



2026 Global Tax Policy Survey

The rising tide of tax complexity

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Foreword



The rising tide of tax complexity – the key challenge for global tax policy

This year's Survey delivers one very clear message: the biggest challenge facing tax leaders worldwide is the complexity of the requirements being imposed by policymakers.

Across all the tax areas surveyed, the combination of reporting requirements (e.g. Country-by-Country Reporting) and compliance complexity (particularly from Pillar Two) plus the additional cost resulting from tax digitalization, produces a significant and growing burden on business.

Some of this burden, and some of this complexity, is unavoidable – the modern world is a complicated place. But much of it is the result of conscious policy choices.

The Survey shows that where simplification (e.g. the new Pillar Two Safe Harbours) and modernization (e.g. the updating of the Organisation for Economic Co-operation and Development [OECD] Model Convention) are pursued, the benefits are recognized. Given this, simplification should be further prioritized by policymakers.

While the growing complexity of tax systems is the most dominant theme, we also see other trends emerging.

Digitalization – whether through AI, digital tax administration or e-invoicing – holds out the promise of transformational change. The benefits to both tax administrations and businesses are highly anticipated. But as the Survey shows, the immediate costs and challenges involved in achieving them are high – a lot needs to happen before tax “just happens”.

We are also seeing big changes in the nature of global tax competition as Pillar Two settles. As focus moves away from corporate tax rates, we see the rise of tax incentives as a core policy tool. Whether designed to attract investment, or talent, or to shape sustainability choices, incentives are now at the heart of tax policy.

Another strong theme in this year's Survey, is the ability of businesses to adapt to geopolitical and trade policy changes. The capacity to develop a flexible and resilient response to shocks and disruptions remains crucial.

Finally, we also asked respondents which aspects of the tax system most influenced their decision-making when evaluating investment projects. The results were revealing—the top response was “tax stability and certainty.” This indicates that future policy debates may be shaped by the desire for stability amid an increasingly complex environment.

A stylized, handwritten signature in white ink, consisting of a large, flowing 'A' followed by a smaller 'T' and a dash.

Amanda Tickel

Deloitte Global Tax and Trade Leader

Introduction

The 2026 Global Tax Policy Survey follows a period marked by frequent change and growing uncertainty across the world's tax policy landscape.

To test global business reactions to the levels of policy change, the Survey polled, from January to March of 2026, the views of 1,010 senior tax and finance leaders from organizations with \$100M+ in annual revenue across 28 jurisdictions.

A high-level picture of the impact that global tax policy has on business can be formed from how tax leaders ranked the top three most impactful policy themes.

Tax transparency and reporting drives the greatest business impact



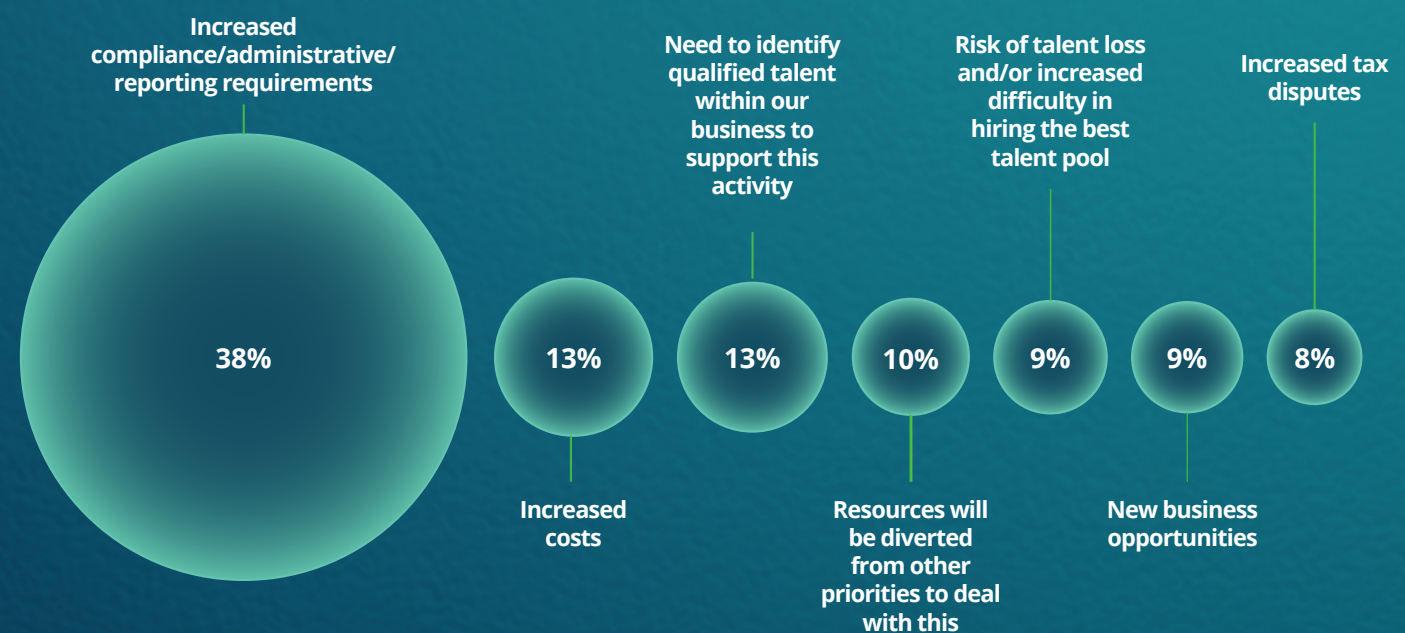
Key Survey takeaways:

- The top theme impacting business is increased Tax Transparency and Reporting requirements, with **complexity and compliance burdens** presenting the biggest challenge.
- The focus of Pillar Two is now on **tax compliance and tax authority readiness**.
- The **availability and value of tax incentives** is important across all themes.
- Businesses are responding to the **demands of managing a global mobile workforce** by deploying diverse models.
- The **benefits of digitalization** will take time to materialize.
- Strategic responses to **global uncertainty in trade and tariffs policy** have stimulated agility, diversification and innovation in supply chains.

The dominance of Transparency and Reporting extends across all the regions and the industry sectors covered by the Survey, echoing the findings of the 2024 and 2025 Global Surveys.

The single most significant factor affecting businesses was the increase in compliance, administrative, and reporting requirements. This was especially pronounced for businesses identifying Pillar Two as the most impactful theme.

Compliance, administration, and reporting drive operational impact across all themes



Data, in all its guises, emerges as a major preoccupation in this year's Survey. Across the board respondents highlight increasing obligations relating to sourcing and verifying data and data security.



The central challenge going forward - and this runs through each of the themes explored here - is to check the balance between policy benefits and the costs and burdens of compliance.



Amanda Tickel, Deloitte Global Tax and Trade Policy Leader

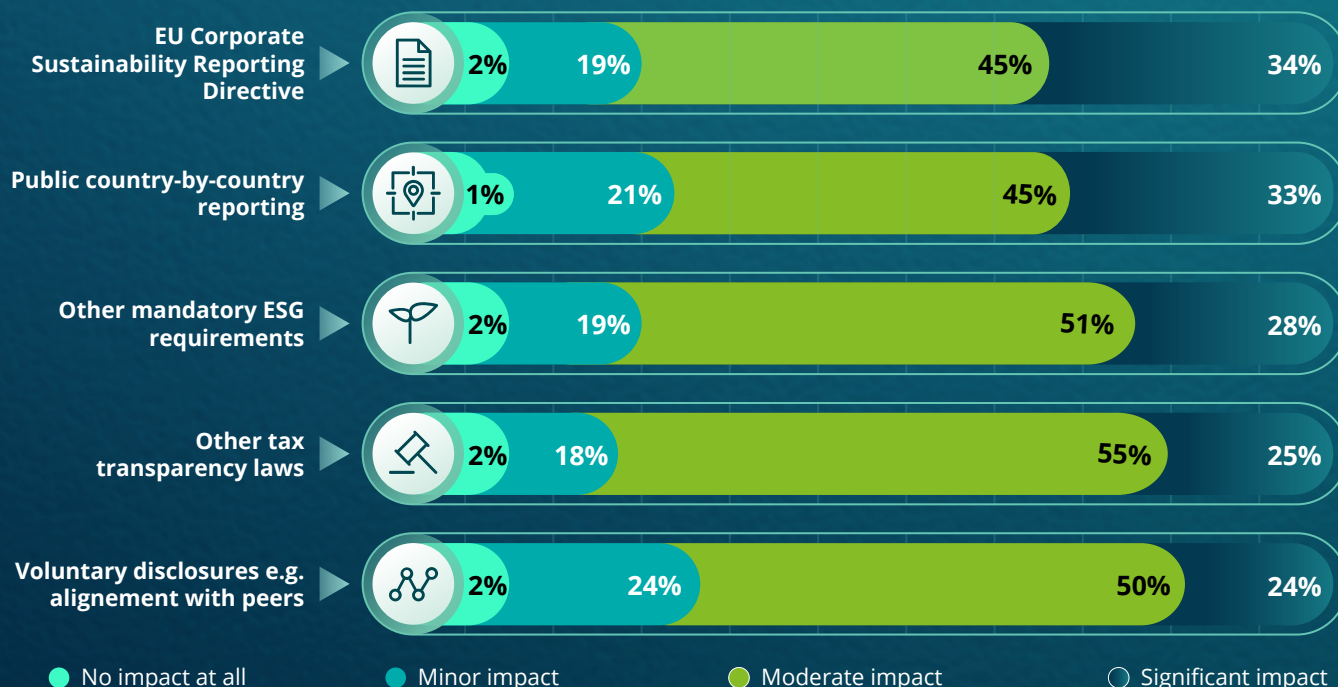
Transparency and Reporting

This was the top-ranked theme for the third year in a row, underscored by the overwhelming expectation that public tax transparency disclosures will continue to grow in future - 84% of respondents expect an increase over the next two to three years.

Sources of Transparency Requirements

Although the most significant effects of public reporting requirements arise from multinational initiatives such as the EU Corporate Sustainability Reporting Directive (CSRD) and Public Country by Country Reporting (PCbCR), other tax transparency requirements and voluntary disclosures also have a considerable impact. Respondents rated all of these sources as having a moderate or significant impact on the trend towards increase public disclosures.

Tax reporting pressure stems from both mandatory and voluntary disclosures

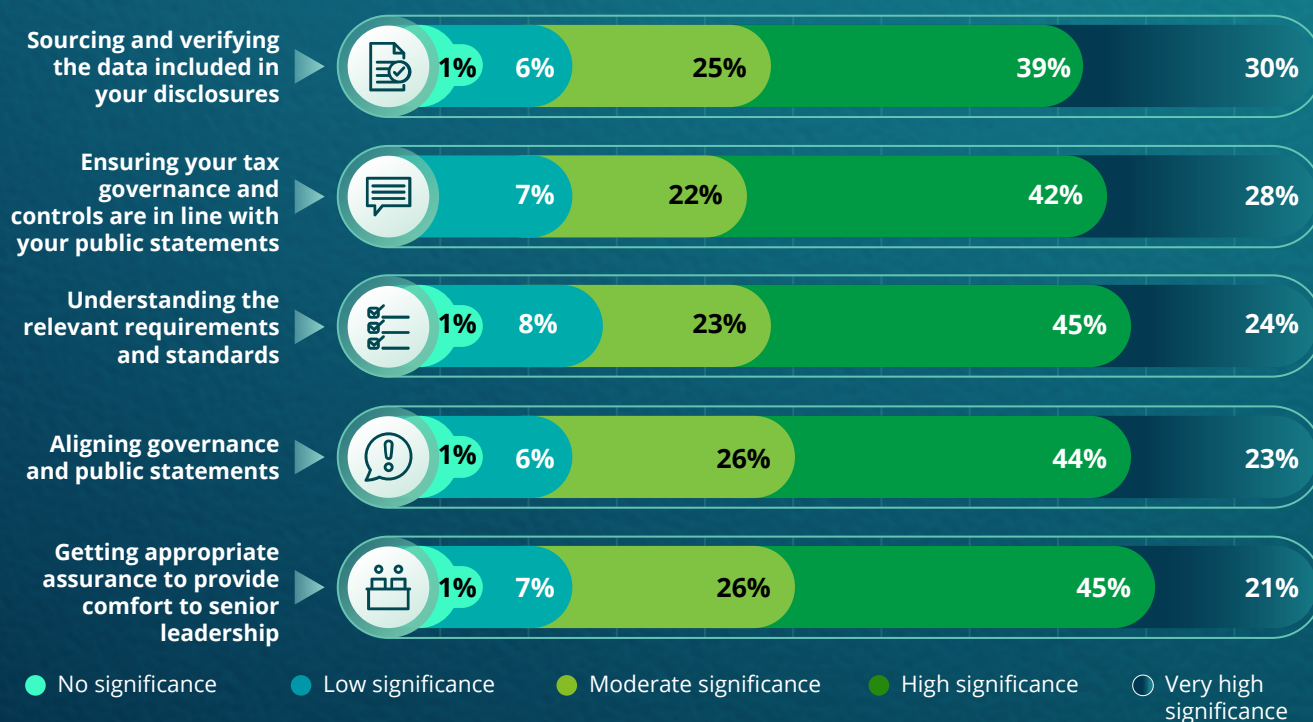


Executing tax transparency strategies

When asked about the factors of greatest significance to the respondents in executing their tax transparency strategy, there was a strong focus on issues of internal management. Respondents ranked highly both ensuring that their tax governance and controls are in line with their public statements and getting appropriate assurance to provide comfort to senior leadership.

The significance of factors relating to the reporting process itself were also high. The “sourcing and verifying data” was the single most highly rated factor, with “understanding relevant requirements and standards” similarly rated.

Significant factors when executing tax transparency strategy



Most factors are considered highly or very significant to tax transparency strategy, which may explain why a notable proportion (40%) of respondents are (or are planning to) voluntarily ask for external assurance of their public tax sustainability/transparency reporting, joining the 42% required to do so.

The Survey also reveals that levels of significance can vary sharply from country to country, which may be unsurprising given differences in domestic implementation of various regimes and level of support and guidance provided to businesses. For businesses operating cross-border this variety is in and of itself a source of complexity and burden.

The challenges associated with sourcing and verifying data, as well as understanding the relevant requirements and standards, mirror the experiences reported in the field of Sustainability.



The stand-out fact on Transparency is that it is still the fundamentals - "sourcing and verifying data" and "understanding requirements and standards" – which come to the fore. This suggests that basic processes and procedures still need significant refining. As part of this, a focus on simplification must be central.



Tim Hayle, Tax Director, Deloitte UK

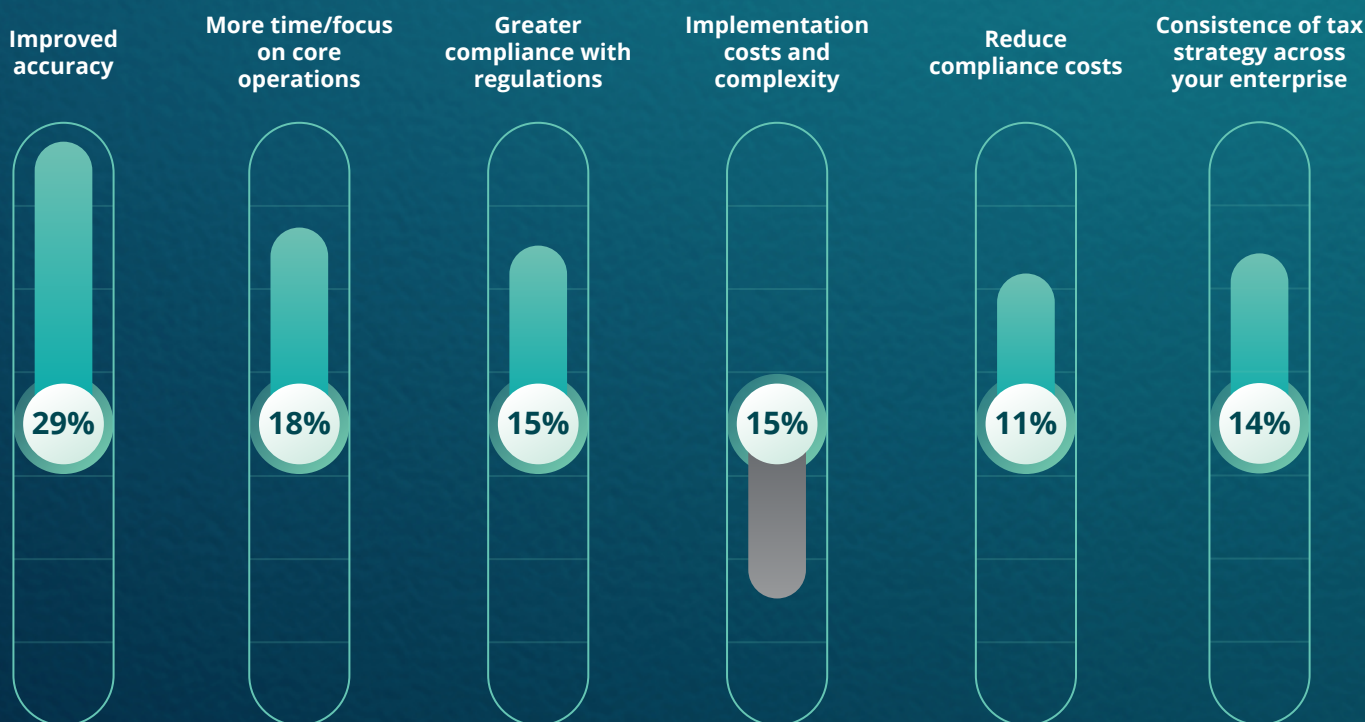
Digitalization of Tax

The Survey focused on three key aspects within the Digitalization of Tax theme which have the potential to revolutionize the tax landscape – the impact of AI, Digital Tax Administration and the roll-out of e-invoicing.

The impact of AI

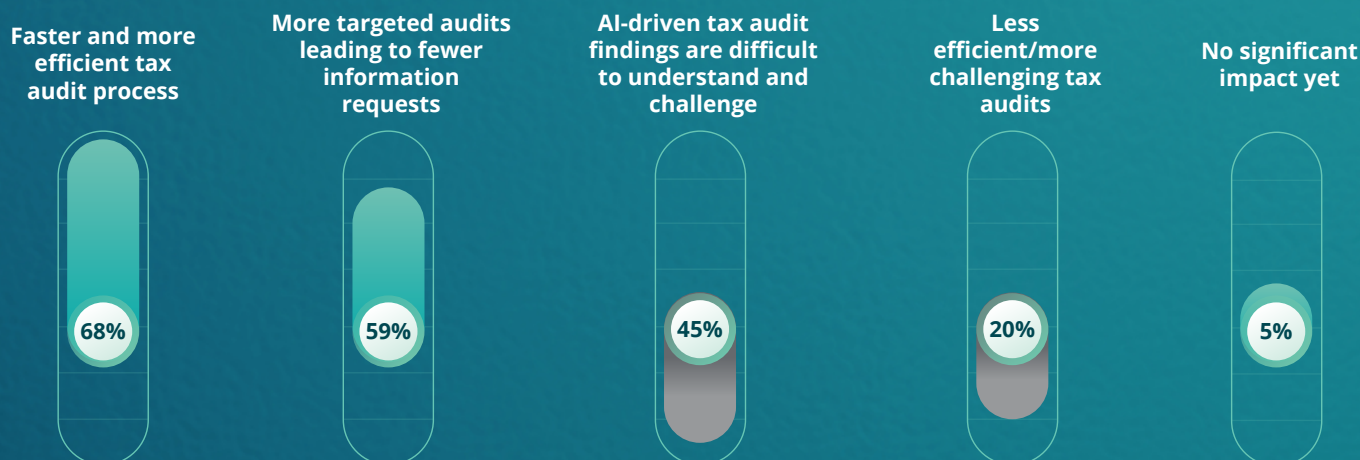
Reactions to AI-based compliance software were predominantly positive, with the benefits of “improved accuracy” ranked the highest. However, these expected benefits still come at the price of significant implementation costs and greater complexity.

AI-based tax compliance software expected to drive wide benefits but also bring cost and complexity



Through the lens of the tax audit, the benefits of AI came into sharper focus with speed and efficiency as well as fewer information requests experienced by most respondents. But, again, there is a downside with a sizeable proportion of respondents pointing to the challenges of AI-assisted tax audit findings being more difficult to understand and challenge.

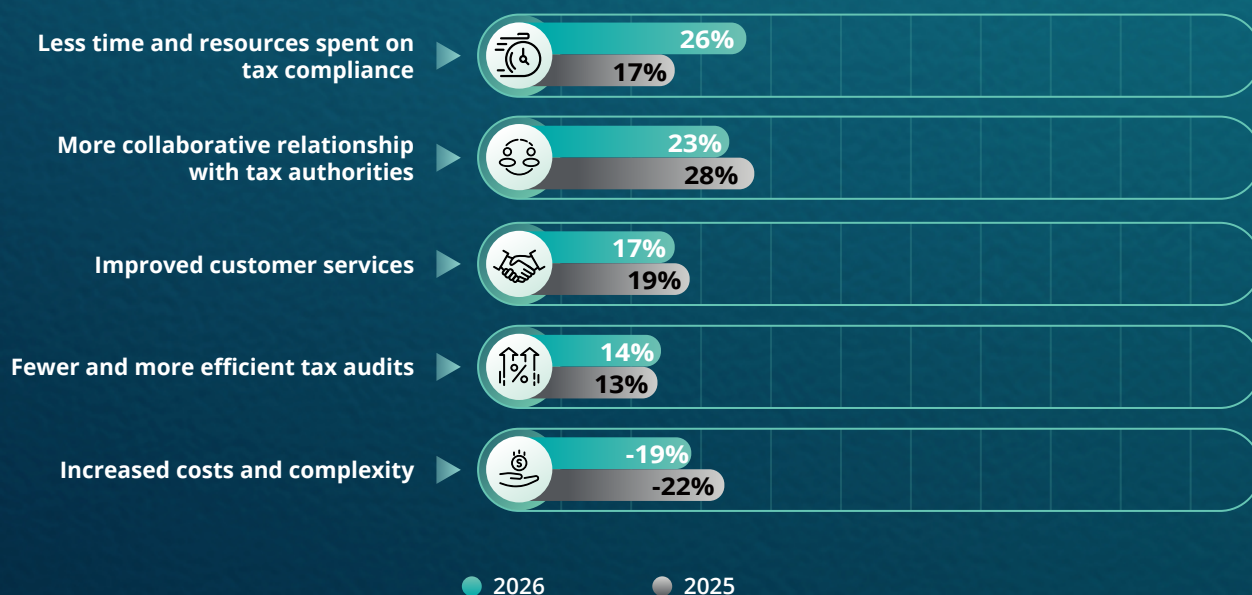
AI expected to bring more efficiency to tax audits, but outcomes may be hard to understand



Digital Tax Administration

As in previous years, the Survey focused on progress towards and perceived benefits of Tax Administration 3.0 (TA3), the OECD's concept for digital tax administration. Just under two-thirds (60%) are seeing some movement towards TA3 in their country, while 27% are seeing significant progress. However, in terms of outcomes from TA3, expectations vary.

Tax Administration 3.0 is expected to bring a wide range of benefits, but with some extra cost and complexity

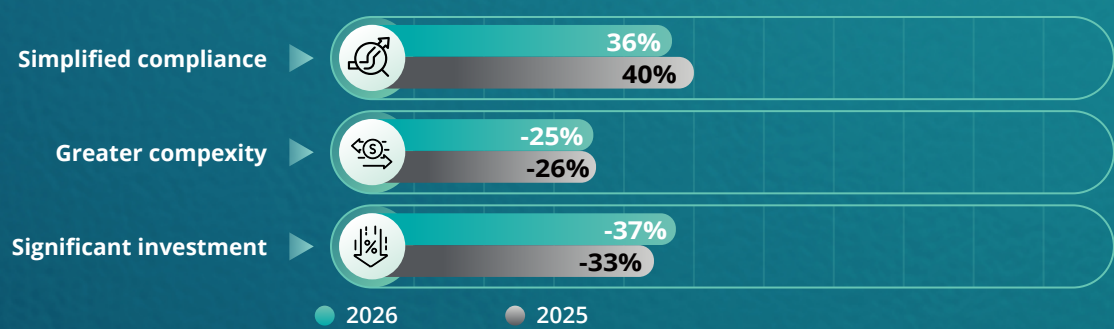


This suggests there still some room for clearer messaging and publicizing the concept of TA3 and the benefits it is designed to bring to businesses.

The roll-out of e-invoicing

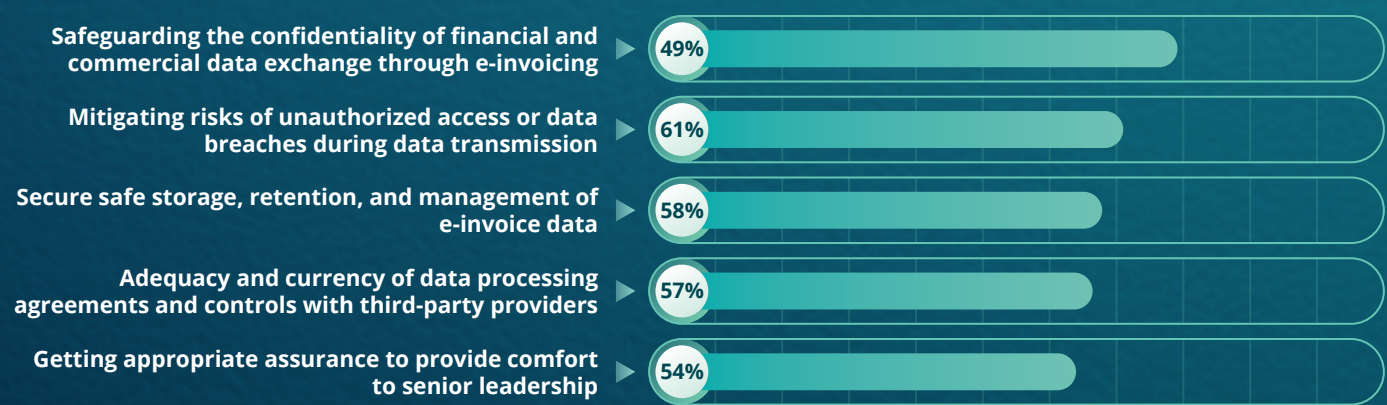
Sentiment on e-invoicing cooled in our 2025 Survey, as expectations for simplified compliance declined and concerns over complexity increased. The trend continued in 2026, with fewer respondents expecting simplification and more citing software investment costs as the main impact of e-invoicing roll-out.

The benefits of e-invoicing come with extra cost and complexity



When asked to rank their concerns around the expansion of the e-invoicing model, Survey respondents focused heavily on issues around data security.

Safeguarding data is a top concern for e-invoicing



While the benefits of Digitalization are apparent, there is a stark reality in the cost and complexity associated with operationalising digital compliance.

Future policy development in this area needs to focus on the cost and complexity of deployment for organizations; and how the technology itself can help manage this down to fully realize the promised benefits.

Hayley McKelvey, Chief AI Officer, Deloitte

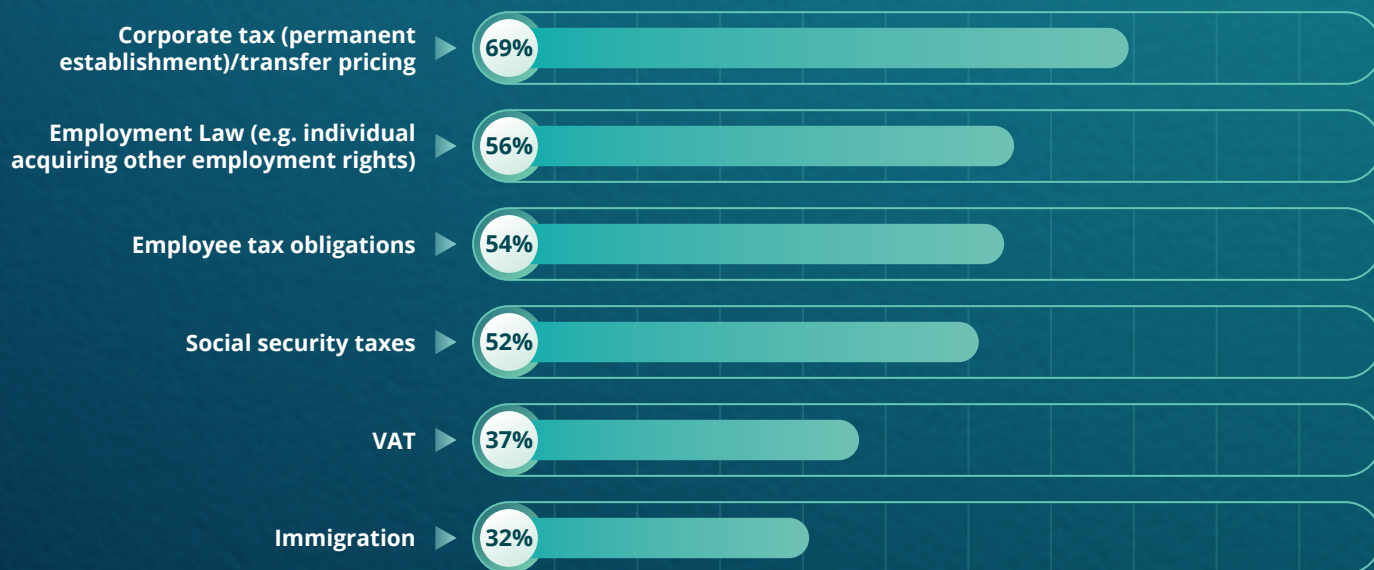
Taxing Work and Wealth

Compared to previous years, this is a topic of growing importance – rated a top three issue by 47% of respondents – it also an area where new policy developments have been seen at the global level, notably through the updating of the OECD Model Tax Convention and Commentary.

Tax and regulation

For those engaged in cross-border working, concern with corporate tax continues to dominate. While issues around permanent establishments and transfer pricing remain top of mind, other tax and regulatory concerns are significant.

Corporate tax and employment law are the key areas of concern for international remote working



Recent reforms

Reactions to recent reforms introduced by the OECD in this area were positive. For more than a fifth of respondents, the revision to the Model Convention Commentary was straightforwardly embraced as delivering much-needed certainty and clarity.

Thirty-nine percent expect the changes to result in a reduction in the number of small permanent establishments arising from cross-border working. This will help to address the issue where small amounts of work, producing small amounts of tax, can create disproportionate compliance and administrative burdens for businesses with staff in other jurisdictions.

For the remainder, the clarity introduced by the changes was welcomed but seen as limited in scope to a small range of scenarios.

Future reforms

When asked where future OECD input would be most helpful for addressing the challenges of international remote work, the greatest level of support (27%) was for a Safe Harbour threshold which would allow for several days in a jurisdiction, or types of activities, to be allowed without creating a permanent establishment.

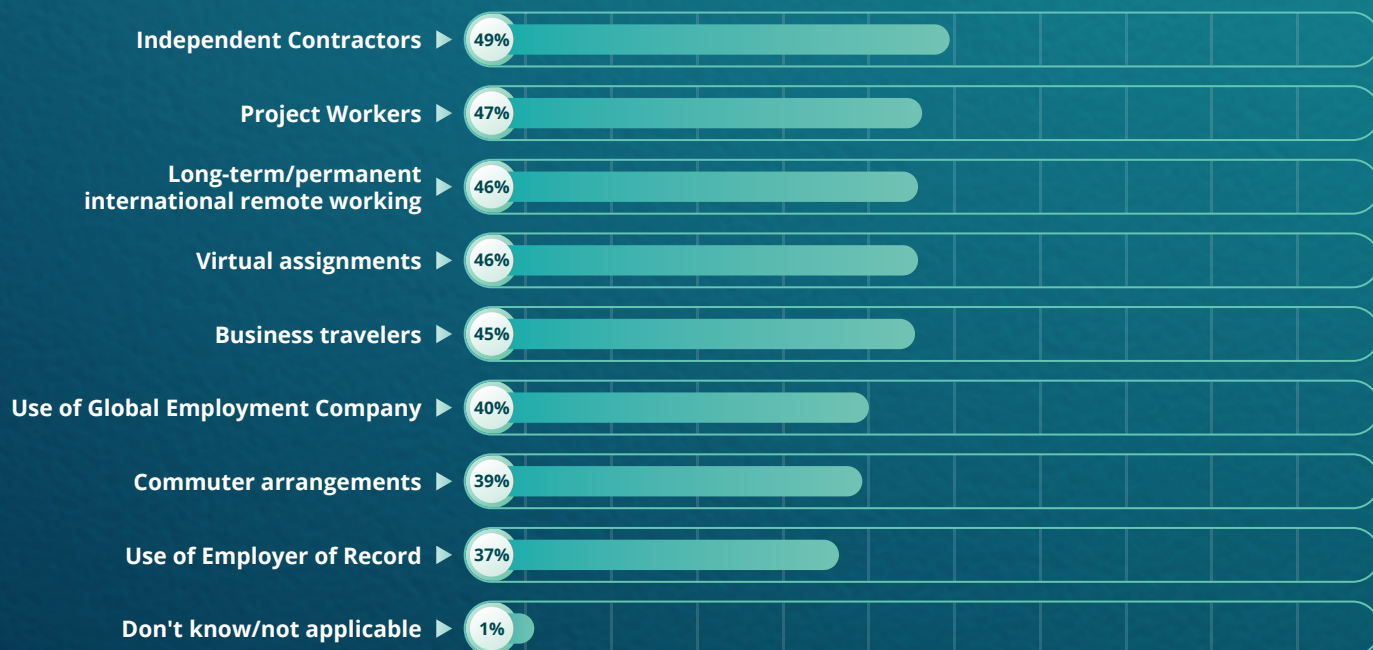
This was followed by a desire to see clearer rules to ensure that small or technical permanent establishments with limited profits are not created (22%) and an employer waiver program (19%).

Evolving global mobility

It is clear from the Survey that organizations are re-evaluating their global talent strategies and reviewing perspectives on cross-border movement, both physically and virtually, casting the net wider in the search for global talent and incorporating emerging workforce options.

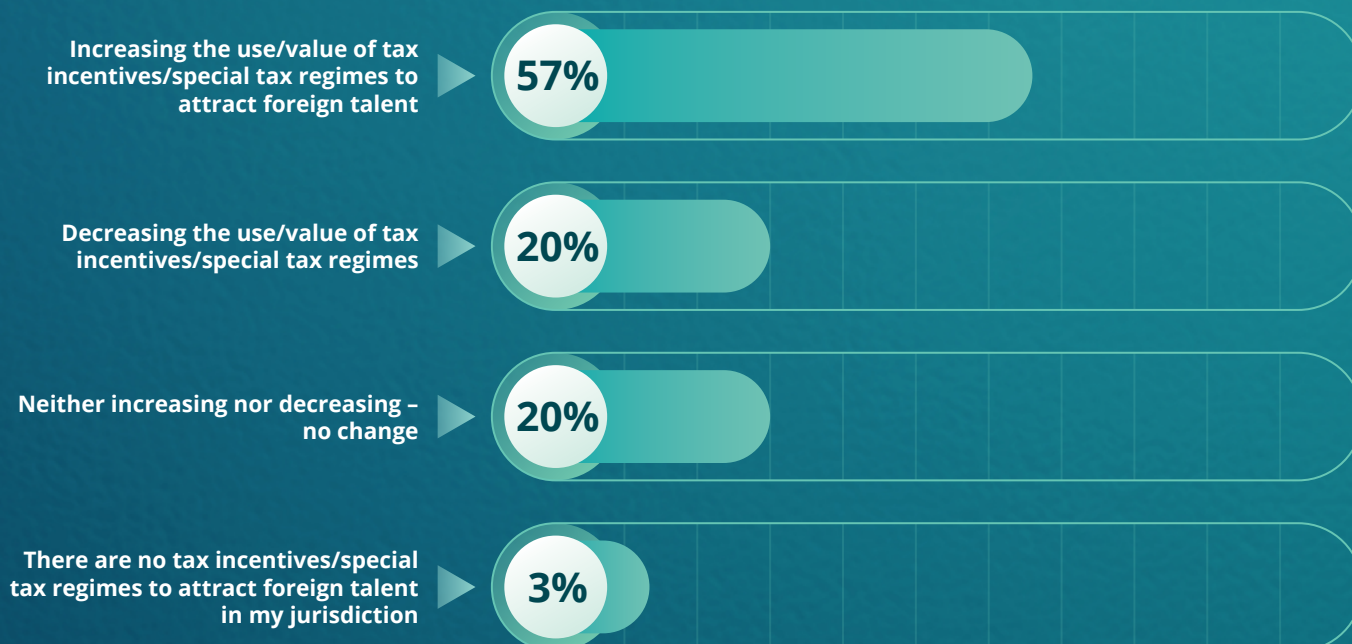
The Survey shows that organizations are employing a broad range of approaches to supplement traditional mobility arrangements (covering both long and short-term assignments). Some of these are employer-driven and some are employee-driven. Each scenario requires close tax and legal focus and assessment of 'fit' within the wider business context.

No consensus on a single model to manage overseas employees



Perceived use of tax incentives by authorities to attract foreign talent

Perceived use of tax incentives by authorities to attract foreign talent



It is welcome that the international tax rules governing the allocation of taxing rights for mobile and cross-border work are being modernized by the OECD. More generally, businesses deploying cross-border personnel would welcome a simplification of the tax rules, and, ideally, their alignment to social security initiatives. This will help with talent attraction and retention and would also provide clarity for cost budgeting purposes.



Piet Verswijver, CHRO Platform Leader, Deloitte Belgium

International Tax Reform

The key development under this theme over the past year was the negotiation and agreement of the Side-by-Side package, which was designed to clear the way for the global operation of the OECD/Inclusive Framework Pillar Two regime.

The reach of the new Safe Harbours

A central element of the Side-by-Side agreement was the introduction of additional Safe Harbours intended to simplify the compliance obligations on both businesses and tax administrations. Four new Safe Harbours were agreed upon (Simplified Effective Tax Rate Safe, Substance-Based Tax Incentives, Ultimate Parent Entity, and the Side-by-Side). The existing Transitional CbCR Safe Harbour was extended for one year.

Most respondents (around 80%) expected their groups to be affected by the operation of these Safe Harbours, suggesting that the benefits to be derived from the new Safe Harbour regime is likely to be widespread.



While the Side-by-Side agreement provides some clarity to taxpayers as they assess their global minimum tax responsibilities, the changes are generally prospective as countries move to adopt the changes.

This may result in taxpayers being responsible for calculating tax reporting and filing requirements for earlier years.



**Jeff Kummer, Managing Director, Washington National Tax,
Deloitte US**

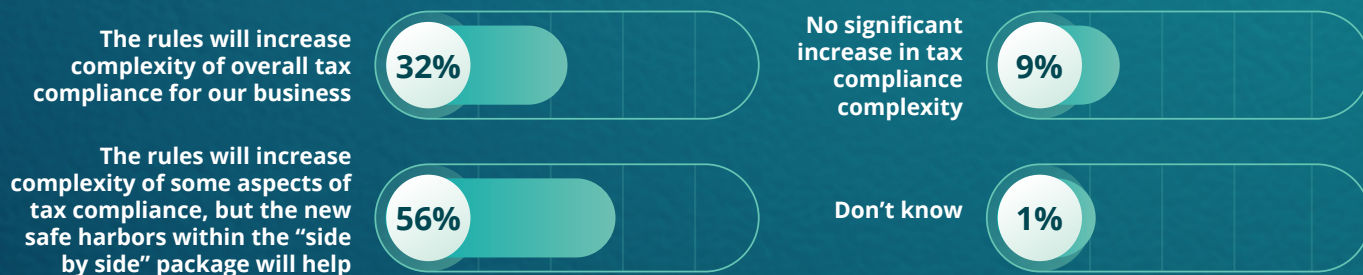
The impact of Safe Harbours on complexity

The complexity of Pillar Two compliance has been a consistent theme in recent Global Tax Policy Surveys.

Since 2024, there has been a downward trend in the proportion of respondents who expect an across-the-board increase in the complexity of “overall tax compliance” for their business due to Pillar Two.

In 2025, 47% expected increased complexity flowing from Pillar Two to be partly balanced out by the repeal of other rules. This year, 58% expect complexity to increase in some aspects of tax compliance areas but see the new Safe Harbours as a helpful development.

Pillar Two complexity partially reduced by Safe Harbours



The appetite for even further Pillar Two simplification is strong, with 41% identifying this as their top priority for international coordination going forward.



The introduction of the Side-by-Side package has been welcomed by businesses, and the Safe Harbours are expected to simplify compliance – at least to some extent. There is more work to be done on simplification and on other areas of uncertainty, and some progress is expected this year.

With the global political architecture of Pillar Two now agreed, the focus shifts to implementation. For business that means compliance and the filing of first returns. For tax authorities, it means having portals that can receive GloBE Information Returns and other, local returns.

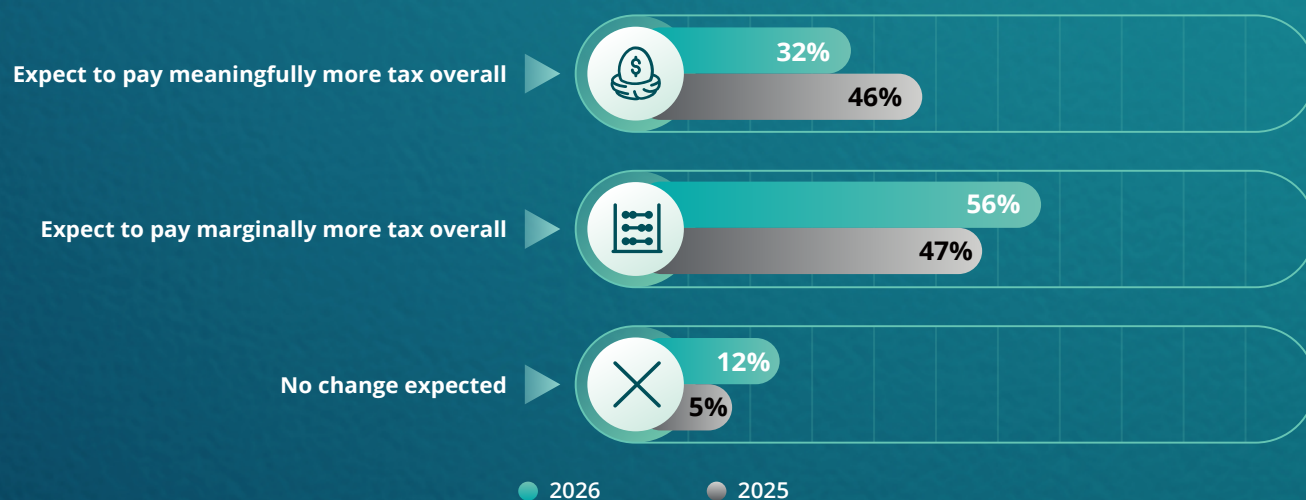
Alison Lobb, Partner, Deloitte UK



The impact of Pillar Two on tax liability

With Pillar Two now settling into its implementation phase it is worth noting that a full 88% of respondents now expect to pay more overall tax as a result. Achieving this level of coverage suggests that the OECD initiative is on track to achieve its overall policy goal of introducing an effective global minimum tax.

Pillar Two still impacting overall tax liabilities



However, it may be equally significant that the proportion of respondents who expect to pay only marginally more tax (56%) continues to outstrip those expecting to pay meaningfully more tax (32%). This raises questions of proportionality: are the costs, complexities and burdens entailed in delivering Pillar Two justified by the level of additional tax raised?

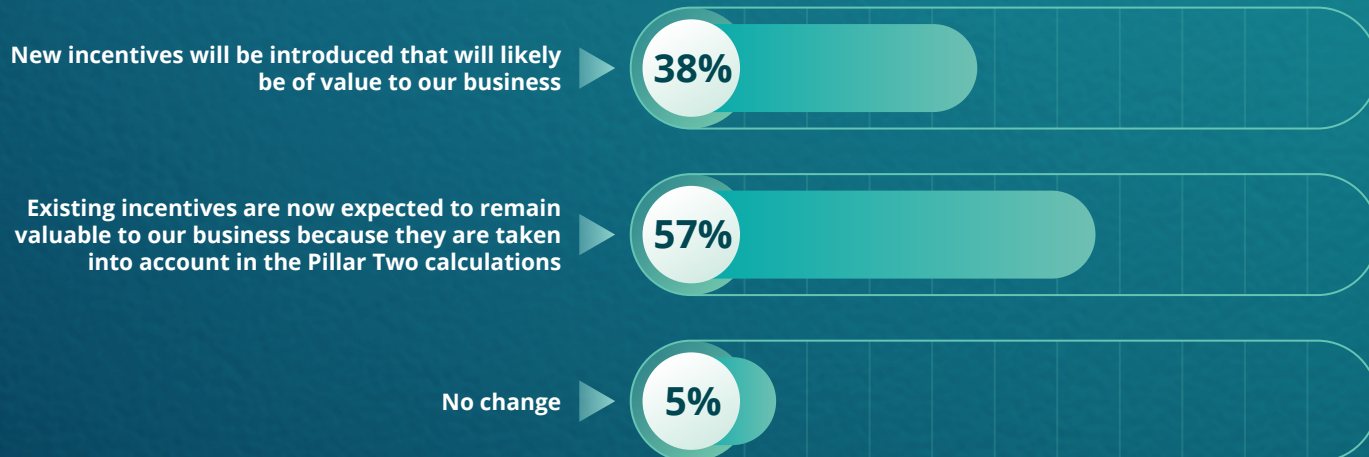
The OECD Inclusive Framework is updating its estimate of the additional tax likely to be raised by Pillar Two, considering the impact of the Side-by-Side package. This will help to inform future discussions on the balance between the additional revenue raised and the compliance and administrative obligations for businesses and tax administrations.

The role of tax incentives

Tax incentives can be an important element in a jurisdiction's policy toolkit for attracting investment and stimulating economic activity.

Respondents were optimistic that the introduction of the Substance-Based Tax Incentive Safe Harbour would allow both for the maintenance of existing incentive and the introduction of new ones.

Substance-Based Tax Incentives Safe Harbour expected to operate alongside both existing and new incentives



Global tax incentives are increasingly shaping investment decisions across Africa—not just by lowering the cost of capital, but by signaling policy direction and providing the certainty businesses need to commit for the long term.

**Olebogeng Ramatlhodi, Africa Indirect Tax Leader,
Deloitte Africa**



Sustainability

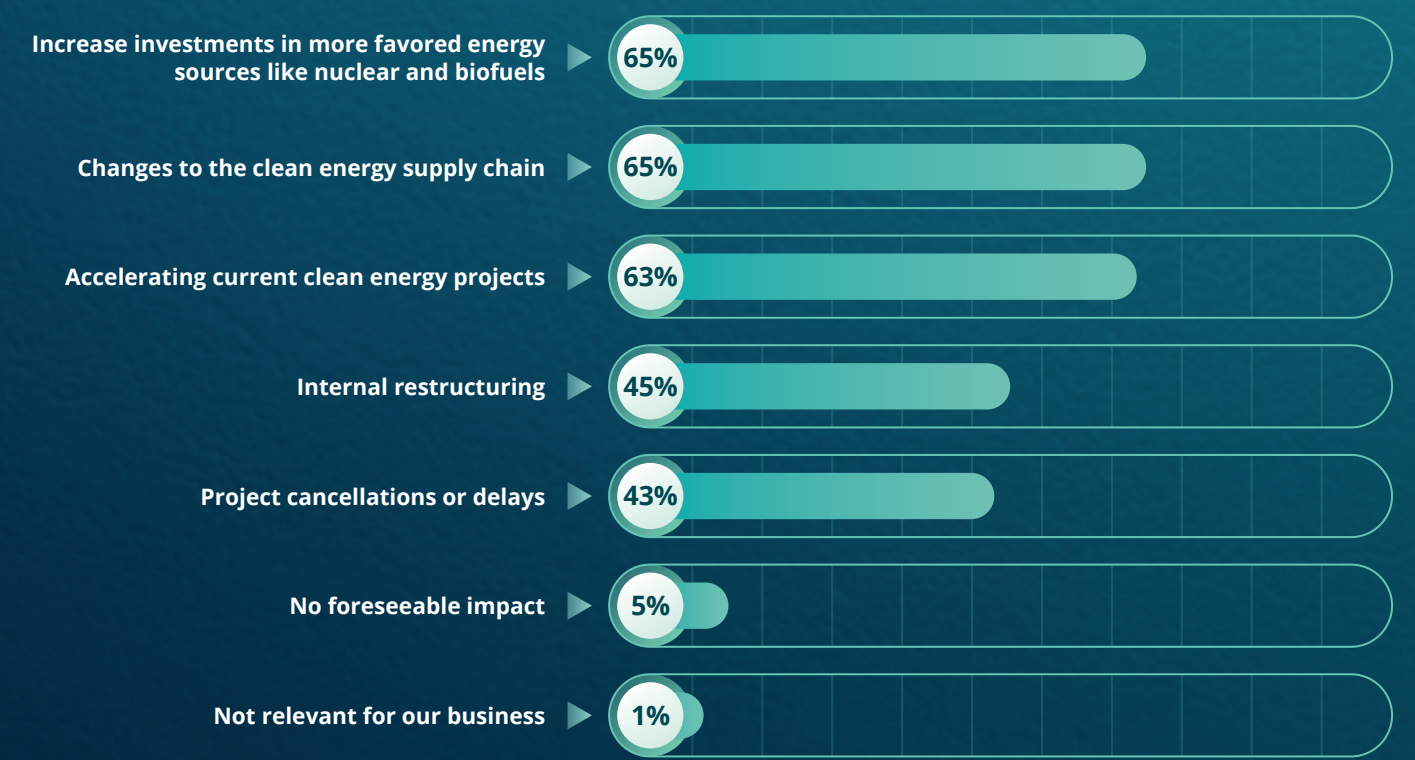
The Survey focused on two aspects of Sustainability tax policy: the change of policy regarding certain clean energy tax credits introduced by the “One Big Beautiful Bill Act” in the United States; and the ‘full scope application of the Carbon Border Adjustment Mechanism (CBAM) regime in the European Union.

Policy change in the United States

In the US, the law commonly referred to as “One Big Beautiful Bill Act” (OBBBA, P.L. 119-21) – and the subsequent IRS/Treasury guidance – has impacted certain clean energy credits. This in turn has impacted business models in a range of ways.

The Survey found that responses by businesses varied from change in investment strategies to internal restructuring. Notably only 1% of respondents consider such credits to be not relevant for their business.

Changes to the US clean energy tax credits driving increased investment into favored energy sources, including nuclear and biofuels



This aspect of US policy may continue to evolve over time as lawmakers consider the best approaches to incentivizing various energy policy decisions.

The EU CBAM regime

The Survey reveals a significant expansion in the number of industries expecting to be impacted by CBAM over the next one to two years. This trend directly reflects the regulatory extension of CBAM's product scope, highlighting the need for organizations to prepare now for broader compliance obligations, as the EU regulatory landscape continues to evolve.

The level of challenge faced by those having to comply with EU CBAM remains high.

The EU CBAM is creating broad challenges for businesses



The sources of challenge under CBAMs strongly echo those identified in other areas (such as Transparency and Digitalization) where difficulties around data, compliance costs and complexity are widespread.

The use of incentives

The availability of tax incentives and grants can impact sustainability-related decisions. This year's Survey shows that around a third of businesses are already fully utilizing these incentives, while nearly two-thirds are exploring doing so.

Most businesses are still exploring the use of sustainability incentives



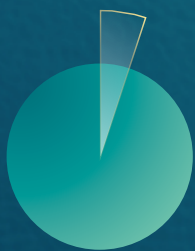
34%

Full use of grants and incentives



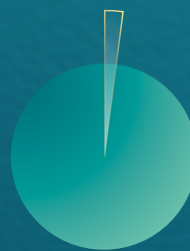
59%

Exploring the use of grants and incentives



5%

Not able to access grants and incentives



2%

Not considered the use of grants and incentives yet



CBAM is likely to continue to drive complexity in Sustainability compliance and reporting in the foreseeable future. As the UK introduces its own CBAM in 2027 and other jurisdictions consider similar measures, the complexity multiplies exponentially. Without coordinated approaches between the EU CBAM and emerging national schemes, companies face the risk of conflicting requirements, double compliance burdens, and potential disputes. International coordination frameworks must be prioritized to prevent a fragmented global carbon border landscape.



**David Arthur, Global Sustainability Leader, Tax & Legal,
Deloitte Canada**

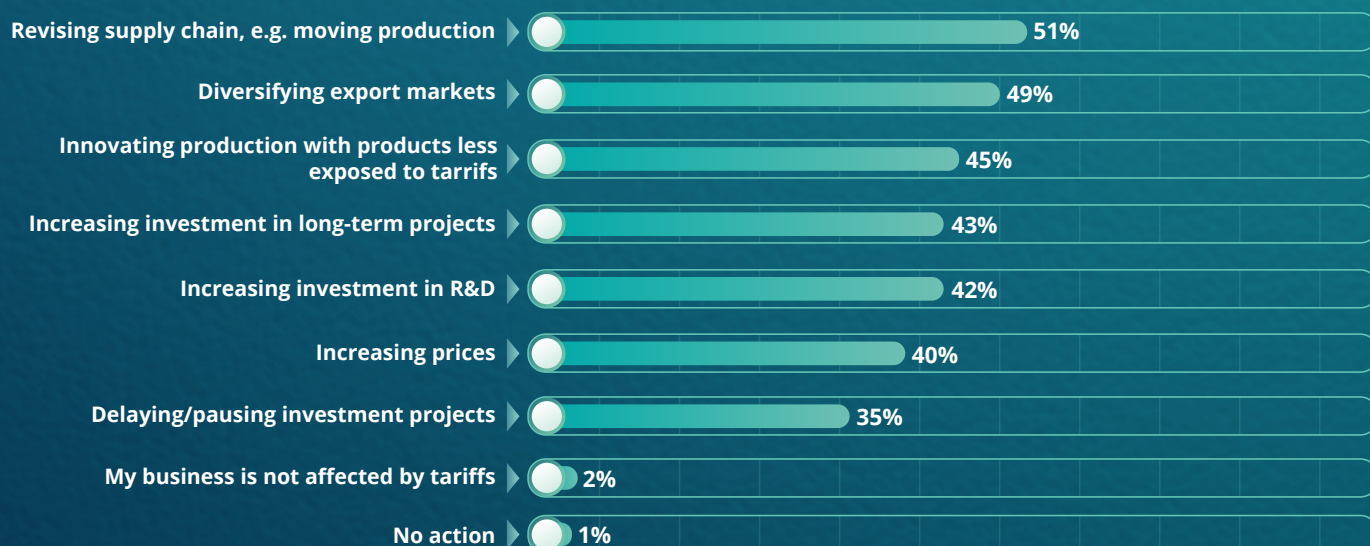
Trade Policy and Tariffs

Changes to trade and tariff arrangements, and the emergence of new trade deals, introduced further shifts to the policy environment.

The Survey focused in on the question of how businesses have responded to this environment of change, and on the strategies adopted to respond to these new conditions.

A key insight is that, while the vast majority of businesses reported being impacted by the changing trade landscape, there is a wide variation in approaches adopted in response.

New tariff and trade policies trigger a range of strategic responses



This suggests that, in any given situation, a range of strategic responses will be open to business leaders, enabling pro-active engagement in relation to the shifting conditions of trade. More than ever, this places an emphasis on the importance of resilience and flexibility in framing and implementing strategies.



The evolving tariff landscape and trade policy have illustrated that the business impacts of tariffs can be far-reaching across functions. Going forward, businesses likely need to continue to refresh and reinvent business strategies and supply chains with an eye on resilience.



Jivan Datta, Global Supply Chain Leader, Deloitte US

Conclusion

The 2026 Global Tax Policy Survey shows that the biggest tax policy impacts on global businesses come not from rates increases or reform packages, but from the steady accretion of complexity within the global tax system. The principal concern across all the policy themes examined was the layers of complexity and cost imposed upon businesses.

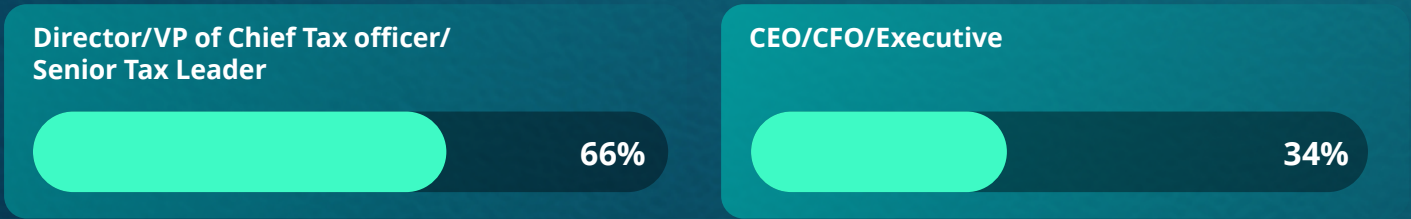
While the forward march of digitalization and the wider use of AI in tax compliance holds out the promise of a brighter and simpler future, progress has not yet been sufficient to make inroads into the legacy of complexity. Where simplification has been pursued, this is recognized and welcomed. But more needs to be done, and a concerted focus on reducing complexity and disproportionate burdens needs to be placed at the heart of global tax policy.

About the research

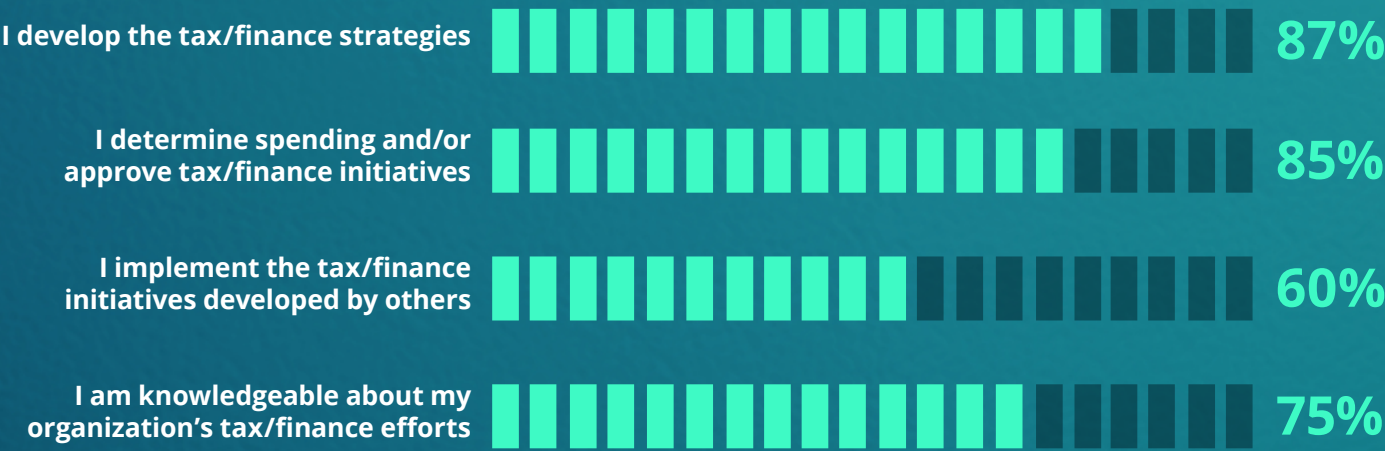
Location of Respondents by Region



Job title



Level of responsibility for Tax/Finance decisions at Company



Organization revenue in US dollars



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