



"Functies en bekommernissen van de interne
belastingconsulent in een multinationale onderneming -
Fonctions et préoccupations du conseiller fiscal interne
dans une entreprise multinationale."

IFA

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Beschrijver**



Agenda

1. Voorstelling Groep / Belastingafdeling
2. Missie Belastingafdeling
3. Belangrijkste Risico's
4. Process Flow & Verwerking van Belastingproblemen
5. Relatie met Externe Consultants
6. Rol van de Interne Belastingconsulent Nu en in de Toekomst (As is / To Be)
7. Bekommernissen
8. Vragen



I. Voorstelling: Groep & Belastingafdeling in Groep

BNP Paribas : Three business axes:



- Retail Banking (First Eurozone bank in terms of deposits)
- Corporate & Investment Banking (World Wide Top ten M&A)
- Investment Solutions (4000 Miljard € custody/management)



I. Voorstelling: Groep & Belastingafdeling in Groep

RESULTS 31 December 2009




(IN MILLIONS OF EUROS)

- | | |
|--------------------------|-----------|
| • Total Assets | 2,057,698 |
| • Customer deposits | 604,903 |
| • Customer loans (gross) | 678,766 |
| • Shareholder's equity | 69,501 |

WORKFORCE 31 December 2009 : 201,700



I. Voorstelling: Groep & Belastingafdeling in Groep

- **BNPP's GTD is made up of :** 
 - **the former GTD located in Paris and**
 - **the re-scoped tax department in Belgium (40 FTEs).**
- **BNPP's organisation**
 - **A structures team**
 - **A transfer pricing team**
 - **A CIB products team**
 - **A retail banking and investment solutions products team**



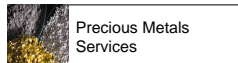
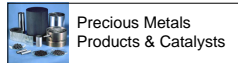
I. Voorstelling: Groep & Belastingafdeling in Groep

- BNP Tax reports to the Managing Director Head of Compliance & Internal Control Co-ordinator
- Tax is member in Risk Committees organised by business (NAC, TAC, PAC) & CFO (TCC)



I. Voorstelling: Groep & Belastingafdeling in Groep

Today umicore



- ... one of the world's biggest suppliers of automotive catalysts for passenger cars :
 - top 3 World automotive catalysts;
 - #1 World brazing alloys & contact materials;
- ... is the world's largest recycler of precious metals from old mobile phones, laptops, electronic scrap or spent catalyst material :
 - #1 World precious metals recycling;
 - #4 World PGM refiner
- ... a world leader in the production of key materials for rechargeable batteries used in laptops and mobile phones :
 - top 2 World rechargeable battery materials;
- Umicore's germanium substrates for high-efficiency solar cells are used in the bulk of the satellites launched today :
 - #1 World cobalt & germanium materials.

I. Voorstelling: Groep & Belastingafdeling in Groep



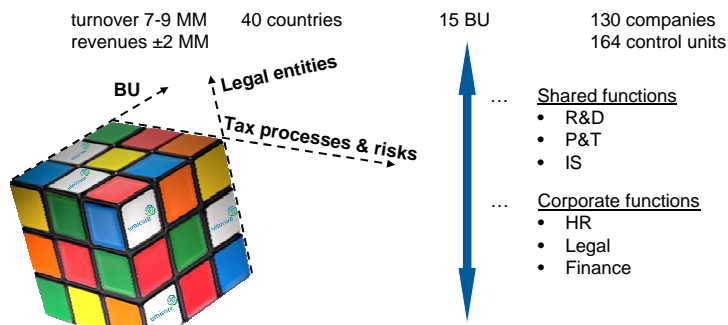
	1999	2009
Turnover	€ 3,180m	€ 6,937m
Revenues	€ 865m	€ 1,723m
Number of sites	32	85
Workforce	8,065	13,720

I. Voorstelling: Groep & Belastingafdeling in Groep



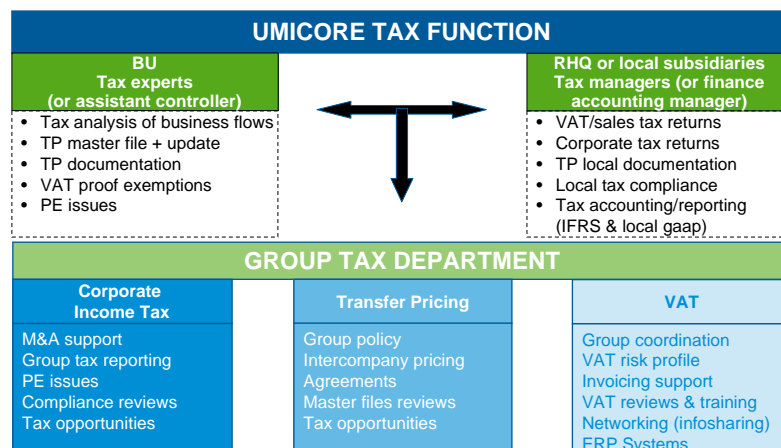
Umicore is a "high value creative Materials Technological group"

Organization : is a **small multinational (bi-)decentralised** technological **group**



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I. Voorstelling: Groep & Belastingafdeling in Groep



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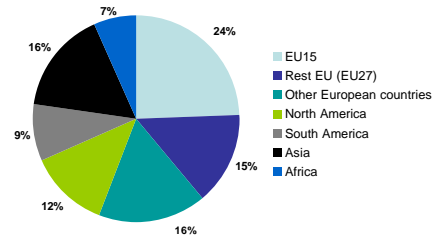
I. Voorstelling: Groep & Belastingafdeling in Groep



ArcelorMittal 2009 key figures

	2008	2009
Sales (US\$ billion)	124.9	65.1
EBITDA (US\$ billion)	24.5	5.8
Operating income/ (loss) (US\$ billion)	12.2	(1.7)
Net income/ (US\$ billion)	9.4	0.1
Shipments (million tonnes)	101.7	71.1
Steel production (million tonnes)	103.3	73.2

2008 – A record year in which the benefits of the Arcelor/Mittal Steel merger became apparent



281,000 employees in more than 60 countries


An integrated leader of the metals and mining sector

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I. Voorstelling: Groep & Belastingafdeling in Groep



Steel production  ArcelorMittal

Europe	45%
America	35%
Africa	15%
Asia	4%

But projects aiming on capturing growth in key emerging markets

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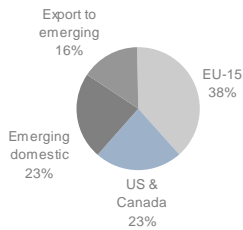
I. Voorstelling: Groep & Belastingafdeling in Groep



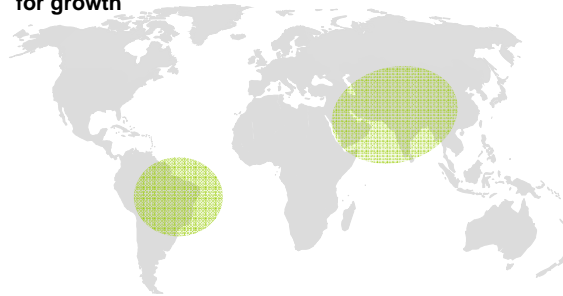
Reinitiating some projects to capture growth in key emerging markets



ArcelorMittal sales in value breakdown (2009)



ArcelorMittal key emerging markets currently targeted for growth



ArcelorMittal's leading position in emerging markets offers high growth potential

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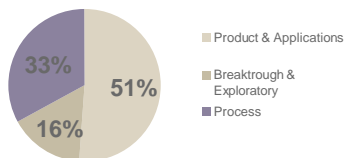
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I. Voorstelling: Groep & Belastingafdeling in Groep ArcelorMittal superior R&D expertise



ArcelorMittal R&D...

- Over 1,400 full time researchers
- Budget of approximately \$255 million
- Number one R&D in the industry
- Working on all development axes (Spending by finality):



- Worldwide network of laboratories (currently 15 labs in Europe, North America, and South America)

... strongly supporting specialties

- R&D spending by product:
 - Automotive 46%
 - Construction 13%
 - Others 41%

R&D Key challenges in accordance with the Group strategy

- Product: Differentiated product offer
- Geography: Support the transfer of technology between plants
- Value chain: Transverse projects optimising the product value along the complete value chain from mining to finished products

The technological pillar of ArcelorMittal helping to transform tomorrow

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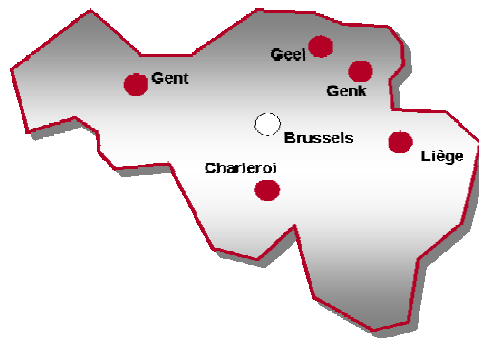
I. Voorstelling: Groep & Belastingafdeling in Groep
ArcelorMittal : presence in Belgium



- Employees : 14.000
- Turnover 2008 : 8,6 BEUR
Turnover 2009 : 5,6 BEUR



- Flat segment
Stainless segment
Distribution
Research centers
Finance



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I. Voorstelling: Groep & Belastingafdeling in Groep



Bosal

- Bosal is a leading manufacturer of:
- - complete exhaust systems for passenger cars
- - complete exhaust systems for trucks and industrial applications
- - catalytic converters
- - towbar systems
- - roofbars and roof racks
- - jacks and toolkits
- - vehicle cabins
- - wind deflectors
- - jacks and toolkits
- - precision steel tubing

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I. Voorstelling: Groep & Belastingafdeling in Groep

- - vehicle cabins
- - warehouse racking systems
- - irrigation equipment
- - energy conversion components
- Dutch registered, but headquartered in Lummen, Belgium. Active in 21 countries.
- Annual turnover in 2009 was in excess of €590 million.
- The Bosal Group employs over 5,400 people in 41 manufacturing plants and 12 distribution centres.
- Bosal's customer base includes all major car manufacturers worldwide as well as a variety as well as a variety of leading industrial conglomerates.



I. Voorstelling: Groep & Belastingafdeling in Groep

Bosal : organisation of tax function:

- On a decentralised basis for tax matters relating to local companies
- Tax planning issues are handled on group level (eg. "ECJ September 2003 Bosal Holding BV V. Staatssecretaris van Financiën: C168/01)



II. Missie van de Belastingafdeling

Waar bevinden we ons op de as?



“Tax Advisor versus Tax Risk Advisor versus Tax Risk Manager”

“ Contribute to long term shareholder value by

- setting tax policies, standards and culture;
- Being a pro-active member to senior management and the internal businesses
- Managing tax risk and the tax base”.

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II. Missie van de Belastingafdeling



Tax mission statement ...

**We preserve and promote
tax sustainable group profitability.**

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II. Missie van de Belastingafdeling



Explanation of mission statement :

- ∅ **"We" =**
This pronoun refers both to the group tax department and to the tax function.
- ∅ **"preserve and promote" =**
The words "preserve and promote" refer to what we ought to do. Whereas the verb "preserve" refers to our first duty to manage the **tax compliance and tax risks** in our scope, the verb "promote" refers to our duty to **create value** for Umicore through legitimate tax management. The word order reflects that risk management comes before optimization if both are not possible at the same time.
- ∅ **"Tax sustainable group profitability" =**
This is the touchstone to evaluate the quality and effectiveness of our tax work. Something is "tax sustainable" when, on the basis of the information available at the time of decision, it is not likely that the tax consequences applied would be successfully challenged by any tax authority. The statement "group profitability" stresses that the tax effectiveness of a decision is to be judged looking at Umicore profitability as a group.

II. Missie van de Belastingafdeling

Mission statement ArcelorMittal



- With the integrity of a business partner, the Tax Department maximises earnings per share and reduces tax related-operating expenses following sound tax planning and risk management principles.
 - Business partner
 - Importance of the tax line
 - During crisis focus on tax cash
 - Tax risk management “no surprises”



III. Belangrijke Tax Risico's

Operational risk	current business operations
Compliance risk	obligations towards tax authorities
Tax reporting risk	reliability of tax charge in financial statements
Reputational risk	Investors, financial institutions
Transactional risk	one-off (big) transactions (M&A)
Change of tax laws risk	monitor the future



III. Belangrijke Tax Risico's

- **Operational risk**

Applying correctly tax laws and regulations to the day to day business operations :

- business flows (TP, VAT status, ...);
- way of doing business (physical presence, PE = permanent establishment risk);
- financial flows (usually complex & international)
(e.g. : royalties, div-exemptions, WHT);

- **Compliance risk**

Meeting all tax compliance obligations, i.e. :

- proper DOCUMENTATION of transactions and operational flows;
- preparation, review and timely fulfilment of tax returns;
- appropriately answering to tax enquiries/issues and audits;
- efficiently managing tax litigations.

Reputational risk

- stock marketing
- rating firms
- financial institutions



III. Belangrijke Tax Risico's

- **Tax accounting/reporting risk**
 - the respect of tax laws and regulations;
 - the accurate computation of tax charge (current & deferred)
+ tax assets & liabilities;
 - the regular assessment of uncertain tax positions;
 - tax cash out management
- **Transactional risk**

Associated with one-off non-routine transactions (M&A, business restructuring projects & reorganisation).

Risk of not properly analyse/monitor/manage/document :

 - these complex international transactions;
 - the change of business/change of structure situations (disruption actions);
 - the integration phase of new businesses.
- **Change of tax laws risk**

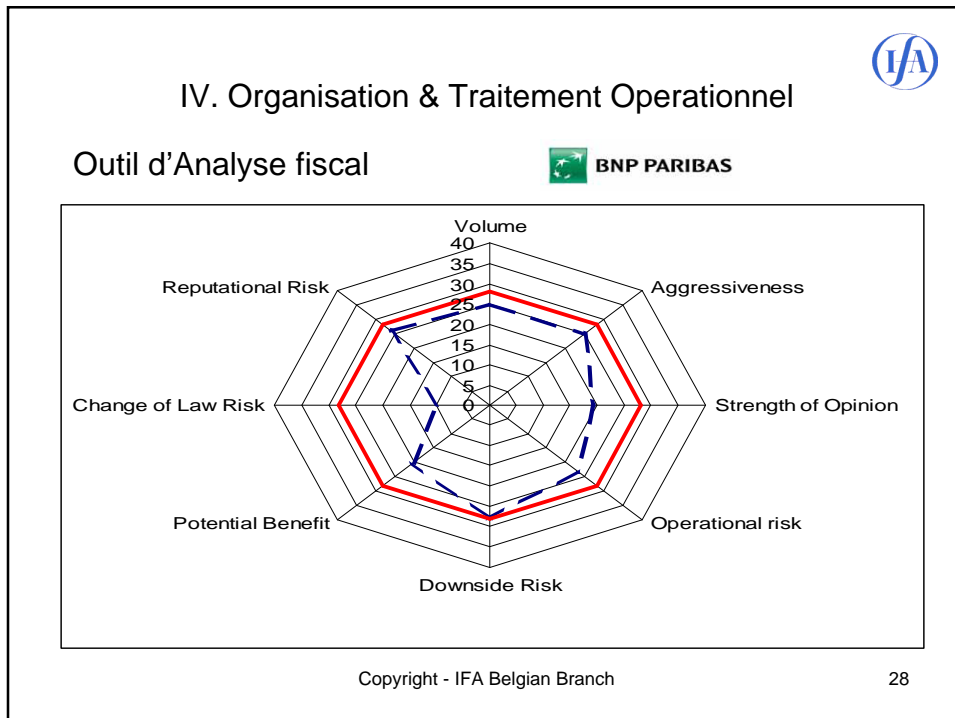
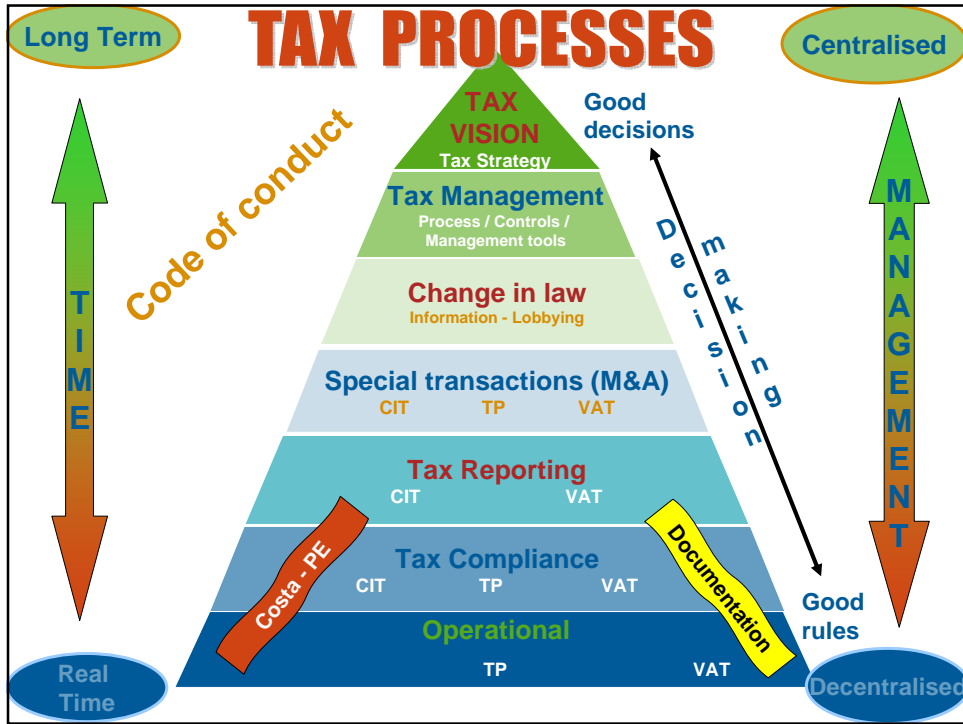
Anticipating the impact of future tax laws' change and reacting timely to change of laws in various countries.



IV. Organisation & Traitement Operationnel

The Functional Tax Pyramide of UMICORE

- Centralisation versus decentralisation
- On line processing versus reflective process





IV. Organisation & Traitement Operationnel

BNP Paribas Model:



- Business = “first line of defence” (procédures)
- Dept. Fiscal = “second line of defence” (politiques)
- Audit = “third line of defence”

Second line via presence in committees (NAC/TAC/PAC, etc.) & project groups

Note Bank: Compliance (CBFA), Risk function (Basel II), Money Laundering



V. Relatie met consultants

- How to select ?
 - One single consultant/(law) firm) or array of local advisors ?
 - Role of in house tax consultant; process of selection
 - Conflicts of interest
- Ideal relationship ?
 - Thruthfulness
 - Proper and effective communication
 - Co-operativeness, responsiveness and availability on both sides
 - Knowledgeable and competent



V. Relatie met consultants

- English language
- Role of in house tax consultant : is more knowledgeable about the business affairs of the corporation and can help make business decisions on corporate, tax and legal matters ; has more informal sources of information about the individuals who run the organization
- Role of outside consultants: may think also about the practical impact their advices/decisions have on their clients; preferably not always handling matters “by the book” and doing each and every thing that can be done without stopping to consider whether the effect is worth the cost



V. Relatie met consultants

- Nature of co-operation
 - Ad hoc
 - Compliance work
 - Long term
- Agreement
 - Terms of engagement
 - To conduct a cost/benefit analysis in deciding what should be done in any given case



V. Relatie met consultants

Lijst van goedgekeurde adviseurs per land andere
adviezen geen waarde voor Tax / Lead partners &
Lead Partner Reporting



VI. Rôle du Fiscaliste Interne As Is / To Be & Valeur Ajoutée Fiscaliste Interne

Feature of Internal Tax Advisor :

- Knowledge of both worlds :
 - tax knowledge and capacity to interface with external experts;
 - field knowledge of the company, its group, its businesses
○ better view of risks and opportunities.
- Unique capacity :
 - to analyse and reduce tax risks;
 - to transform risks into opportunities;
 - to create synergy and value;
 - to be a driving force of the change of business.
- Special partner of the CFO, CEO, Audit Cttee and Board :
 - explain;
 - reassure;
 - enlighten decision-making on tax aspects/consequences;
 - be the tax "conscience" of the company.



VII. Bekommernissen van de interne belastingconsulent

- Operational risks : how to translate all facts from the international area in a legally correct way
- Conflicting loyalties : dichotomy between company's interest and tax administration's interest (in various countries)
- Different types of transactions create different tax burdens
- Ambiguities in the wording of the tax statutes
- Independent vis-à-vis the tax administration or not ?
- Is not permitted to participate in fraud or to lie to the government
- Duty to inform tax administration or other administration of illegal acts of the client ?



VII. Bekommernissen van de interne belastingconsulent

operationeel risico: middelen om vertaalslag te maken naar concrete toepassing op het terrein (duizenden RV & BTW-codes per land cfr. U.S. QI & FATCA) – middenveld

Interne fiscalist wordt een verlengstuk van de fiscus (particuliere/liberale versus co-operatieve rol)



VIII. Vragen



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