



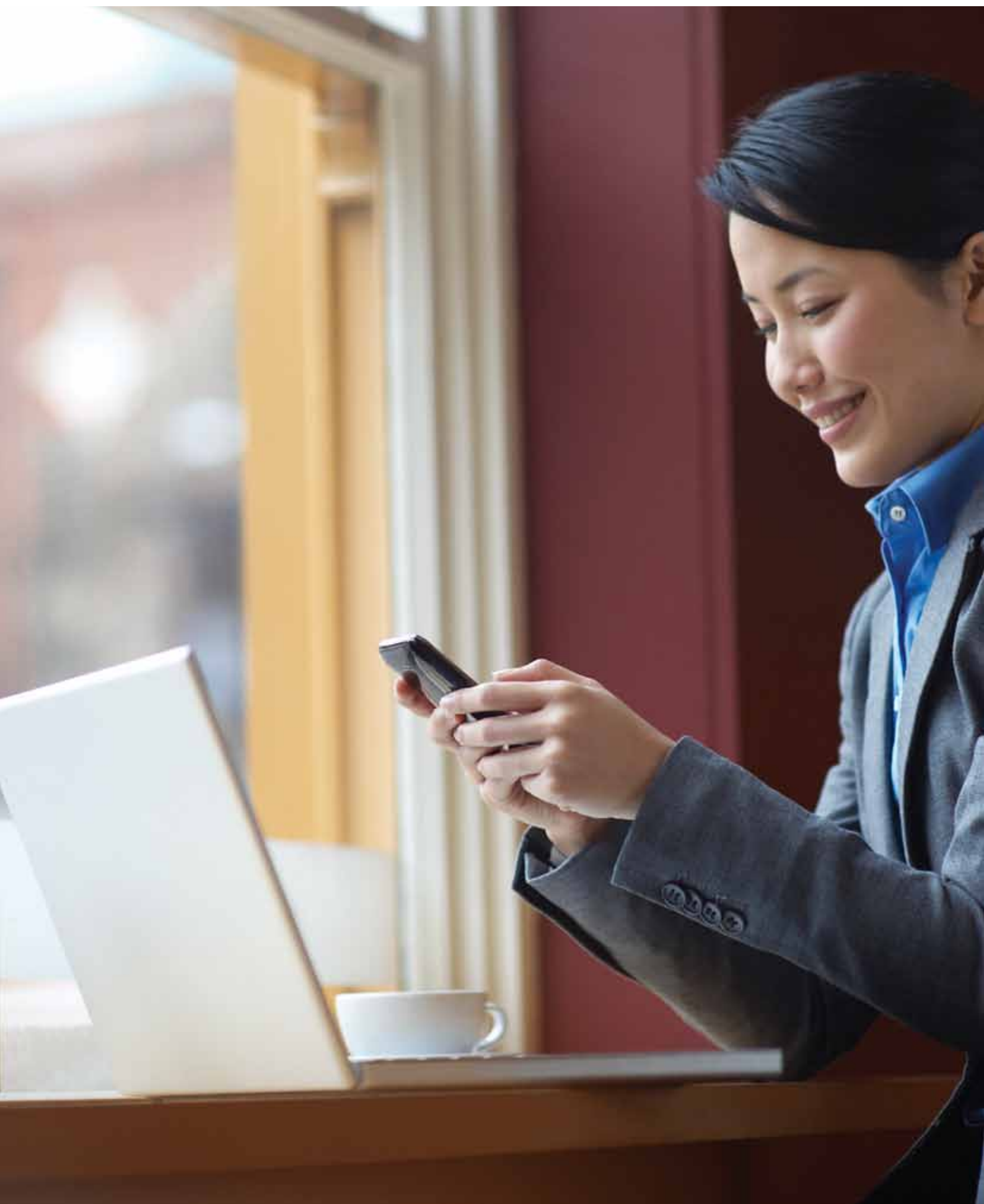
cutting through complexity

TAX

International Executive Services

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KPMG International Executive Services (IES) provides fully integrated solutions in relation to every aspect of international mobility, including tax, immigration, mobility consulting, assignment management, expatriate compensation and benefits planning. KPMG China can provide you with tailor-made services that can meet your needs.

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We are the professionals in Global Mobility

Chinese Individual Income Tax (IIT) Law has undergone many changes since it was first promulgated in 1980 with the latest major change in 2011. Chinese tax authorities have also implemented different measures to strengthen the collection and administration of IIT in recent years. All these changes have created a complex environment in which to be compliant in.

Major reforms and further changes are expected in the near future and these will provide both opportunities and risks to employers. KPMG's IES team specialises in Global Mobility and has a thorough understanding of this complex environment. We are well equipped to cope with all these changes and provide you with the necessary support.

As Global Mobility advisors, our experience and expertise also expands to social security, immigration and we can even provide you with the necessary technology to manage your assignees.

The image features two analog wall clocks at the top, with labels 'Singapore/Hong Kong' and 'Tokyo/Seoul' below them. The background is a blurred office scene with people moving. A large red diagonal banner is on the right side of the page.

You should speak with one of our global mobility professionals, if you are:

- Setting up an office in China or an overseas country
- Bringing employees into the region or sending local employees to an overseas office
- Designing or reviewing international assignment policies and employment structure for your mobile employees
- Designing tax-efficient remuneration structure and/or incentive awards for your employees
- Downsizing or restructuring your employee population
- Concerned about tax, social security and immigration compliance in the jurisdictions in which your company operates
- Requiring tools to enhance efficiency in managing cost effective international assignment programs
- Being audited by the local tax authorities.



PRC IIT Compliance Services

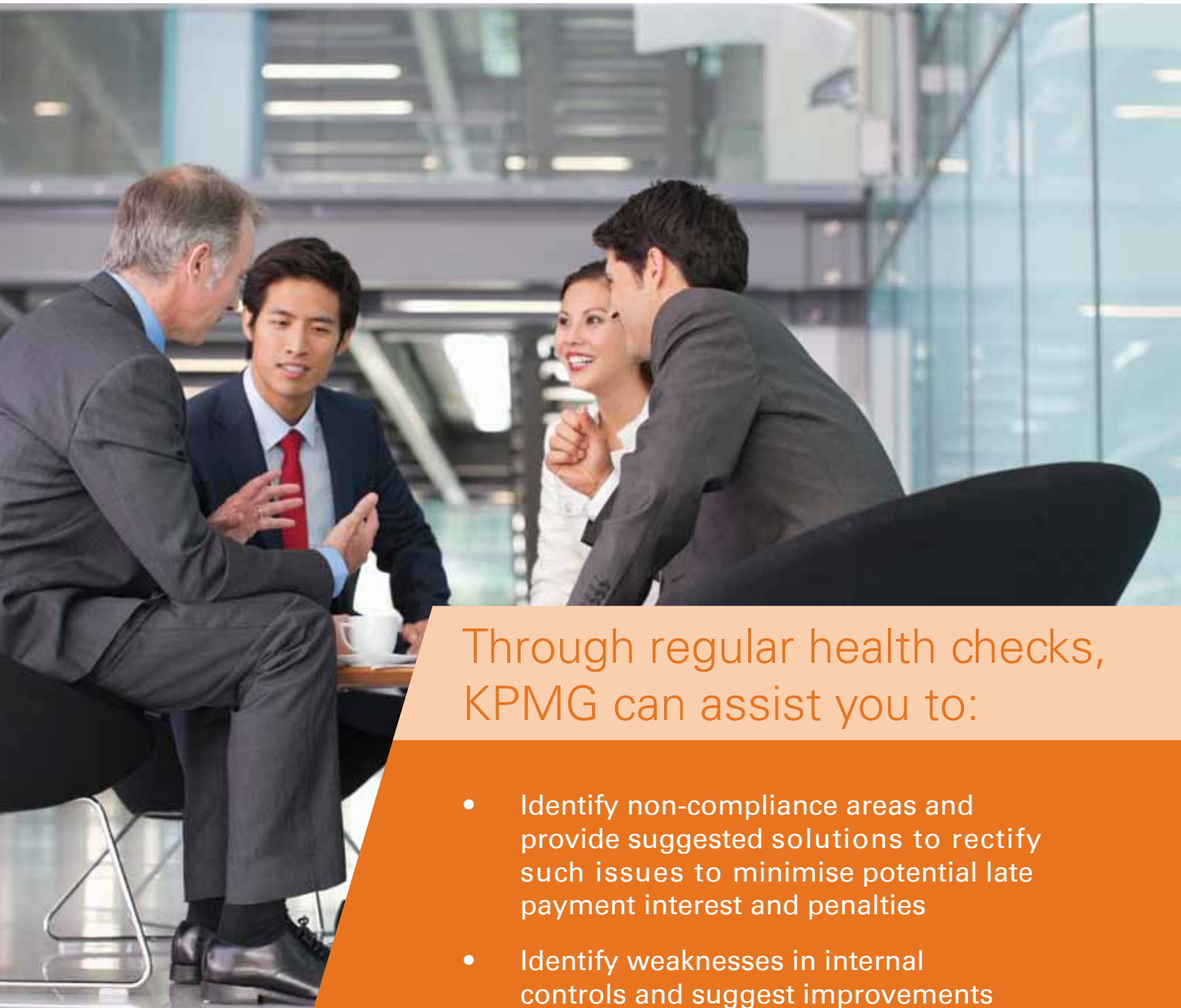
KPMG has a specialised compliance team that can assist you in completing the monthly and annual IIT returns, conducting registrations with tax authorities and communicating with tax authorities during tax audits and on regular filing matters. Due to the complex IIT compliance requirements, variation of local practices among tax authorities at different locations in China, and the frequent movement of employees in and out of China, multinational companies, large or small, require professional support.

KPMG can support you to:

- Ensure your company is compliant, which will minimise the risk of late payment interest and penalties
- Reduce the administrative burden through outsourcing IIT-related compliance activities
- Monitor your salary cost budget to ensure there is better control

PRC IIT Health Check and Related Regulatory Compliance Services

Due to the rapid changes in the IIT law and regulations as well as the variations in adopted practices by different tax authorities, KPMG can assist by conducting regular reviews on your compliance status.



Through regular health checks, KPMG can assist you to:

- Identify non-compliance areas and provide suggested solutions to rectify such issues to minimise potential late payment interest and penalties
- Identify weaknesses in internal controls and suggest improvements to minimise future risk exposure
- Identify tax planning opportunities to improve overall tax efficiency



Global Mobility Tax Advisory Services

Before implementing any mobility program, multinational companies should have a thorough understanding of Chinese IIT law and regulations.

Through our tax advisory services, we can assist to:

- Identify the relevant tax planning opportunities and risks with designing a robust mobility program under the prevalent PRC IIT law and regulations
- Minimise IIT burdens through structuring the employment arrangements and reviewing employment contracts
- Minimise the risk of creating permanent establishment in China and reduce the overall tax burden on frequent travellers to China

Implementing Employee Equity Incentive Plan

In addition to the complex PRC IIT rules on employee equity incentive plan, there are also complicated foreign exchange rules to bear in mind when administering an employee equity incentive plan. We can provide you with the necessary advice on implementing an employee equity incentive plan and can help you in completing the relevant registration with the foreign exchange bureau as well as the ongoing administration matters.

KPMG can support you to:

- Ensure full compliance in the PRC IIT and foreign exchange rule to avoid potential late payment interest and penalties
- Reduce the administrative burden and minimise potential complaints from employees through outsourcing all aspects of the equity incentive plan administration



PRC Social Security

Compliance and Advisory Services

Social security rules are still very new to foreign national assignees where frequent development on rules and practices are expected. We can provide the necessary advice on the social security rules and assist in completing the required formalities to allow you to fulfill the obligation.

Through our services, we can support you to:

- Obtain a thorough understanding of the PRC social security rules to allow proper planning
- Keep abreast of the PRC social security rules developments and the changes in local practices
- Ensure full compliance of the PRC social security rules and minimise potential late payment interest and penalties



Immigration Services

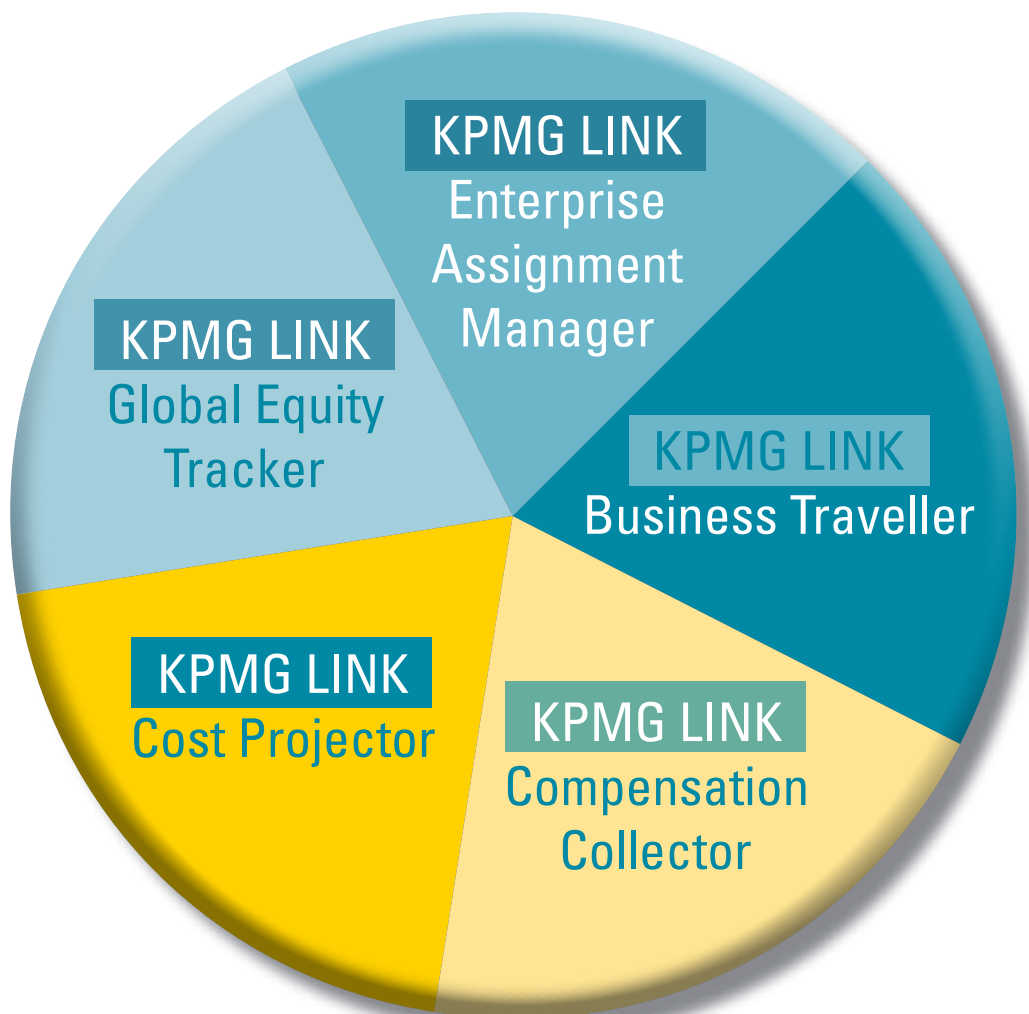
Currently, there are different local practices across China that have their own requirements and procedures regarding the application process for foreign national assignees to work in China.

KPMG can assist you to:

- Complete the necessary formalities to allow your foreign assignees and their families to legally work/live in China with minimal interruption
- Ensure full compliance with all PRC immigration rules and minimise risk exposures on potential penalties
- Minimise administrative burden through outsourcing

Global IES Technology

KPMG's IES practice develops technology tools to help you manage costs and enhance efficiency. We offer a host of licensable assignment management, financial modelling and compensation collection tools to facilitate the management of mobility programs of all sizes. Our web-based, integrated and user-friendly tools can be tailored to your assignment program.



KPMG Link:

Powerful technology resource tools that allow you to see the latest status of all tax compliance projects, retrieve international assignee specific documentation, access to online space for you to work collaboratively with KPMG member firms and your own company's management, generate real-time travel and workday reports based on data entered by the assignees and access to Global Assignment Policies and Practices Survey.

Compensation Collector:

Coordinates payroll data collection between multiple locations, facilitating the year-end reporting process.

Cost Projector:

Helps perform sophisticated hypothetical calculations to help structure cost-effective compensation packages, implement policy changes and quantify tax positions for over 65 countries.

Enterprise Assignment Manager:

The web-based tool that provides a single global repository for international assignment information that integrates with your payroll, human resources and e-mail systems to automatically distribute reports and alerts and allows complete tracking of assignment data.

Global Equity Tracker:

A flexible, web-based application that provides multi-country payroll reporting and withholding instructions for incentive compensation of mobile employees in over 130 countries.

Business Traveller:

Designed to help proactively mitigate the compliance risks associated with international cross-border traveller.

Our Credentials

KPMG is a global network of professional firms providing Audit, Tax and Advisory services. We have 145,000 outstanding professionals working together to deliver value in 152 countries worldwide.

KPMG's global IES practice has over 2,500 IES professional worldwide located in over 130 countries.

In China, our IES practice maintains close relationships with both local and global tax authorities to ensure we are up-to-date on key developments and that we can use our relationship and experience to resolve issues for our clients.



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Publication number: HK-TAX12-0009

Publication date: January 2013