



Transforming tax reporting

Survey 2017



kpmg.ch/taxreporting

Time to transform tax reporting?

Tax reporting is a complex task. So it's not surprising that most banks polled in a recent survey by KPMG Switzerland have encountered difficulties. As the number of country-specific requests skyrockets and client expectations grow, many banks are evaluating their options.

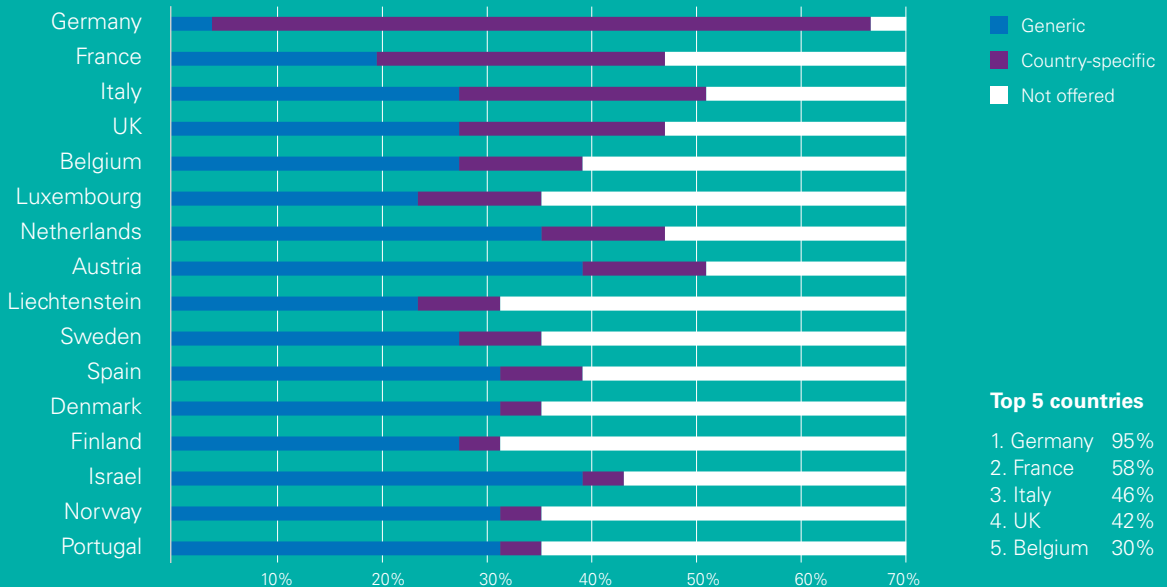
How can banks secure the considerable expertise needed to keep pace with international developments such as AEOI? Which countries' specific requirements will banks need to consider in future? And what are the most important criteria for good tax reporting? Our survey of Swiss private banks explores these issues and more, providing valuable insights and

benchmarking data from 1/5 of the private banking market in Switzerland.

Another key aspect in tax reporting is timing. Banks need to ensure they have enough skilled manpower to meet the heavy workload in the run-up to reporting deadlines. These tend to be clustered in the first quarter, however, leaving banks with the problem of overcapacity the rest of the year. One popular and cost-efficient approach is to outsource some or all of the tax reporting process to a trusted partner. Buying in KPMG's expertise and capacity only when and where it's needed leaves banks free to focus on what they do best. Banking.

European focus

Most country-specific tax reports are currently being requested for countries within Europe, with particularly high demand for Switzerland's direct neighbors.



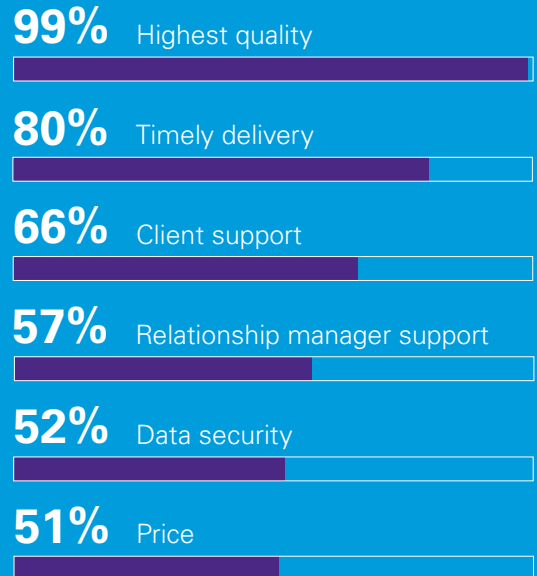
Growing demand

Tax reports are increasingly being requested for new countries beyond the traditional scope.



Critical criteria

We asked banks what matters most in tax reporting.



Challenges

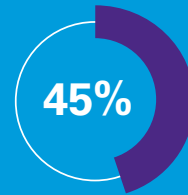
Many banks face problems when creating tax reports for their clients.



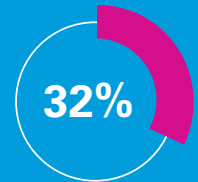
- of banks had encountered problems creating tax reports
- had not experienced any major issues
- could not give a statement

Outsourcing

Outsourcing is a clear option for almost half of financial institutions.



of banks see outsourcing as an option for tax reporting



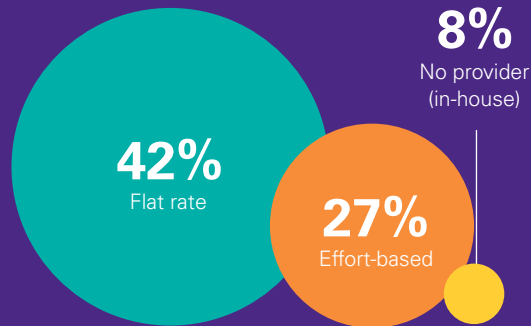
would consider partially outsourcing



would not consider outsourcing

Production costs

Tax reporting is generally provided under flat-rate agreements.

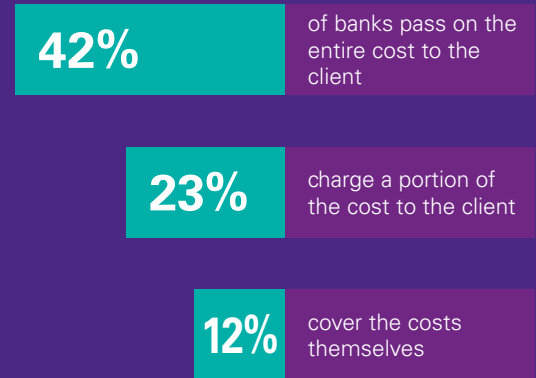


Production costs range between CHF 100 and CHF 600 per country-specific report, depending on various influencing factors.



Charges to clients

Most banks currently charge clients for some or all of the costs incurred.



Tax reporting 2020

Banks need to rethink their processes for offering affordable country-specific tax reporting to all their valued international customers.

Outsourcing

Cost pressure will continue to drive demand for tax reporting services provided by external specialists

Country-specific

Clients will increasingly request tax reports that meet their country's specific legal requirements

Quality

Banks will be expected to provide even more detailed and accurate tax reports in the future

Tax reclaim

Integrating tax reclaims will optimize costs for the banks and make for an even more efficient service

Contacts

Heiko Kubaile

Partner, Head of
Multishore Tax Reporting
KPMG Zurich

T +41 58 249 35 10

M +41 79 623 23 25

hkubaile@kpmg.com

Lars Schlichting

Partner
KPMG Lugano

T +41 58 249 32 59

M +41 79 391 91 710

lschlichting@kpmg.com

kpmg.com/socialmedia



kpmg.com/app



The information contained herein is of a general nature and is not intended to address the circumstances of any particular individual or entity. Although we endeavor to provide accurate and timely information, there can be no guarantee that such information is accurate as of the date it is received, or that it will continue to be accurate in the future. No one should act on such information without appropriate professional advice after a thorough examination of the particular situation. The scope of any potential collaboration with audit clients is defined by regulatory requirements governing auditor independence.

© 2017 KPMG AG is a subsidiary of KPMG Holding AG, which is a member of the KPMG network of independent firms affiliated with KPMG International Cooperative ("KPMG International"), a Swiss legal entity. All rights reserved.