

CORPORATE TAX RISK: WHO IS LIABLE?

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OVERVIEW



- ☐ Introduction
- ☐ Role of CFO in Tax Reporting
- ☐ Renewed Interest in Tax Governance
- ☐ Corporate Tax Risk: Trends
- ☐ Conclusion
- ☐ Interactive Session

Introduction



- ❑ Domestic Resources: Financial Independence
- ❑ Strict profiling of businesses in their jurisdictions
- ❑ Potential areas of tax risks under constant scrutiny
- ❑ Tax Laws, regulations & enforcement evolving
- ❑ Fiscal changes incorporated into business strategy

CFO & Tax Reporting



- ❑ CFO and Financial Reporting
- ❑ Audited accounts and tax position of the firm
- ❑ Recording–Reporting: standards and statutes
- ❑ Determination of equitable tax position
- ❑ Compliance: Filing; Declaration; Payment

Renewed Interest in Tax Governance



- ❑ “Hide-and-seek” in global taxation landscape
- ❑ Market Contestability: New Business Models
- ❑ Need for long-term view of taxes: Risk Mitigation
- ❑ Managerial Labor Market: Punishing Malfeasance
- ❑ Civic Duty: Accountability; Reputation;

Corporate Tax Risk



❑ Emerging global corporate tax risks:

1. Regulatory Risk
2. Operational Risk
3. Reputational Risk

Regulatory Risk



- ❑ Legislative Framework: VAT; Excise; Code; TP
- ❑ Dynamism of fiscal landscape: Global realities
- ❑ Harmonise tax function with provisions

Operational Risks



- ❑ People: Skills; knowledge; attitude (integrity)
- ❑ Technology: Harmonise with tax admin platforms
- ❑ Policy: consistent with KRA
- ❑ Internal processes: efficiency and effectiveness

Reputational Risk



- ❑ Bad Publicity & Eschew
- ❑ Punitive penalty regime
- ❑ Investor expectations
- ❑ Social Insurance

Conclusion



- ❑ Global tax landscape highly dynamic
- ❑ Governments keenly monitoring tax risks
- ❑ CFO: Tax governance in the Board Room
- ❑ CFO: align tax policy with overall strategy
- ❑ CFO: liable for tax governance and investor's wealth protection

Interactive Session

