

## NEETI DEWAN QUOTED IN CFO MAGAZINE:

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# CFOs Warm to More Frequent Tax Talk

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[Kathleen Hoffelder](#)

Tax executives are spending more time in front of the C-suite — a practice that is gaining ground with more CFOs whether they are ready for it or not.

Gone are the days when a corporation's [tax director](#) stood last in line to update the CFO on a new tax advantage or unfriendly charge sure to affect the bottom line at tax time. With increased regulation, a heavy state and local tax burden, and [election uncertainty](#), internal tax advisers are front and center at C-suite-level doors on a more regular basis.

PVH Corp., the owner of Tommy Hilfiger and Calvin Klein brands, for one, has already started reaping the benefits from closer ties between its tax department and the CFOs of its various brands.

"Tax is a very focal point at PVH now," said Matthew O'Laughlin, global vice president of tax at PVH, at an Ernst & Young tax conference yesterday. Before the Tommy Hilfiger acquisition and prior to O'Laughlin joining the firm in 2010, the tax department reported to the comptroller, but he made a point to push for a change that would have the tax department reporting directly to the CFO.

The firm's effective tax rate has also decreased about 5% since the arrangement, he noted. CFOs, he said, are "becoming more sensitive to tax. I don't think before they really understood it could have such an impact."

CFOs especially need to better understand tax risks in order to sign their financial statements with confidence, added Kate Barton, Americas vice chair of tax services at E&Y. "When I first started, people used to talk about a tax reserve over a lunch; there really wasn't that much in terms of documentation. Now, it's a huge part of the CFO's job. They have to have a good understanding of the details."

Having more exposure at the CFO level is also proving a boon to the way tax departments are run. Participants said better communication between internal tax executives and CFOs will help in a firm's planning for next year and the years to come.

"What I've done with the CFOs is I've sat down with them on a biweekly basis," admitted O'Laughlin. That kind of relationship is important today to avoid the kinds of tax structures that have led to fraud and other challenges for corporations in the past, he noted.

For **Neeti Dewan**, vice president and associate director of tax at Aramark, a food-services firm, a similarly high level of communication exists between the tax department and the CFO.

"In our company, tax has definitely come a long way," **said Dewan on the E&Y panel**. She holds regular meetings with divisional CFOs and outlines responsibilities at the tax department and at the CFO level in a sort of "tax department service pledge."

Similarly, Michael Mullen, senior vice president of tax at NBC Universal, also sees the benefit of a close working relationship at the CFO level. "The tax department has an active involvement in pretty much every aspect of the business," he added. "The volume of transactions we get involved with is significant."