brewer morris

# The Netherlands tax market update

2023

# Introduction

## Globally, tax is very much in the public eye, under scrutiny by governments, media and other stakeholders. Tax laws are also becoming increasingly complex, with global regulatory changes and the evolution of reporting standards and digitisation creating new challenges for businesses.

From a recruitment perspective, we are still seeing the effects of the pandemic. Hiring that was put on hold during the lockdowns has created a surge in demand for tax talent. Coupled with the 'great reshuffle/great resignation'; 2021 and 2022 were the busiest years Brewer Morris has ever had in terms of new instructions. The competition for talent is still rife in 2023. Candidates are incredibly discerning when it comes to looking at new roles, with demand for flexibility and inflated salaries creating challenges for employers to secure talent.

Further, the role of the in-house tax professional has shifted. During these challenging economic times, we have seen the value-add of tax teams come under sharp focus as they have guided businesses through incredible financial upheaval.

Tax audits, changing tax legislation, business digitisation, supply chain and financial restructuring; all require the modern in-house tax team to have a seat at the table of all major business decisions.

This has resulted in many tax teams making strategic hires that align with the key areas of business concern. Often these are first time roles and at a senior level. For employers it has never been more critical to secure the right tax talent. For candidates there has never been a more interesting time to be an in-house tax professional.

This report provides a snapshot of the hiring trends we are seeing in The Netherlands, which skillsets are in demand, salary data, a current market SWOT analysis along with our predictions for 2023.

# Market SWOT analysis

### Strengths

- Repressed hiring during 2020 followed with a decent economic rebound, led to a high demand for tax candidates in 2021 and 2022
- Sectors that have experienced the most significant demand include fin-tech, private equity, asset management, banking, insurance, technology, retail, media, pharmaceutical/ life sciences
- There has been an increase in foreign investment and trade from the US to the EU, ameliorated by expanding e-commerce/ digital market growth, this is leading to an increase in regional or 'Rest of World' tax leadership positions in EU hubs
- Due to some companies restructuring and revaluating during the pandemic, there has been increased demand for in-house tax professionals within areas of tax reporting compliance, tax transformation, transfer pricing and tax structuring. The majority of these roles are very senior and many are first time hires which highlights the importance of in-house tax capability
- Remote working and remote hiring have also led to expedited hiring processes, due to interviews being conducted via video

### Weaknesses

- In addition to the "great resignation," competition for talent is fierce in a post-pandemic world
- The rebound in the economy has led to a so-called war for talent, one of the consequences of which is unsustainable salary increases and candidates obtaining multiple offers which results in hiring challenges
- Whilst there has been a huge increase in demand for hires - the talent pool has simultaneously been contracting due to an increase in economic uncertainty. Candidates have become much more discerning and risk averse when it comes to considering new roles
- Companies who are located away from the large commercial centres and do not offer flexible working are struggling to find candidates
- Multinational tax policies are under intense scrutiny. Tax authorities are demanding increased transparency, adding to this the constant evolution of tax legislation, makes navigating the tax landscape and mitigating risk very complex for in-house tax teams

## Opportunities

- The majority of our clients have implemented hybrid working models, or remote working. This has opened the candidate pool for companies who embrace flexible or remote working and allowed greater access to a more mobile candidate pool, particularly for our clients with offices in non central locations
- Increased digitisation, growth in e-commerce and remote working - allows more cross border opportunities for expansion, if hiring is location agnostic it allows companies to secure the best skillset
- The complex tax legislative landscape will continue to raise the profile of tax in organisations, CFOs understand the importance of tax having a seat at the table in major business decision planning
- The economic uncertainty will likely cease, and the "great resignation/reshuffle" will also stabilise the continued disproportionate salary increases
- The interim market has seen an upturn following the pandemic and companies are now seeing value in flexible workers
- Hybrid working has increased the talent pool for employers and the role opportunities for employees
- Hybrid working has allowed leaders to reimagine how they use their office space and face to face time. Office space that was once traditional can be transformed to hubs for training, for brainstorming or for social events

## Threats

- The demand for junior and mid-level tax candidates is growing rapidly, but supply is not
- The rising commodity prices and increasing shortages of metal, oil and gas has affected the overall performance of companies in the automotive, energy and semiconductor sectors
- The post pandemic economic rebound was short lived and we now face economic uncertainty again. Many large corporates have announced hiring freezes or redundancies. However the prediction is this is temporary

# Key hiring patterns

We have seen an increased demand for strategic tax support in the areas listed below. These hires directly correlate to the key concerns that Chief Finance Officers and Heads of Tax have in the current economic climate.

- Global tax reporting and compliance
- Tax operations and transformation, ops being spun into finance functions, tax to focus on advisory
- Transfer pricing and international tax structuring

# Tax reporting and compliance

Managing tax compliance is increasingly complex. The ever-changing regulatory environment and more effective enforcement by tax authorities requires companies to re-examine and enhance their processes to ensure they meet tax accounting and compliance obligations.

Clients have reported a significant increase in revenue “cautions” and audits. As a result, we are seeing an uptick in the number of newly created global tax compliance and reporting roles across all sectors.

These roles tend to be quite senior, many with a focus on managing consolidated group tax accounting, leading the group tax audit review processes and advising on the tax accounting implications of strategic transactions.

Further more, many of these roles now encompass or overlap with tax automation and process improvement. Candidates who have the traditional tax reporting skillset often ideally need to possess tax automation experience. These roles are seen as business critical in the current tax market.

**110,000-150,000€**

Average salary range for a Tax Reporting and Compliance Director

# Tax operations and transformation

## In the wake of the pandemic, companies are adapting to the digital era and looking very closely at the impact of digitisation and expanding e-commerce.

Equally, governments across Europe are pushing for digitisation of tax systems and demanding more transparency in real time. In the UK the "making tax digital" regime became mandatory in 2019 and many EU tax authorities are pushing the same agenda.

Many clients we have spoken to have completed or are in the process of a finance or tax transformation project. A variety of corporates are moving operations out of tax and into finance, outsourcing tax compliance and reporting or automating tax compliance and reporting through software.

By no longer being consumed by routine compliance and reporting activities, the tax team has capacity to deliver increased value on strategic tax advisory matters. There has been a rise in the number of companies investing in tax technology and software programmes which are designed to prepare tax returns and computations quickly, accurately and cost-efficiently.

Multinationals are now seeing that with the increased importance of tax as well as the associated financial impact and reputational risks for getting it wrong, tax should be intertwined in all lateral processes across finance and IT. This has all led to an increase in demand for roles that encompass tax process improvement, automation and technology.

These roles include the design and execution tax processes and control framework, often it can involve tax technology and also span both direct and indirect taxes. This type of role and skillset was not prevalent in the tax market 10 years ago and we predict it will continue to be in high demand. As evidenced by the majority of the Big4 growing their tax transformation and technology teams – and indeed general "business model optimisation" teams which span tax, finance and IT.

**Tax transformation in our clients**

Undergone this in the last 6 years

**10%**

Currently undergoing transformation

**60%**

Consider tax transformation as high priority project for '23

**30%**

**120,000-150,000€**

Average salary range for a Tax Operations and Transformation Director

# Transfer pricing and international tax

The digitisation of tax has made it possible for businesses to reach markets in jurisdictions in which they may have relatively little physical presence, however this too creates a series of complex tax implications.

The OECD global tax reform proposals have led to what is probably the biggest shift in the international tax policy landscape in many decades. The tax market has seen a steady increase in the demand for in-house transfer pricing (TP) and international tax experts since 2014 when the first BEPS recommendations were released. However, the economic fallout of Covid has created significant challenges to companies TP arrangements.

Authorities demand increased transparency and greater disclosure of their TP policy and for many companies TP is still a "low hanging fruit" and a risk. With businesses increasingly working across borders coupled with pandemic related supply chain complications - companies need to fully understand the rules in each market, to drive value whilst being compliant.

The majority of businesses we work with have identified TP and tax efficient structuring, as an area of priority and concern. Most in house TP professionals today are required to have a broader international tax skillset, and vice versa. We are seeing a large overlap between TP and international tax roles.

The types of senior roles we are seeing in this space have a variety of objectives that require a highly commercially minded tax technician. Requirements such as supply chain restructuring; making informed decisions on how to structure product flow that aligns the tax footprint with business (financial) objectives.

**120,000-150,000€**

Average salary range for an International Tax Director

# Hybrid Working

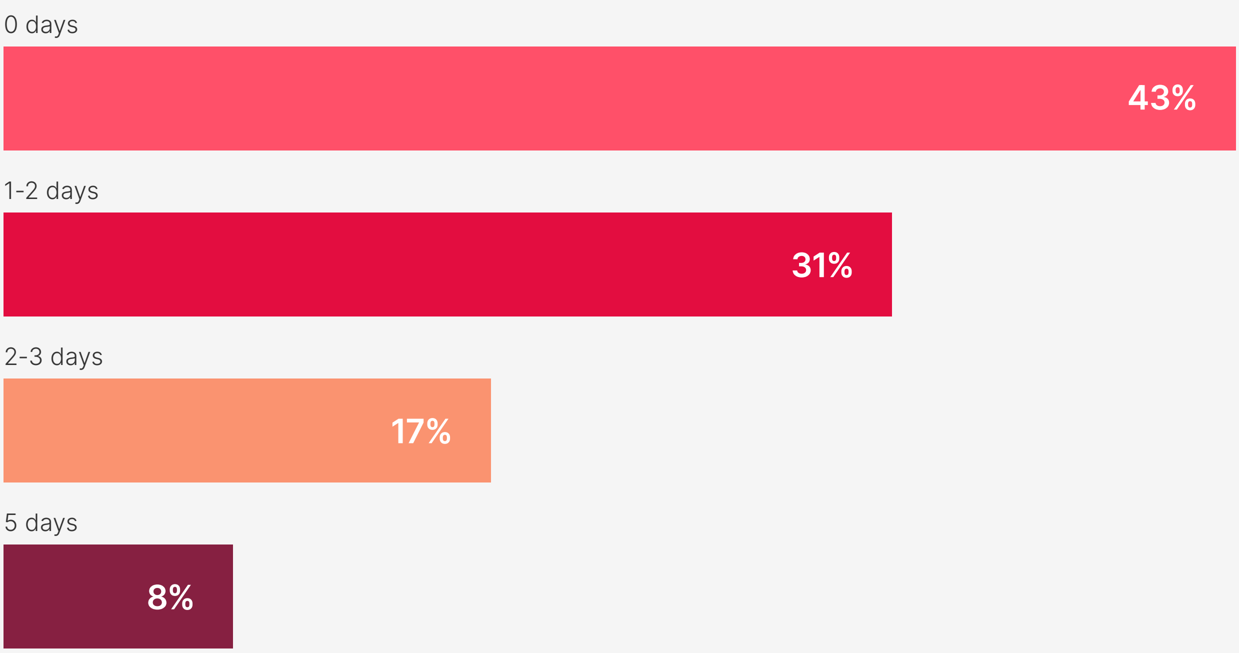
## Pros

- Increased talent pool
- More diversity of talent
- Increased work life balance, more employee retention
- Reduced office space/cost
- Faster more agile hiring process
- Opportunity to reimagine what physical office is used for

## Cons

- Employee detachment or lack of sense of belonging
- Weaker staff loyalty
- Decrease capability building
- Decrease work socialising
- More complications in staff training
- Tax implications

**How many days per week do you work in the office?**
(Total 127 votes from our LinkedIn poll or our network)



# Predictions for 2023

## We predict that the incredibly busy hiring market will start to stabilise during the first quarter of 2023.

Multinationals will continue to navigate the changing tax landscape, looking closely at the OECD guidelines, supply chain restructuring and risk management in light of increased revenue audits.

In a volatile interest rate market, companies will have a keen eye on cost management as global banks continue to be more risk adverse - driving a continued rise in finance transformation (including tax transformation projects).

An increase in scrutiny from tax authorities is predicted. We will continue to see a rise in post Covid audits and cautions as the digitisation of tax which has triggered a series of complex tax implications. The demand for tax professionals who understand these implications to strategic business decisions will continue.

A further increase in the skillsets of transfer pricing, tax automation or compliance/reporting process review is predicted, to help companies minimise risk and penalties. Certainly tax will continue to be brought into strategic business decisions early and as such the role of the modern in-house tax professional will be far more strategic.

**Rachael Crocker**
Partner | Head of Europe
+44 20 7332 9598
rachaelcrocker@brewermorris.com

**Rebecca Sheehan**
Associate Director | Tax Europe
+353 1 963 8281
rebeccasheehan@brewermorris.com

# About Brewer Morris

We're a trusted tax, treasury and senior finance search and recruitment consultancy.

Through integrity, flexibility, specialist expertise and always delivering results, we've built lasting relationships with professionals and businesses.

We work with professionals at every level, connecting them with small and medium sized enterprises and multinational businesses in every industry.

We are part of The SR Group, a fast-growing and hugely successful collection of specialist search and recruitment consultancies covering everything from tax, treasury and senior finance, as well as legal, risk and compliance to marketing, sales and HR.

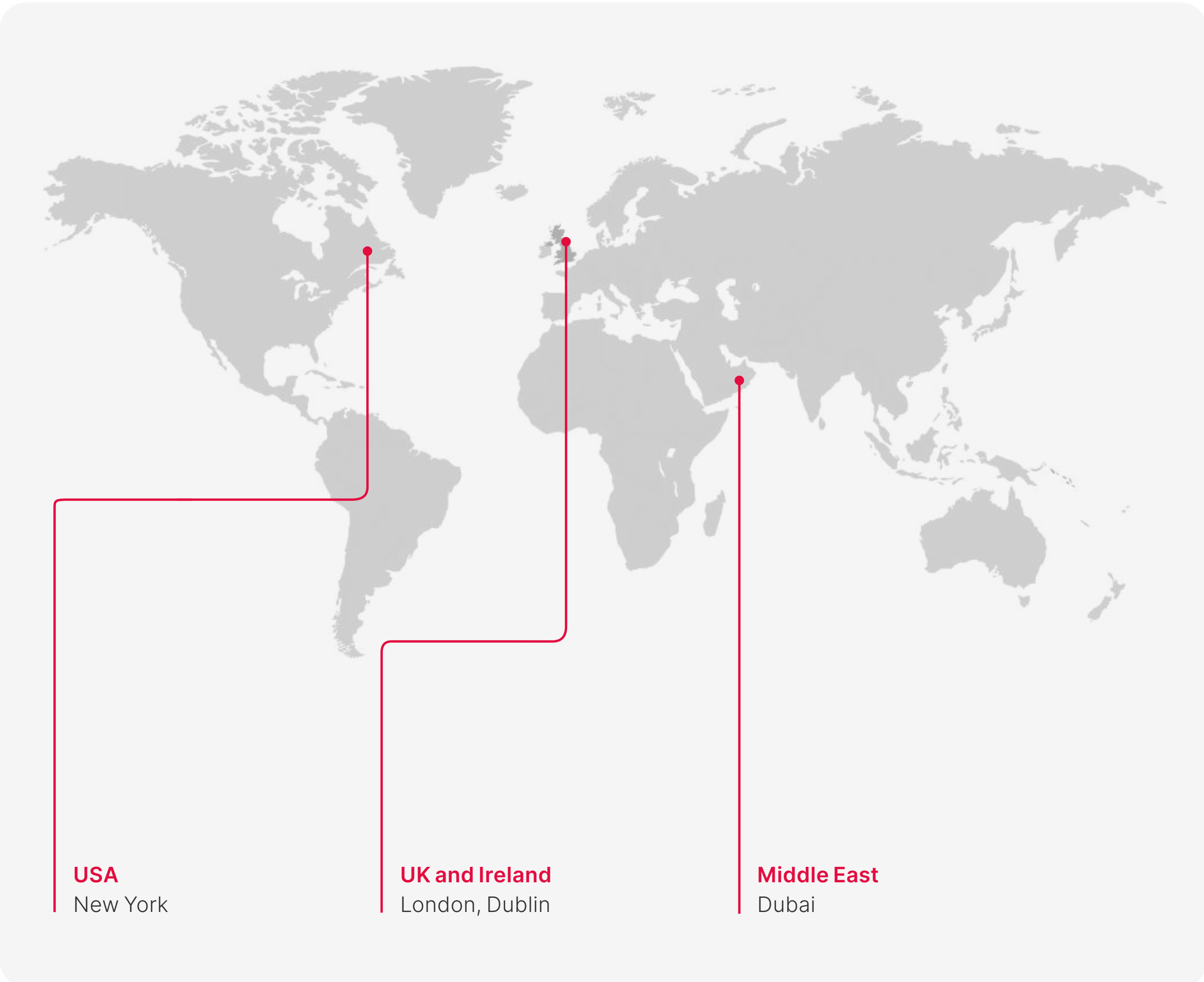
# A global market leader

## We're a leading global recruiter of tax, treasury and senior finance professionals.

Through our expert teams across Europe, the Middle East and North America, we recruit all over the world – digging deeper and looking further in your search for talent.

Our global reach has also helped us to build a network of more than 25,000 tax, treasury and senior finance specialists across all continents.

So, whether you're expanding internationally or simply looking for the right specialist where you're based, we'll leave no stone unturned to ensure you get the results you desire.



# About our specialist recruitment brands

We're part of The SR Group, a global search and recruitment company that also includes specialist search and recruitment consultancies Brewer Morris, Carter Murray, Frazer Jones and Taylor Root.

With strong management, a clear vision and the recruitment, training and retention of inspiring people, we have developed successful brands synonymous with quality around the world. Each of these brands support clients on mandates at all levels of seniority, from entry-level through to Heads of, Director and C-Suite positions on both a permanent and interim basis.

## brewer morris

Brewer Morris is a trusted tax, treasury and senior finance search and recruitment consultancy.

Through integrity, flexibility, specialist expertise and always delivering results, we've built lasting relationships with professionals and businesses.

**brewermorris.com**

## carter murray

Carter Murray is a global search and recruitment consultancy dedicated to marketing and sales.

Through deep expertise within our markets, we're consistently able to fulfil even the most complex briefs and match the best specialist to every role.

**cartermurray.com**

## frazer jones

Frazer Jones is a global HR executive search and recruitment consultancy.

We help HR professionals thrive and empower HR leaders to put people and culture at the heart of their business – creating a more progressive future, for everyone.

**frazerjones.com**

## taylor root

Taylor Root is a global legal, risk and compliance search and recruitment consultancy.

Forming lasting partnerships with our clients and candidates, we are constantly evolving and continue to shape the world's legal, risk and compliance markets.

**taylorroot.com**

sr group

brewer morris

carter murray

frazer jones

taylor root