexpected turnover. Tax departments were not properly prepared or budgeted for this turnover resulting in an increase in companies going to the market to hire replacements than previously anticipated at the start of the year.

From our perspective, 2016 produced strong results for our TaxSearch firm, causing us to have one of our best years since 2008.

As we expected, there was increased pressure on compensation packages in 2016. 10% raises are no longer the status quo with more professionals expecting a 20% increase or more in compensation. The pressure compelled many of our clients to internally evaluate their compensation packages for both hiring and retention purposes. This is reflected in the fact that we conducted more Benchmark Compensation studies than any other year since 2008.

Non-Technical Skills

We were correct in our prediction that communication would be the unsung skillset in tax for 2016. Unfortunately, there was a gap between recognizing the need for tax professionals to develop soft skills and actually taking action steps to fill the gap. We have not seen companies or individuals take the process of improving communication skills to the degree that we believe they should.

From the employer perspective, we saw companies set communication skills as a priority for their candidates, but there is a lack of willingness and/or understanding of how to create training programs around developing non-technical skills for their internal employees. They understand there is a need for this skillset, especially as tax departments take the forefront in corporations, but many employers are not taking a proactive initiative to propel their employees' development. This causes a vicious cycle of companies recruiting tax professionals from other companies who also are not developing their employees' soft skills but expect candidates to already have this skillset.

On the other side, individuals also lack the initiative to build on this skillset area. In 2016, we did not see as many people using TaxTalent's Mentor Program to get one-on-one advice from seasoned tax professionals in this area. Tax professionals should not wait for their employers to be proactive in creating soft skill training programs.

2017 U.S. TAX MARKET PREDICTIONS

Baby Boomer Retirements

In 2016 we predicted that Baby Boomer retirements would increase and that prediction certainly came to fruition. For 2017, we're expecting the Baby Boomer trend to continue and even accelerate due to the current "carrot and stick" situation we describe below. As noted in the Preface, this is a key element to the "perfect storm".

There are many "carrots" that are giving Boomers the confidence to retire, one of them being an overall good economy. The economy has increased the value of previously depleted retirement account balances and has provided Boomers with a positive outlook on the future. This assurance allows Boomers to feel secure in their retirement. Additionally, Boomers have a "security blanket" as more contracting opportunities become available for them to supplement their income without working full-time.

On the opposite end of the spectrum, there are several "sticks" that are driving Boomers out of the industry. Several of these "sticks" fall in the category of "this job just isn't fun anymore". Tax departments are facing increased regulatory pressure, resulting in additional workload and risks with budgets that get seemingly smaller each year. All of this, combined with the current state of uncertainty as it relates to pending tax reform, makes it an easy decision for Boomers to finally call it quits.

We expect to see a continuation of tax departments hiring Baby Boomers on a short-term, 3-5 year basis to help groom Gen X candidates and potentially Millennials to accelerate their development, so they can be better prepared to step into leadership roles in the next few years. If you are expecting to fill a role in 2017, we suggest you look in the Baby Boomer pool as a bridge to help mentor a younger individual who may need additional training and guidance before they can be ready for a promotion.

There is a common misconception that all Baby Boomers are positioned at the head of tax level. In contrast, if you look at departments, there are many Baby Boomers in mid-management positions. This scenario is particularly true in specialty areas that do not offer as many promotional opportunities such as audit/controversy and many of the state and local areas. We believe companies need to become more aware of retirements across their entire department and not just focus on the more senior level positions. An increase in awareness will help departments prepare for the transitional impact when a retirement occurs, instead of being caught off-guard.

Candidate-Driven Market

In 2016, we had a candidate-driven market, meaning there was a higher demand for top tax professionals than there were candidates to fill the open positions. Moving forward to 2017, we anticipate it being a hyper candidate-driven market based on what we saw towards the end of last year. Detailed below are the reasons we believe we are entering a hyper-driven candidate market. Along with these reasons, we also offer solutions to help leverage this trend whether you are a hiring authority or a candidate.

Some of the factors making this a hyper candidate-driven market are:

- Baby Boomers continuing to retire without significant succession planning behind them.
- Increased pressure on compensation resulting in companies experiencing unexpected turnover.
- Demand for International tax planning continues to rise primarily due to regulatory issues.
- The need for transfer pricing positions continues to increase because of OECD/BEPS.

For hiring authorities, there are going to be implications for staffing and retaining your top tax employees. Are you going to ignore the challenge or are you going to learn to adapt? The market will be faster-paced to fill all open tax positions, and there will be more competition from both internal and external candidates.

How to prepare for the candidate-driven market:

- Hire individuals who can adapt to change.
- Effective on-boarding.
- Focus on retention strategies that are built around the development of staff and understand the career aspirations of your staff to reduce the risk of unexpected turnover.
- Add accurate salary benchmarking to ensure compensation plans align with the market for your key tax positions.
- Prepare and develop succession plans.

Candidates in the current market will be affected when trying to find new opportunities. Candidates will likely have a huge advantage as Baby Boomers retire and more opportunities become available. For tax candidates to benefit from this market, they will need to keep the following in mind:

- **Be clear on career aspirations and reasons for making a move.** If the candidate's primary needs and wants are being met at their current company, then they should rethink making a career move. If needs and wants are not being met, candidates should make sure they have their goals and plans pulled together before making any major decisions.

- **Do the homework and be prepared.** The market is moving at a fast pace so staying on top of what opportunities are out there will be extremely beneficial in the job search process. Candidates should be open to, and possibly even plan for, other opportunities if they see little to no career progression at their current company. Candidates should also spend time researching companies they are interviewing with, such as a company's 10Q and 10K filings. Bringing out this knowledge in the interview process will be an advantage above the other candidates.

- **Invest in yourself.** Consistently investing in the development of your personal skills will allow you to easily adapt to change.

- **Be versatile to change.** Since the tax environment is quickly changing, it is essential that candidates update their skillsets and educate themselves on upcoming tax reform and regulation changes.

- **Have a relationship with a specialized tax recruiter.** Specialized tax recruiters can help candidates through the entire job search process, from finding opportunities to resigning from a current position. Specialized recruiters typically have more knowledge about open tax opportunities and what a candidate's value will yield in the current market. Even if they don't have an open opportunity that matches a specific job search criteria today, specialized tax recruiters can assist you in your overall career development.

Non-Technical/Communication Skills

In 2016, we predicted the non-technical communication skillset would be in high demand. We saw this materialize and believe that soft skills will continue to be in high demand in 2017 and beyond.

For the majority of tax departments, the days where tax professionals could rely exclusively on their tax technical skills are over. Today, you must have the ability to communicate at all levels with both technical and non-technical individuals. Some positions will require more and some less, but the constant will be that everyone at mid to higher level positions must possess strong communication skills. It is essential for tax professionals to be able to effectively communicate within tax, cross-functional groups, business units, at the C-level and with outside advisors.

> *"The days where tax professionals could rely exclusively on their tax technical skills are over."*

Many CFOs, tax leaders and HR leaders say communication skills are the biggest indicator of future success but one of the hardest skills to find. Communication skills are essential to long-term success and are a common trait which all successful tax professionals possess. We feel it is vital to start working with young tax professionals early on, so they can continue to develop these skills. Developing this skill will help them be better prepared by the time they reach higher level tax positions. Training should not only be about communication and leadership skills, but also about taking the lead on projects and managing initiatives. There should also be training on how best to work with other business units to help optimize cross-functional relationships.

The small irony is while everyone is saying this is important, historically a tax department's willingness to put time and effort into helping people develop this skillset has not been apparent from what we've seen. We hope to see tax departments creating different types of training to address this issue in 2017 but, if not, the responsibility will fall onto the individual tax professional to ensure they are developing in this area. One of the ways to help your employees is to connect them with a mentor either internally in the organization or through external mentor programs[1].

Tax departments that focus on these skillsets will develop and attract higher quality talent and outperform other departments. We continue to work with departments and tax leaders to raise awareness about the importance of these softer skills and implementing internal strategies to train and develop their tax team in this area.

Transfer Pricing

We predicted the demand for corporate in-house transfer pricing professionals would be high in 2016 due to increased pressure from new BEPS regulations, potential tax reform changes, and non-US tax audit pressure revolving around transfer pricing globally (see BPA report). We did not see this develop until later in the year, likely due to tax departments delaying recruitment on these positions until after year-end provision close. We already see this demand carry into 2017 and we predict this will continue to grow as we move further into the year.

There are three types of transfer pricing profiles that you will typically find in large corporate in-house tax departments: strategic planning roles, implementation/documentation roles, and pure economists. We are seeing many companies hire these individual skill sets. However, many companies are now hiring people with a combination of these three backgrounds. The reason many companies are looking for candidates with a broader background is so they can hire one individual who can be involved in a breadth of areas in the tax department rather than spend the budget on multiple candidates for very specific roles.

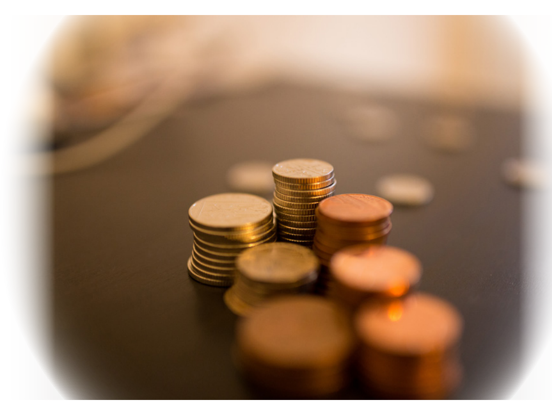
Like many areas in tax today, the demand is increasing while the supply continues to be low in these specialized technical areas of tax. What can you do to prepare for this?

- Re-evaluate your retention strategies to minimize unexpected turnover with an emphasis on investing in the development of individuals.
- Adjust your recruiting methods and your compensation packages. There are multiple methods you can use to find both qualitative and quantitative data[2].
- Be more flexible in your candidate profile, such as years of experience, background, etc.

> ***"Like many areas in tax today, the demand is increasing while the supply continues to be low in these specialized technical areas of tax."***

Change is Coming

As we referenced in the preface, 2017 has the potential to be the year of change as the "perfect storm" develops. What those changes will exactly look like and what implications will arise, will begin to become more evident throughout this year. Below are examples of things that could trigger change in 2017 as well as some solutions to handling the change.



Tax Reform: There is a high likelihood we will see tax reform within the next year or two. While tax is constantly changing and evolving, we have not seen any monumental changes since the Tax Reform Act of 1986.

False Indicators: An example of this is the recent GE/PwC outsourcing arrangement. Is this a one-off situation or is this transformational? Until this question is answered, the key is to not overreact to these false indicators. To get a better sense of our perspective on this topic, click here[3].

We believe it is highly inevitable we are going to have major changes in the current climate. This then bodes the question of how do you react to it? Generally in the past, corporate tax departments have tended to do one of two things in regards to their staffing strategies:

1. Companies/departments may freeze their hiring or slow it down.
2. Companies continue moving full speed ahead and take advantage of the talent pool in the market.

If you fall into category one and slow your hiring down, be cautious about how long your open positions go unfilled. The longer a position is open, it could potentially be questioned by leadership as to whether or not the position is necessary. Your tax department may lose the headcount if you cannot fill a position within a shorter timeframe.

If your tax department continues to move full speed ahead, you need to look for individuals who have the ability to be flexible, nimble and to have more breadth of experience and skill sets, including both technical and non-technical.

Along with the big unknown of tax reform, there are two other elements in the potential "perfect storm" that is approaching the tax profession, which we discussed in the preface: the development of NGOs and the tax policy regulatory reform changes with OECD and the demographic shift with a large number of Baby Boomers retiring. To prepare for the "perfect storm", three things should occur:

- Financial leadership needs to understand and appreciate the fluid and dynamic nature of the current tax climate.
- Tax department leaders should be assessing their teams to make sure they are both emotionally and technically prepared to adjust accordingly.
- Lastly, the individual tax professionals need to prepare themselves to adjust to a more fluid and dynamic tax environment than they have ever seen in the last thirty years.

If financial and tax leaders and the individual tax professionals all address the tax climate changes, your organization will be well prepared to adjust to the evolving tax environment.

Retention Strategies

The pendulum has swung towards being a candidate-driven market, causing a significant strain on any retention strategies tax departments currently have in place. Now more than ever, tax leaders will need to rely on developing more trust and foster a mentoring relationship environment within their department if they want to have any chance of retaining their key employees – usually their top performers.

In our opinion, 2017 will prove to be a critical year for leaders to train their direct reports to engage with their staff and take the time to understand their career aspirations. This ensures that the needs and wants of the individuals are being met. Development of trust is going to be the key ingredient to retaining talent.

When it comes to retention, we continually talk to both clients and candidates about the "Three Pillars of Retention". You can listen to more about these pillars here[4]. The bottom line is you have three main areas at your disposal where you can work to retain an employee. Remember, woven between these three pillars will be the element of trust that we discussed above.

The first and most important pillar of retention is development. As we've discussed in other sections, development should focus on both the technical and non-technical/communication skills. Within this pillar, taking the time to fully understand where your staff would like their career to go is a critical step in implementing development plans. Developing individuals in areas they have an interest in does not always equate to retention because it can be difficult for departments that are stretched for resources to allow people to learn new areas. We recommend departments set up rotational situations so that the infrastructure can be developed to enable individuals to develop broad-based technical skills.

The second pillar of retention is compensation. We recognize there are limitations companies have when it comes to compensation. That being said, in this high demand/low supply environment, it must be recognized that tax leaders will need to spend more hours educating HR and finance on the market and salaries.

Because of compensation limitations, it is imperative that companies gain access to accurate salary data. Good salary data is not just quantitative, such as sales figures, industry, and titles, but qualitative as well. Succession planning roles interface with cross-functional groups or executives outside of tax are just a couple examples of the kind of data that can have a significant impact on someone's salary. Traditionally, it can be very difficult to gain access to qualitative data, but there are solutions available for tax departments to easily access both qualitative and quantitative salary data[2].

The final pillar of retention is work-life balance. The key to work-life balance is understanding your situation. If you have the opportunity to offer flexibility with work hours or work from home situations, taking advantage of that flexibility goes a long way to help offset low compensation or lack of development opportunities. If you cannot offer the flexibility or you are in a situation where you must require longer work hours (MW remediation, etc.), then you are going to have to offset these situations with more development opportunities and/or compensation.

Overall, we are expecting tax departments in 2017 to spend more time than in previous years looking at retention of their key staff. In this environment, it is inevitable that your people are going to get calls about other opportunities. What will be critical is stacking the odds in your favor to keep your key people from considering other opportunities.

Professional Services Demographic: Potential Impact on Corporate In-House Tax Departments?

Public Accounting

Public accounting is not immune to the overall demographic shift that we also see in corporate tax departments. U.S. firms have been seeing more senior partners retire at a rapid rate over the last 3-5 years and this will continue to accelerate. Public accounting's unfunded pension obligations to their retiring partners will likely, in our opinion, have an impact on corporate in-house tax departments as you will read below.

U.S. firms are facing long-term exposure due to their prior commitments of extremely generous retirement offers to a Baby Boomer generation that has an increasing life-expectancy. We are starting to see these firms attempt to minimize some of this exposure going forward by taking two different tactics:

1. Capping the value of the unfunded pensions for future partners to prevent further costs.
2. Raising the standards on existing partners who do not have fully funded pensions or pushing existing partners out of the firm before becoming eligible for the pension or while their pension payouts are very low.

Once the actuaries assess that these tactics are insufficient to sustain the long-term pension obligations, we will likely see firms use other methods.

How does this affect the corporate clients?

1. One way or another, these firms will put the price of the pension obligations on the backs of their corporate clients. There will be upward pressure on hourly rates and pricing proposals from the Big4. Millennials are not willing to put the same amount of hours in as the Baby Boomers and sacrifice their personal lives to support these obligations. The Gen Xers, while they are used to working longer hours, are being pushed to the extremes and due to the size of this pool, they provide limited relief.

2. For the reasons we mentioned above, partner turnover will increase which will have an impact on staffing below them. Once managers, senior managers and directors understand why there is an increase in turnover at the partner level and

realize the long-term benefits and payouts of being a partner are not as dramatic as they once were, anticipate turnover at this level as well. The resulting staffing instability will ultimately add additional costs to corporate in-house tax departments. You will be re-training staff assigned to your accounts more often than you did in the past.

We will possibly see firms make short-term decisions for quick cash, leading us to wonder what the long-term benefits will be (i.e. PwC/GE outsourcing agreement). Expect to see the tensions impact the corporate tax department servicing, something that we will keep a close eye on in 2017.

Law Firms

Law firms are also facing issues due to the demographic impact of Baby Boomers retiring. Firms are still dealing with the tension of how to successfully transition large books of business to the younger partners without causing their senior partners to feel insecure.

Unlike public accounting firms, non-compete agreements generally do not exist in law firms. This opens the door for junior partners to take a senior partner's clients if they were to switch firms. As a result, senior partners are exposed to the risk of losing their clients and their sustainable revenue streams.

This is a unique challenge to law firms that we believe has not been unraveled yet. We believe this will have an impact on corporate clients as they will have a difficult decision to make. These clients can either stay with a loyal partner that they've worked with for many years knowing that their time in the business is coming to an end or make a move to a younger partner who has an understanding of your practice and can sustain a longer relationship.

The impact is compounded by the fact that many tax leaders in corporate in-house are now retiring and moving on. The deeper relationships they developed with law firm partners no longer have the same value proposition as the new leadership comes into the organization.

Tax Department Budget Optimization

In the current state of the political and economic environment, tax departments have even more pressure yet fewer resources to deal with transformational changes. Moving forward, departments will need to use all means necessary to optimize their budgets. One effective way to do this is by taking an in-depth look at the vendors that have traditionally been used for tax services. We already see a disruption to the traditional tax services, similar to what happened to the taxi industry.

For many years, the traditional yellow taxi dominated the car service industry. Then limos and private hire car services came onto the scene and took some of the market shares from the traditional taxis. Now, Uber has revolutionized the taxi/car service industry with their completely different approach to the whole industry. In comparing this example to the tax world, the more traditional vendors available for tax services – PwC, KPMG, EY, and DT – would be the taxis. These vendors have long dominated the market for tax services.

In recent years, there has been an emergence of vendors that offer tax services, but do not have an audit practice as a part of their firm. The vendors have been aggressive with hiring former Big4 employees and in their rates. Their aggressiveness has allowed vendors to steal some of the market shares from their more traditional competitors. Examples of these firms are Andersen Tax, FTI Consulting (who have broadened out beyond transfer pricing), True Partners, and Alvarez and Marsal.

The example of Uber revolutionizing the taxi industry has opened the eyes for other industries that are finding the need to adjust. For example, accounting firms are looking at new ways to advise their clients by optimizing their technology and using artificial intelligence to find the best solutions. Clients now have more choices for vendors than they did in the past. Companies will need to avoid falling into the trap of either using the same vendors because that's what they've always done or being late to embrace some of the new choices in the market. Ignoring other choices or not taking the time to determine how you could use your current advisors differently will negatively affect tax departments. The use of independent contractors to supplement the in-house staff is becoming a critical piece to this budget puzzle. This concept is being utilized in many other industries and, as it gains traction in tax, it will be a game changer for how departments use their budget in the future.

We are recommending that companies continue to evaluate the new vendors that are entering the market. We do understand that long-term relationships with vendors who have a thorough understanding of the tax department's and company's situation have their value. With that being said, this is not an excuse to not investigate alternatives. If you only rely on the vendors that you have used in the past, it could lead to inefficiencies from a budget perspective and will significantly increase the chance that corners will be cut to get the work completed. Cutting corners could potentially result in an increased risk across the board for tax.

Indirect Tax

Our analysis is strictly from the perspective of US based companies dealing with indirect tax on a global basis. For a country-by-country analysis of indirect taxes, click here to review BPA's analysis for regional breakdowns.

In 2016, we indicated that we could potentially see a trend of US-based corporate tax departments move indirect taxes into their corporate functions, creating roles to oversee the indirect tax function. This trend did not come to fruition in 2016, but, and we might be early in this prediction, be prepared for this trend to develop.

Due to the current global regulatory environment as well as the potential US tax reform issues, we, unfortunately, foresee indirect taxes having a low level of importance for U.S. corporate tax departments in 2017. The caveat to this will be if the border adjustment provision is implemented. We could potentially see a huge increase in demand for staffing in the indirect tax area as a result. Additionally, how this VAT type function would report within finance would need to be resolved.

Tax departments will have a high priority on issues such as NGOs, OECD related laws and border tax adjustment implications. We firmly believe that US corporate tax departments should focus on further optimizing indirect taxes than they currently do, but under the current circumstances of workload, it is understandable why it hasn't taken traction yet.

If your tax department has the time and resources, we recommend that you first have a clear understanding of what exactly your company is exposed to from an indirect tax perspective. In some cases with large multinational companies, this can initially become more complicated. In the long-term, we believe this will be the next area management will focus on. The earlier you have a grasp around indirect tax, the better. Assuming you have the resources and time, create a strategy to reduce indirect tax exposure from a planning perspective.

Tax Audit

Non-US Tax Auditing Issues

We believe the foreign jurisdictions will have the largest exposure from the audit perspective. BPA has outlined this potential impact in their report region-by-region, noting that some of these jurisdictions have already implemented audit changes based on new BEPS related laws. These jurisdictions are also preparing for the new standards, such as SAF-T that is under the OECD recommendations. These will also, as BPA indicates, increase pressure on audits in foreign jurisdictions. Click here to read their report.

State and Federal Tax Auditing

In the U.S., the federal audit environment should be stable and consistent with the recent years. We won't see any significant changes until tax reform is implemented. In the long-term, there is a wildcard in how tax reform will impact both the federal and state level, but we will likely see states react quicker than the IRS.

States are already aggressive in their audit efforts to increase revenue as the federal involvement starts to diminish. Additionally, tax departments are wrestling with internet taxation policies at the state level that will continue to be an issue in 2017. These policies will have a tremendous impact, in particular on the audit of indirect taxes, such as sales and use. Internet taxation, in our opinion, is one of the dominant issues that companies need to protect themselves against.

In summary, we will likely continue to see consistent federal audit pressure like we have seen in the last few years. With that being said, we do not think we will see a major increase in pressure on the US domestic side as we wait to see the impact of tax reform. At the state level, we will potentially see the pressure increase to generate revenue and, therefore, you may need to reallocate your staff, either internal or external resources, to support the state area. As we mentioned above, the major area we believe will see major impacts is in the foreign jurisdiction audits.

State and Local Tax

We predict that states will continue to look for creative ways to increase their revenue and that there will be an increase in demand for state and local tax professionals due to a number of different factors. On the indirect tax side, one of the revenue streams which has increased over recent years has been due to the "Amazon Law". At the turn of the century, e-commerce made up less than 1% of retail sales; today, that percentage has grown to 8% and keeps rising. Thirty-three of the fifty states now enforce the taxation of e-commerce transactions. Unsurprisingly, this law caused a chain reaction after the other states were able to see the benefit to their revenue stream.

States are starting to think outside the box and create additional taxes to add to the bottom line. Just recently Portland adopted a surcharge on CEO pay if their income is greater than 100 times the median pay of all the company's employees. Portland has estimated that this will generate $2.5 - $3.5 million annually. We are also seeing an increase with states adopting soda taxes. California was the first to introduce the tax but other states are starting to jump on the bandwagon. Colorado just approved the steepest soda tax at two cents an ounce, that's an additional $1.35 for one two-liter bottle.

Many new companies have adopted the sharing economy platform, such as Uber and Airbnb, and the growth of these companies are ahead of tax's ability to anticipate issues. As a result, there is an increase in demand for more indirect tax planning on the e-commerce side. We only see this need continuing to rise as the economy moves more to this platform. On the income side, we are continuing to see the trend for departments to pull resources from the state compliance and planning areas to support transfer pricing audits.

Our prediction for state and local tax in 2017 is that states will continue to follow suit, much like what tax authorities are doing in many other countries, and will continue to look for ways to increase revenue. This is going to place internal pressure on resources in departments where budgets are already overstretched. For those departments that have only taken a compliance approach to State and Local tax, they may need to look at the allocation of resources in order to have someone on staff to monitor the legislature matters and the effect it will have on the company.

Supply vs. Demand

Supply and demand affect tax professionals at all levels, from entry-level individuals finishing out their education all the way to seasoned professionals who are planning to retire. We are currently seeing an increase in demand for quality tax professionals and a diminishing supply.

What is affecting supply:

- Distorted numbers of entry-level professionals due to a large number of non-US students going through graduate programs and H1B issues. The number of graduates does not equal the number of available entry-level positions.
- Tax reform and transformation. It is unknown how exactly this will affect supply and demand at this point in time.
- Outsourcing arrangements, such as PwC/GE. If this is a transformational change, it could scare away talent.
- The increase in Baby Boomer retirements.
- Economic circles affecting professional services. Historically when the economy takes a hit, firms shrink their hiring dramatically yet they are the ones that provide 80% of the pool of tax professionals for corporate in-house tax departments. Read more on this subject here.

What is affecting demand:

- Increased workload due to regulatory pressures.
- Boomers retiring causing a demand issue created by a supply drain at the more senior level.
- Corporate tax departments starting to compete for students by using internships.

We recommend a few suggestions as you and your company adjust to the supply and demand issues:

- Get involved with tax accounting clubs at colleges and hire more interns and entry-level professionals on your own rather than relying on professional services providing the talent pool.
- Train and develop individuals within your organization to prepare them for higher-level positions.
- Develop strong succession plans as Baby Boomers retire to offset any risk due to the knowledge gap.

EUROPEAN TAX MARKET

2016 Review

Last year we predicted an increased interest in tax at Board level; that BEPS would increase the demands on the tax team resulting in more hiring in transfer pricing, the effect of changing business structures and technology, and increased pressure to find and retain the best tax talent. These have all been reflected in what our clients have been saying again this year and all will, no doubt, be key features for tax departments for many years to come.

The two big news stories of 2016 were Brexit and the outcome of the US elections. Putting them to one side, the key challenges were BEPS and EU tax agenda (including state aid cases) all contributing to increased uncertainty, hampering investment, and growth.

Tax leaders have been trying to keep up with the pace of change and providing practical advice to their businesses to ensure that their business model remains compliant in the ever-changing world under BEPS and doing so under increasing pressure to "do more with less" in terms of tax department resources.

There has been a continued focus on process efficiency, especially around compliance and reporting processes. The G20/OECD have been working to produce a consistent approach to taxing multinational corporates. BEPS has now moved to implementation phase and creates greater uncertainty around a number of areas (permanent establishment, public disclosure of tax information, governance and tax reporting, transfer pricing methodology and documentation and limiting interest deductions).

2016 saw a greater than anticipated rate of increase in tax disputes due to tax authorities taking new positions ahead of BEPS related law changes. The taxation of the digital economy is creating huge uncertainty and many countries are introducing new taxing concepts all over the world.

The UK has become a much more difficult environment and companies are struggling to agree on some issues with HMRC. The Diverted Profits Tax has proven to be a game-changer. The UK has been first to implement many BEPS issues such as Interest Restrictions and anti-hybrid rules for instance, which probably places the UK in a less favourable tax environment than other countries, and for some the reduced corporate tax rate does not offset that impact.

Country-by-country reporting is now a big issue, even at board level and much time is being spent debating how to present tax data with external auditors. NGOs and others have really raised the public interest in corporate tax.

2016 was a year of change. The volume of significant international tax law changes in the past twelve months has been substantial. To a large extent, the change represents the culmination of the BEPS negotiations - the final reports for each of the different actions have now been published and countries are looking to implement the recommendations into domestic law. The challenge for multinationals in the coming years will be to understand how (and, importantly, when) individual countries have implemented the changes and to adapt business operating models accordingly.

"2016 was a year of change. The volume of significant international tax law changes in the past twelve months has been substantial."

Increasingly, the traditional hybrid, financial, commissionaire and even limited risk distributor structures will need to be replaced with less efficient alternatives and tax functions will need to find new ways to sustain low ETRs. With the increased transparency and exchange of information, there will be increased risk premium to having a low ETR. There is likely to be a divergence of views amongst senior management on whether to continue to target a low ETR. Listed companies, which sell to consumers, are likely to accept a higher ETR as a cost of maintaining reputation; unlisted companies and B2B companies are likely to be less concerned by reputational issues.

2017 Predictions

BEPS

Looking forward, there will be more BEPS implementation challenges, country-by-country reporting, more populist anti-globalisation/ multinational sentiment putting pressure on governments and tax administrations, more calls for greater transparency, potentially radical US tax reform and the consequences for the international tax system, and having the right people internally to respond to this rapidly evolving external world.

It is hoped that 2017 will bring some increased certainty around what implementation of BEPS in each country will look like. However, at the time of writing, all the signs are that in 2017 the picture will become less clear rather than more certain. Will BEPS kick off even more tax audits across Europe? High profile companies have already been targeted. What about smaller companies?

Automation and data analytics will start to have a greater impact. With the introduction of SAF-T (Standard Audit File for Tax) reporting in some countries, how will companies feel about tax authorities potentially having such an easy way to interrogate a company's tax position? Is there a danger tax authorities may know more than the tax team? SAF-T is an OECD international standard for electronic exchange of reliable accounting data from organizations to a national tax authority or external auditors.

The pressure on maximising tax yield has caused some tax administrations to back away from cooperative compliance. This makes managing the relationship much harder and calls for better negotiation and more strategic thinking.

Technology

The big change coming down the pipeline involves technology and how governments will interact with taxpayers regarding data requirements, timing and volume. As with SAF-T reporting above, tax authorities will increasingly focus on technology in making the government systems more efficient and effective.

> *Is there a danger tax authorities may know more than the tax team?*

We will start to see automatic audits immediately after submission of online tax reports in the form of automatic information requests and ratio analysis. It will also allow for shorter audit cycles. The pace of change will be astounding and larger corporations will have to work hard and fast to keep up with the pace of change; standardising approaches where possible and understanding the implications of the use to which governments and tax authorities will utilise the information they seek to obtain.

Brexit

Brexit is an unknown, but companies will see clients and customers making business decisions to avoid perceived risk. Companies will make plans regarding VAT and Customs implications - planning for potential changes and lobbying.

In the UK, at least, Brexit planning will increase demand for Customs and VAT specialists both in-house and in practice. Employers will specifically be looking for individuals that are comfortable with UK and EU legislation because as and when these two things diverge, understanding the impact of the divergence will be invaluable. Economic uncertainty may make it harder (and perhaps more expensive) to get individuals to move to the UK (at least until implications of Brexit are clearer). However Brexit is agreed, any business that trades from or with the UK will require some process, system and behavioural change.

Making these changes will require more than just indirect tax expertise, but as we know from how businesses have coped with major changes to indirect tax systems in other jurisdictions, it is hard to cope with these changes adequately without strong indirect tax leadership.

US Tax Reform

A key unknown is how US tax reform will take shape under the new President - likely involving a significantly reduced headline rate with a broadening of the tax base and this may create a new wave of change and activity towards the end of 2017.

The most significant 2017 "game-changer" will arrive in the late spring when the Trump administration introduces the first of its 2017 fiscal packages which is likely to include a tax on accumulated foreign earnings. This measure is estimated to allow US multinationals to repatriate over USD 2 trillion to the US at a tax rate substantially below the current 35% rate and would fuel (a) investment in US domestic growth/employment, (b) returns of cash to US shareholders and (c) global M&A led by US multinationals. If the Trump administration successfully introduces the border adjusted tax in the second fiscal package in the Autumn of 2017, then international tax planning will be turned on its head. Tax professionals may be kept busy restructuring international groups to transfer intangibles and other value adding functions to the US.

Transparency

The international tax environment will become more transparent for tax administrations because of CBCR and the Automatic Exchange of Information. It remains to be seen whether all tax authorities around the world will be successful in utilising the vast amount of available data. In tax departments there will be a continued focus on compliance, processes and internal controls, and more conservative tax planning.

The international tax environment will be one with an increasing number of unresolved cross border dispute resolution cases, among others because of the unilateral implementation and interpretation of BEPS, such as measures and the lack of consensus among countries of how the digital economy should impact international tax sourcing and nexus rules. Increasingly disputes might involve multilateral issues which are very hard to address.

Tax functions should be concerned that governments will increasingly become frustrated that the BEPS initiatives do not deliver the increased tax revenues and will introduce domestic measures to increase their tax revenues - similar to the new UK royalty withholding rules and the EU State Aid investigations. At the same time, multinationals will be complying with the new TP/transparency rules and there will be an additional compliance burden to produce the various country-by-country reports/documents.

Switzerland and Luxembourg

As we have noted in the last two market reports, Switzerland has faced headcount headwinds due to many reasons, including the time taken over Swiss tax reform and the significantly higher cost of living and salaries. In February 2017, Swiss voters clearly rejected the government's plans to overhaul the corporate tax system, sending it back to the drawing board as it tries to abolish ultra-low tax rates for thousands of multinational companies without triggering a mass exodus.

Luxembourg has done very well over the last few years in attracting international investment via holding and financing companies from MNEs that have shunned Switzerland. This may well change in the future once the EU state aid rules bring the Duchy into line with other larger EU countries and many fear the future for Luxembourg is not so bright.

Summary

The tax environment continues to be fast changing and challenging compared to a few years ago. There will be a continuing need for tax professionals both at the top end of the market to help companies address the technical and reputational issues raised by the continuing legislative changes and at the lower end to deal with the increased reporting and compliance burden.

If we have entered a new period of volatility, uncertainty, complexity and ambiguity then the effect on the tax market has been muted. Despite being a big news story of 2016, Brexit has not had any real effect on the tax world, yet. On the evidence so far, the world keeps on turning and the trend of less complex planning, more transparency and focus on compliance and control will mean the continued demand for tax professionals. Many companies, especially those with cost pressures, are able to maintain a constant headcount. Instead of headcount increases, these businesses look to technology to automate routine functions so that more resources are available at higher levels.

Transfer pricing salaries will increase and likely match or overtake corporate tax salaries. The Big 4 can't hire enough people for careers in TP quickly enough and in-house tax teams increasingly need someone on the inside to manage TP matters internally.

VAT recruitment has been booming and at the senior end remains a very competitive market. For large businesses, some question whether the increase in automation and use of artificial intelligence will bring an end to the need for an army of VAT Accountants to process VAT returns.

It seems to be the perfect storm with tax reform in many major tax jurisdictions (Switzerland, USA and Japan) on top of BEPS. It is therefore very difficult to assess how this will play out, particularly the US and Swiss tax reform could be real game-changers - the only solution is to work with scenario planning, but it still makes it difficult to make key strategic decisions. Communication with senior executives is essential, reducing complexity into a way they can easily understand. This requires tax professionals who can stand above the technical details and who understand the business.

For more information on the European Tax Market, please contact Will Sheppard on +44 7818 519 396 or ***will@bpasearch.co.uk***

ASIA-PACIFIC TAX MARKET

2016 Review

Across the region, we saw many companies needing to recruit additional tax staff to cope with the increasing demands on the tax function, for example: preparing for the new tax transparency landscape and the documentation that will need to be put in place, as well as implementing other BEPS Actions (such as additional rules on TP). As a result, we have seen a number of multinationals recruiting TP professionals, for the first time, as they set up new APAC hubs.

There has also been significant recruitment activity in China, as US multinationals continue to build tax centres of excellence specifically to manage their significant Chinese affairs. We have also helped recruit a number of 'first-time' appointments as APAC or Greater China Tax leaders.

As well as strong international tax technical skills, proven evidence of effective business partnering skills has become vital in 2016.

As predicted, we have seen an increase in the number of specialist indirect tax staff moving from big four to join 'in-house' tax teams, many of these roles being newly-created within US and European parented multinationals.

As BEPS continues to be implemented across the region, it brings many challenges in terms of the volume, quality of data, turnaround time and the need for multinationals to defend 'substance'.

We have continued to have discussions with many companies across APAC on how tax departments should be structured and what work the tax employees on those teams should be doing. More companies are setting up global shared service centres and many of these are in APAC and include some tax compliance functionality.

2017 Predictions

We predict we will see a continuation of what happened in 2016. The challenge for 2017 and beyond will be the increasing dialogue with the tax authorities. Many current acceptable practices may no longer be accepted by the tax authorities. There are many drivers in this area, but BEPS is definitely a key one that is helping lead to a change in the mindset of those working in the tax authorities.

We predict an increase in tax audit activity, particularly involving intercompany transactions and transfer pricing related questions. We can expect tax authority activity to step up in terms of aggressiveness and intensity.

Tax authorities in countries like China have so much access to data that they may fundamentally change the way taxes are collected or tax audits are managed. 2017 will also see countries, like India, implementing GST. This reform will change the tax landscape as GST is a new tax. It will be interesting to look at the impact of this in our next annual assessment.

Tax technology improvements will continue to be vital in 2017 as companies look for ways to improve, standardise, simplify, and harmonise processes in order to drive profitability. This ranges from conventional ways of building spreadsheets to moving to total system automation. Companies are being challenged to reduce costs while regulatory burden is increasing. The only way to achieve this is through increased use of technology.

From a tax talent perspective, the challenge and the key objective will continue to be finding candidates with good regional tax experience combined with very strong English language speaking skills.

Raising awareness of the importance of Tax to C-Suite will become increasingly important. Recruiting tax professionals with the ability to understand the business, their issues and drivers, and to be able to devise tax strategy accordingly is now more important than ever. This applies across the globe, not just in APAC.

If the US reduces its tax rate to anything around 20% (or less) other countries may follow, potentially resulting in new levels of competition, discussion, and conflict.

For more information on the APAC tax market, please contact Barrie Pallen on +44 7947 037 506 or ***barrie@bpasearch.co.uk.***

MIDDLE EAST & AFRICA TAX MARKETS

2016 Review

Reflecting on last year's report and based on our experience, the sentiment across the region was more around managing with current resources rather than head count growth. Compared to previous years, during 2015/2016 we recruited for fewer regional head of tax roles, particularly with overseas parented businesses. The drop in the oil price also affected recruitment volumes.

2017 Predictions

We believe 2017 promises to be a very exciting time from a recruitment perspective for a few reasons highlighted below:

1. The implementation of VAT in 2018 is already having an impact of the recruitment dynamic for the GCC region. Most, but not all, of the recruitment so far appears to be happening across the accountancy firms, as businesses seek advice to ensure systems and processes are fit for purpose. We have observed indirect tax professionals relocating from countries outside of the GCC region to support this.

We predict that companies in the region who are impacted by the introduction of VAT and currently have no dedicated internal VAT resource, will look to hire. BPA has been responsible for a number of high profile moves in VAT, particularly across the UK and continental Europe and has developed a comprehensive database of VAT professionals since 1993. We know people who are eager to relocate and assist during this exciting period and beyond.

Annual revenues forecasted as a result of the implementation of VAT across the region are significant. It highlights the value and impact tax revenues have in assisting with the development of a country's infrastructure and services.

2. In this same spirit, tax audits continue to become more frequent as countries seek to boost domestic revenue, particularly across Africa. A good example is the 'Tax Inspectors Without Borders' (TIWB) initiative between the OECD and UNDP. This has been designed to support developing countries build their tax audit capacity. The plan is around growing domestic revenues, which will assist development, economic growth and poverty reduction. Referencing a progress report in 2016 about revenue gains attributable to TIWB to date, African countries made up the majority of countries featured.

The push to recruit local nationals for local roles has been a key theme for our clients. The pool of qualified and talented local tax professionals continues to increase. BPA has an excellent knowledge of local tax professionals based across the core African business hubs.

We predict more vacancies will arise in 2017 as businesses ensure they have robust internal resources in each country to be able to deal with the frequency of tax audits and the correct interpretation of tax legislation.

3. Oil prices have been steadily increasing. This time last year, crude oil prices were reported at USD 29.78 a barrel. As this report is being published (January 2017) – they are at USD 52.65, representing a yearly increase of over 40%. Although, there is no 'magic price point' that triggers recruitment, we are already starting to experience more recruitment discussions in the energy services sector in the UK and continental Europe.

We predict that compared to the last two years, we will recruit for more positions in this sector if the price continues on this trajectory.

4. Improved conditions for emerging markets recovery. Financial data and analysis reported in the press for 2016/2017 highlights the resurgence of emerging markets. This is backed up by comments from our clients working in an international tax capacity. In recruitment terms during 2016, we saw overseas-parented businesses identify Dubai as a base location for tax staff focused on developing markets.

Summary

If you are considering hiring in 2017, attracting interest in your vacancy will not be an issue. A quick glance of the job boards and statistics for the number of applicants prove this.

However, finding people with the necessary technical and cultural fit is a challenge – this is where we can really make a difference. Companies value our ability to draw from our knowledge of the tax market and undertake a comprehensive search locally (and cross border if necessary) to identify the very best talent, within your budget.

Due to the highly specialist nature of taxation and its increasing profile combined with the significant impact a good tax professional can deliver, it is paramount the right person is hired.

For further information on the Middle East recruitment market, please contact James Preselo on +44 7879 697 345 or ***james@bpasearch.co.uk***

LATIN AMERICA TAX MARKET

2016 Review

The official launch of BEPS Action 15 was one of the main tax topics of 2016, with a heavy focus on Actions 5, 6, 7, and 13 - especially for Mexico and other countries that are part of the OECD. There is still work to be done, more specifically involving changes to local legislation and anticipating what tax impact these actions will have in the near future.

Latin American countries have faced the difficulty of attracting foreign investment, while also dealing with internal tax collection demands and a high level of WHT tax rates on overseas payments in countries such as Brazil, Argentina, and Venezuela (or countries where there is no international tax treaty). This is one of the biggest challenges LATAM has been facing the past few years and will continue if governments do not come up with a different view in the future.

In Brazil, for example, the implementation of SCOA (Standard Charts of Accounts to match with IRS Brazil) for 2016 entries was a big challenge as the government continued to request more and more detailed tax and financial information to improve tax audit mechanisms and tax collection.

LATAM continues to be a region that demands a high level of documental support and specific requirements on invoices and tax compliance forms. With the implementation of digital obligations in many of the countries in this region, the expectation is that soon tax authorities will focus more on substance than the form.

There has been an increase in potential permanent establishment risks arising from trading transactions. Careful analysis of transactions has become a challenge - balancing business needs and compliance with local regulations.

The fiscal authorities have also become more knowledgeable and sophisticated. Certain jurisdictions, for example, Mexico, have shown that they have invested time and effort in training resources, becoming sharper in their observations on models/transactions, and the tax implications on them. These developments do have a positive side as it has improved the facilitation of dialogue with the tax authorities on potentially controversial issues.

2017 Predictions

Key Tax Issues and Challenges for 2017

BEPS - Action 13 Transfer Pricing Documentation Master files, local files, and country by country reports need to be prepared. In LATAM, the expectation for 2017 is that as well as Mexico, many other countries will include this in their legislation. Colombia, Chile, Brazil, Costa Rica, and Peru are already working on it.

It is important to mention that these reports will provide tax administrations with useful information to assess transfer pricing risks and that such reports should make it easier for tax administrations to identify whether companies have engaged in transfer pricing and other practices that have a tax effect in an advantaged environment.

Increase in Tax Reviews/Audits from Tax Authorities Due to New Digital Platforms

A significant increase in audits is expected, especially for those countries where digital invoicing, electronic notifications, and electronic accounting has been implemented. All these are very powerful tools and sources of information to make the audit processes more efficient.

Modifications to the official tax audit processes are expected, regarding the opening of audits and making assessments; plus, an increase in the number of requests for additional information.

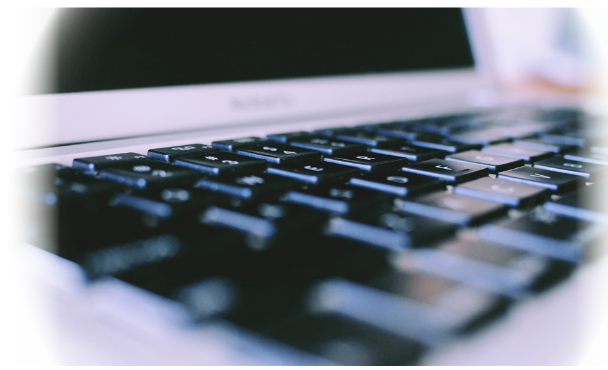
Another challenge for the region will be how governments adapt tax collection systems to future changes and movements in global economies following Brexit, Trump's election as new US President, and relations with China and Russia. It is possible that cross-border transactions will be tougher as countries seem to be turning to a more localised economic and political strategy. The LATAM region relies on several trade agreements that are under review and any changes will affect economies, which in turn impacts taxes.

> *A big question will be how Latin America´s Tax authorities will apply OECD recommendations locally.*

Other Topics for 2017

- Colombia is in the process of implementing a withholding tax for dividends paid abroad, at the same time as it is eliminating the CREE which is a supplementary Income Tax of 9%.
- Mexico is implementing more documental support for all companies that have outsourcing services to protect the correct compliance on payroll obligations and to condition VAT accreditation.
- In Brazil, it is expected that pension reform will pass Congress in the first half of 2017, leaving room for other reforms in the country's labor and tax systems possibly in the second half.
- To ensure the alignment on transfer pricing outcome with value creation (BEPS Actions 8 -10), companies will need to review current structures and plan for future ones.
- Potential modifications to the criteria and legislation for Permanent Establishments assumptions (BEPS Action 7).
- The way companies devise tax planning will change to take in to account new criteria and limitations, such as the effect of treaties, court decisions, domestic laws, and the new one: BEPS.
- Tax advisers must move at the same speed as of all these changes, in order to be able to implement and adapt to them.

For more information on the Latin America tax market, please contact Barrie Pallen on +44 7947 037 506 or ***barrie@bpasearch.co.uk.***



RESOURCES

For Individual Tax Professionals:

[1]TaxTalent's Mentor Program
Through our on-demand free mentor program, we introduce you to top tax professionals who are willing and excited about the potential of mentoring someone just like you.

[3]The PwC/GE Outsourcing Arrangement - How Will You be Affected?
PwC is hiring GE's 600-person global tax team. Have you thought about how this might affect you and your tax department?

TaxTalent Membership
Our career development community is a one-of-a-kind, free resource that helps tax professionals take control of their career growth and leadership development.

Job Agent
You can confidentially search for a new job by signing up for customizable job alerts. You will only be notified when a position is open that matches your criteria, vie email or text.

Salary Calculator
We provide you with access to targeted qualitative data to determine if your salary is in alignment with market value.

Job Seeker Toolkit
TaxTalent provides a step-by-step guide on how to find a tax internship or full-time position – from writing your resume to interviewing.

Tax Training Events
TaxTalent's free events directory is the largest and most comprehensive nationwide listing of web and classroom-based tax training events.

For Financial and Tax Leaders:

Family of Tax Brands
Our family of companies TaxSearch, TaxJobs and TaxBridge Staffing have combined forces to help you optimize your tax function with one-of-a-kind offerings.

[2]Benchmark Compensation Study
Our Benchmark Compensation Studies are the most accurate reports available. We provide quantitative and qualitative data not found in traditional generic salary sources.

[3]The PwC/GE Outsourcing Arrangement - How Will You be Affected?
PwC is hiring GE's 600-person global tax team. Have you thought about how this might affect you and your tax department?

[4]Three Pillars of Retention Podcast
Adam Golden discusses the difference between "good retention" and "bad retention" and the three prongs of retention. Now is the time to reassess your current retention strategies to avoid losing your top tax employees to the competition.

Tax Bridge Staffing
Tax Bridge Staffing Service offers an effective alternative solution to the status quo, by introducing a proven independent contractor-based staffing model to the tax field.

Tax Hiring Campaign
TaxJob's Tax Hiring Campaign is a customized 90-day marketing solution that attracts and engages your exact candidate profile. We position our clients to compete for the top tax talent.

Previous Reports and Studies
2017 Top in Tax Educational Survey
2016 Career Satisfaction Survey
2016 Tax Hiring Outlook
2016 Global Tax Market Assessment