

An aerial photograph showing a dark asphalt road that curves through a lush, dense green forest. The road runs parallel to a body of deep blue water on the right side of the frame. The forest is thick with various types of trees, creating a rich texture of green. The water has a slightly rippled surface, reflecting the sky.

LEATHWAITE

THE GLOBAL TAX SURVEY 2021

INTRODUCTION:

Our survey of tax leaders is now in its second year. Given the backdrop of the global pandemic, this paper explores expectations for their functions both alongside and after COVID-19.

VALUE & UPGRADING:

From an executive hiring perspective, we have seen an increased focus on the importance of the tax function over the last two years. This correlates with the increase in the percentage of tax leaders feeling their function is valued. Many mandates have focused around elevating the “brand” of tax internally and ensuring tax leaders have strong stakeholder management skills to drive engagement both internally and externally where needed.

CHALLENGES:

Regulatory scrutiny is at the top of the agenda for the year ahead, closely followed by cost. Interestingly cost was also a top three challenge expected by respondents from our CFO leadership survey, highlighting the need to do more with less.

BUDGET:

The cost focus and drive to do more with less is clear, with 46% feeling the tax budget will decrease and the same number feeling it will remain the same. This compares to 2018/2019 where 31% expected an increase, 28% anticipated remaining the same and 31% forecasting a decrease.

QUALITIES OF A TAX LEADER:

Interestingly, commercialism has overtaken technical capability when reflecting on key tax leadership qualities. This resonates with our experience of executive hiring where a commercial outlook is key as tax is increasingly being seen as a proactive and commercial function, with greater transparency and direct executive level relationships. Many senior mandates have focused on new talent having a business partnering approach rather than seeing the tax function as a pure reporting resource.

THE CONTINUED RISE OF TECHNOLOGY:

In this survey, and also our [CFO survey](#), technology change was seen as a key challenge. Looking back at the last 12 months, a third (33%) of respondents had undergone a systems-based tax transformation. This compares to only 19% in 2018.

These technology upgrades have mostly been centered around streamlining processes, improving the availability of information and also better utilisation of data. Accuracy of information and increased integration are also cited as key benefits. The return on these investments is being seen by respondents.

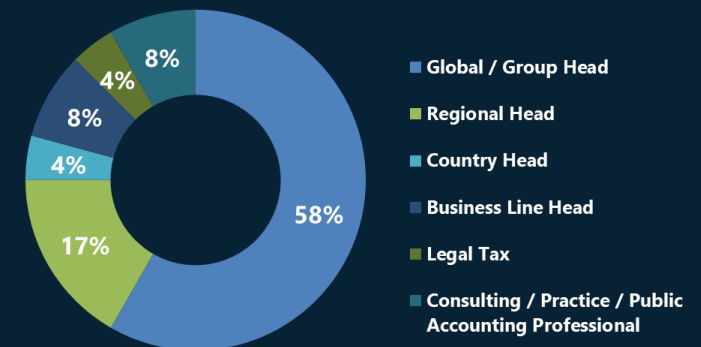
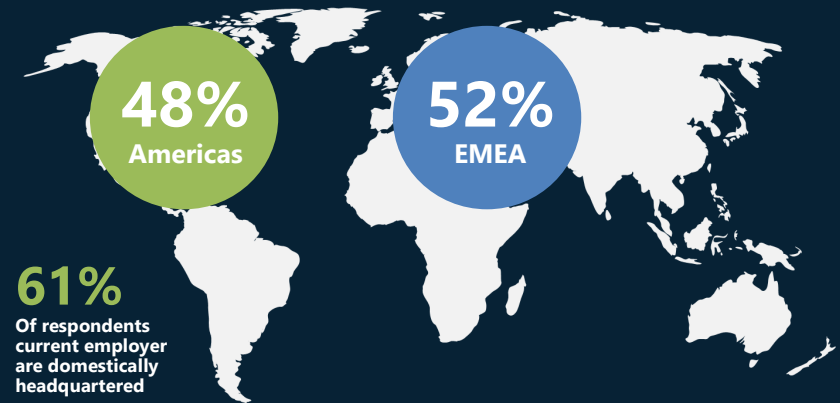
The ability for tax leaders to better use technology to add value and effectively partner with the business through better insights, accurate data and faster processes has been a key requirement for senior tax mandates and we expect this to continue.

When we asked about hiring in the next two years, the top two areas were tax data & analytics and technology, suggesting that there will be a continued investment in technology for the years ahead.

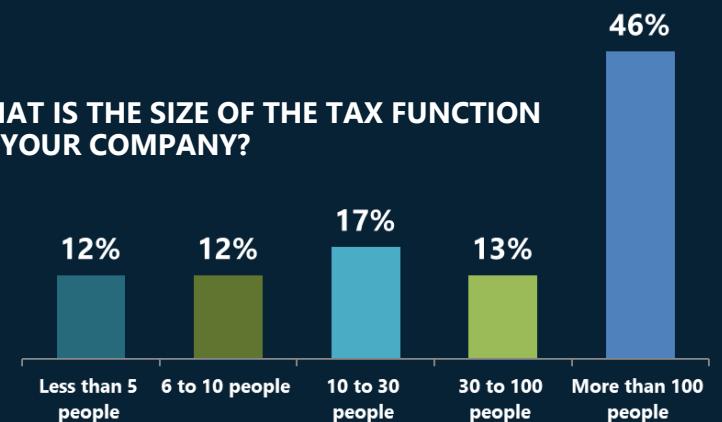
COMPENSATION:

On a personal level, most tax leaders' compensation either remained flat or had a moderate increase for 2020. 58% feel fairly compensated relative to market peers however, compared to peers internally, many feel undercompensated.

THE FACTS: WHO ARE YOU AND WHERE ARE YOU FROM?

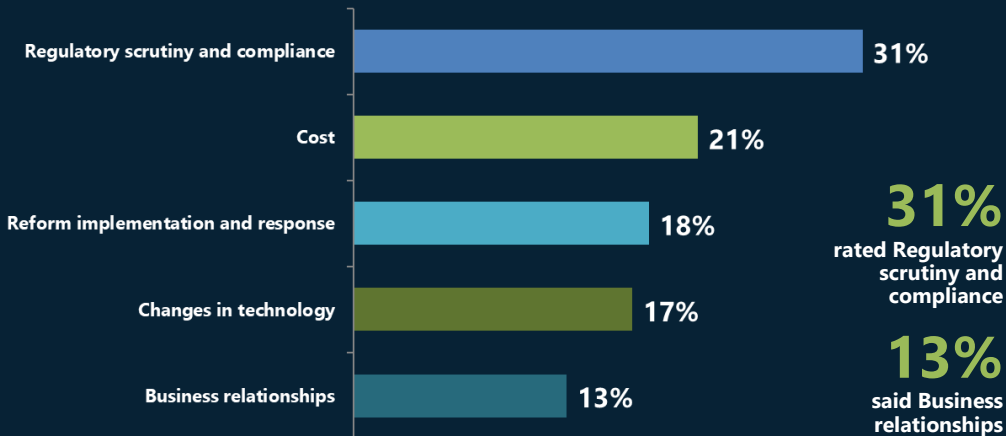


WHAT IS THE SIZE OF THE TAX FUNCTION AT YOUR COMPANY?

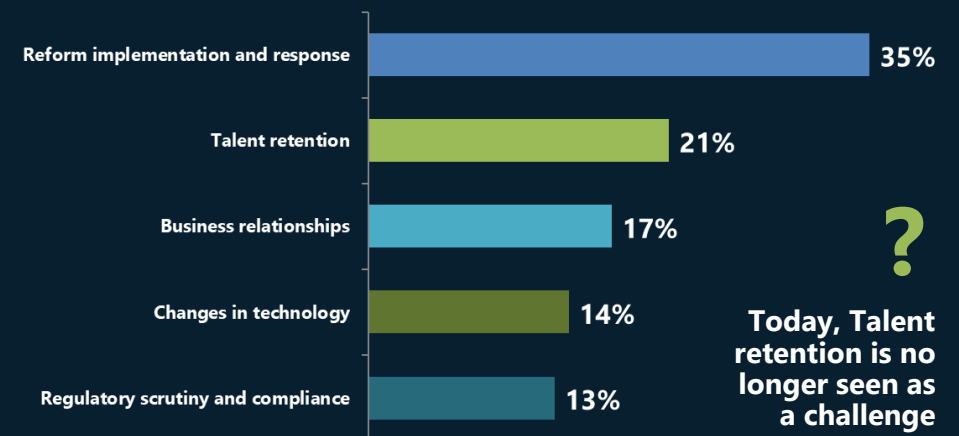


CHALLENGES & THE CONTINUED RISE OF TECHNOLOGY

TOP 3 CHALLENGES FACING THE TAX FUNCTION OVER THE NEXT 12 MONTHS?



2019 results:



HIRING FOCUS

IF YOUR TAX ORGANISATION WAS TO HIRE IN THE NEXT TWO YEARS, WHERE DO YOU EXPECT YOUR FOCUS TO BE?

 1) Tax data and analytics


 2) Tax technology

 3) Tax compliance

2019 results:

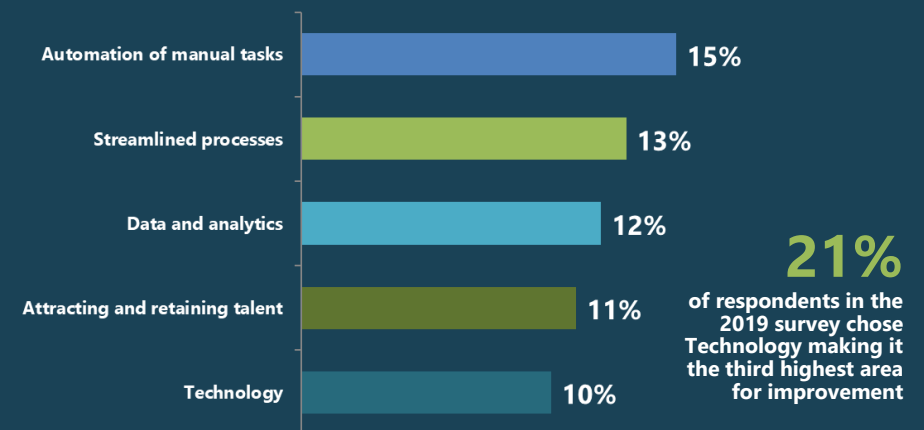
 1) Tax data and analytics

 2) Tax planning

 3) Tax technology

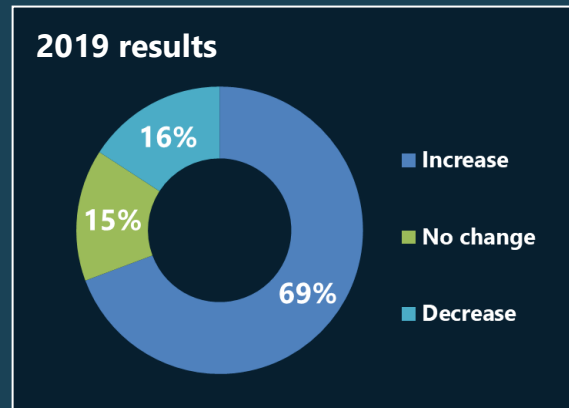
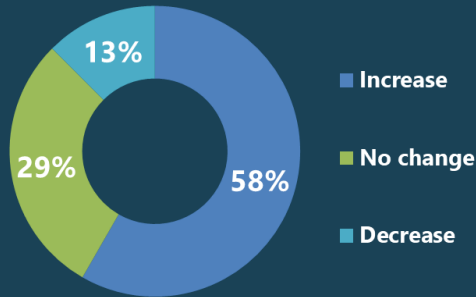
QUALITIES OF A TAX LEADER

AREAS OF IMPROVEMENT FOR THE TAX LEADER 2020:

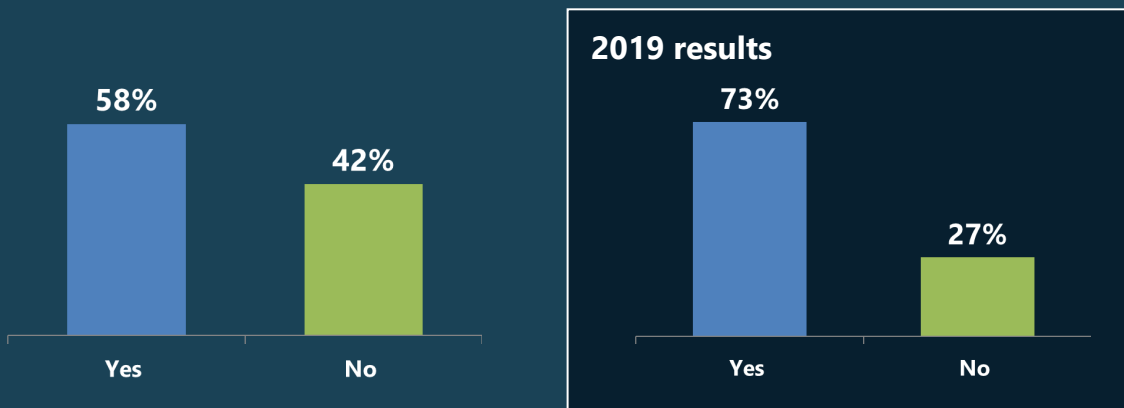


COMPENSATION:

HOW HAS YOUR COMPENSATION CHANGED IN THE LAST TWO YEARS?



RELATIVE TO YOUR PEERS IN YOUR COMPANY, DO YOU FEEL FAIRLY COMPENSATED?

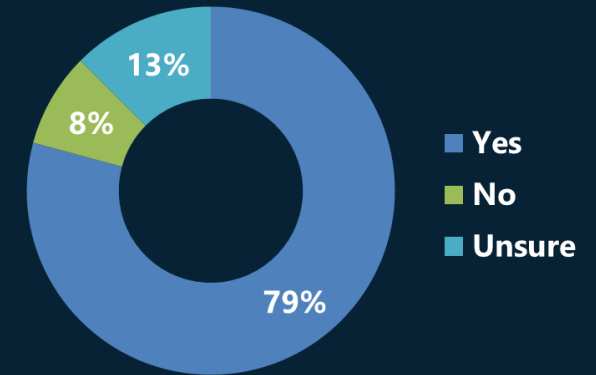


HOW LONG HAVE YOU HELD YOUR CURRENT ROLE?



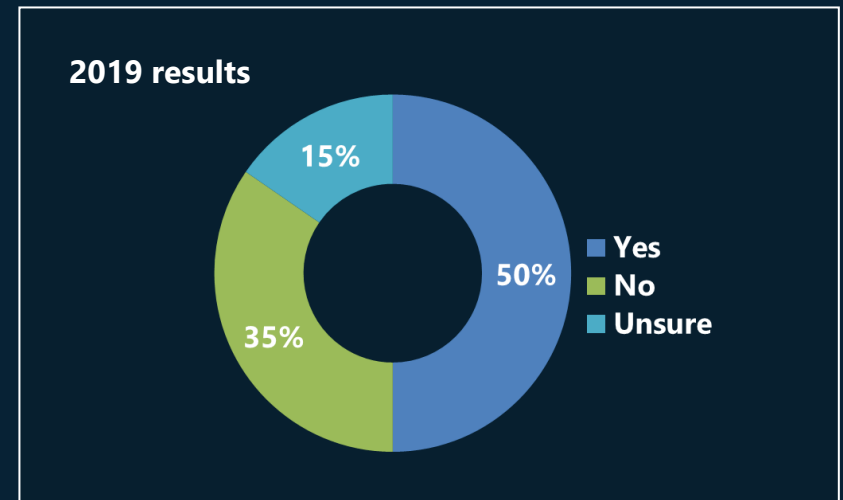
TAX FEELING VALUED

IS THE TAX FUNCTION VALUED IN YOUR ORGANISATION?



100% of those in Retail Banking feel the tax function is valued

66% in Investment Banking



MEET THE TEAM



Martha Harvey-Jones

Partner

London

T: +44 207 151 5117

martha.harvey-jones@leathwaite.com



Tom Pemberton

Partner

New York

T: +1 646 461 9108

tom.pemberton@leathwaite.com



Sophie Roebuck

Consultant

London

T: +44 207 151 5129

sophie.roebuck@leathwaite.com



Stuart Higson

Consultant

New York

T: +1 646 790 3170

stuart.higson@leathwaite.com



Cecilia Burns

Consultant

Zürich

T: +41 44 201 3600

cecilia.burns@leathwaite.com



Emily Woodward

Consultant

Hong Kong

T: +852 3695 5005

emily.woodward@leathwaite.com



Chris Davey

Associate

London

T: +44 207 151 5107

chris.davey@leathwaite.com



Kaila Malone

Associate

New York

T: +1 646 461 9107

kaila.malone@leathwaite.com



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