

Thinking big can help keep your tax controversy small.

Today's global connectivity means it is easier for companies to be faced with multi-dimensional, multi-country tax controversy. How can you manage the risk?



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Is your global tax controversy operating model running at full efficiency?

Staying on top of tax controversy is challenging for every business, and this is only compounded by enhanced interconnectivity among tax administrations, the pace at which change is being implemented, increasing budget pressures and a growing talent gap. Businesses need a documented tax strategy — setting out their approach to compliance, planning and interactions with tax administrations — implemented by a knowledgeable team that is integrated into the overall business. However, results from [EY's recent 2020 Tax and Finance Operate survey](#) of tax and finance executives show that deficiencies in current tax operating models remain a significant challenge for companies.

Meanwhile, the workload and risk exposure continue to grow. In fact, 84% of companies responding to the survey anticipate an increase in their workload from complying with emerging digital tax filing requirements; 57% will spend at least US\$5m to comply with emerging digital tax filings; and 51% expect that these requirements will lead to an increase in their organization's tax risk profile.

Forward-looking companies are seeking ways to manage their global tax compliance and controversy activities to keep their costs, and risks, low. They need leading practices that help them stay on top of controversy matters by anticipating where potential tax risk is coming from, and sustain a tax function that is responsive to the global tax environment. Businesses also need to have the right people, with the right skills, in the right jurisdictions to prevent, manage and resolve tax controversy issues. With 79% of the survey respondents planning to reduce the costs of their tax and finance functions over the next two years, [co-sourcing](#) these activities is becoming an attractive option. In fact, 73% of the respondents said they were more likely than not to co-source critical activities to deal with the pressures on the operating model. [Learn more](#) about how to design and sustain an [efficient global tax controversy operating model](#).

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