



Equity-based compensation

Design, implementation and review of equity-based compensation plans



Mind the gap...

Are your current compensation packages competitive enough to recruit the best?

How do you ensure that your participation models keep up with the ever-changing regulatory environment?

Are you reporting the correct figures and information on your salary certificates? Also in cross-border circumstances?

When did you last review the tax, social security and cost effectiveness of your incentive plans?

Equity-based compensation is a key instrument to attract, retain and incentivize your human capital. At the same time it supports sustainable behavior in decision makers. Moreover, management incentives play an important role in many M&A and private equity deals. Thus, in most companies incentive plans are an important element in competitive compensation packages. KPMG professionals can help to effectively design and implement such plans.

KPMG's approach

One-stop shop

Our multidisciplinary approach – covering all relevant tax, legal, HR and accounting aspects – ensures compliance, supports your business goals and increases cost efficiency. We offer you our long standing experience as well as insights into best practice and industry standards. We help you to evaluate, implement and manage your equity-based compensation in line with your business needs – in more than 100 countries.

Evaluation workshop

Whether you want to explore the setup of a new equity plan or the analysis or reshaping of an existing plan: In workshops we work together with you to determine issues and/or optimization potential. Project and goals will be analyzed seamlessly and to ensure the best solutions that meet your high expectations, at any time.

Plan design and implementation

In line with your needs and budget you may choose to either pick one of our existing, practice-proven incentive plans or go for a tailored approach (e.g. specific exit scenarios, etc.). In any case we will ensure that your plan is fit for purpose, meets all regulatory requirements, is well received by your (prospective) employees and backed up with a fair valuation.

Ongoing plan compliance

In order to control risks, avoid failure to comply and remain attractive, the plan terms and conditions must regularly be reviewed and compared against potential regulatory changes and your evolving business development. Further, M&A transactions may trigger a need for revision. KPMG performs seamless status checks to make sure that all relevant tax, legal, social security, payroll and accounting aspects are up to date, on a global level.

Evaluation workshop	<p>We answer questions on how to implement or remodel equity incentives together with you:</p> <ul style="list-style-type: none"> – Define (changing) parameters and goals of your plan – Suggest appropriate plan types or evaluate the most efficient change options (i.e. rollover vs. exit) – Discuss impact on various topics including legal, tax, social security and accounting – Determine next steps and responsibilities 	CHF 2,500
Plan design and implementation	<p>Selection of plan type</p> <ul style="list-style-type: none"> – Assess requirements and purpose of the equity-based compensation plan in your specific case – Give overview of various plan types and provide our independent expert opinion – Select appropriate plan type for you, reflecting highest possible attraction for human capital and satisfying business needs – Tailor the plan considering your pay philosophy as well as objectives and behaviors that should be rewarded or not <p>Detailed review and project planning</p> <ul style="list-style-type: none"> – Draft customized plan documents – Assess finance, accounting and disclosure requirements – Evaluate tax consequences and prepare binding ruling – Design country studies – Plan further steps to implementation <p>Implementation of new plan</p> <ul style="list-style-type: none"> – Support in communication and plan rollout – Work out payroll treatment with HR 	Standard rates
Ongoing plan compliance	<p>Health check</p> <ul style="list-style-type: none"> – Check legal framework for its regulatory requirements – Review tax and legal compliance in terms of your plan administration worldwide – Analyze salary certificates and equity annexes – Monitor (intercompany) payment processes – Provide ad hoc advice on all matters related to equity-based compensation 	Standard rates

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