



cutting through complexity

Global Mobility Services

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KPMG INTERNATIONAL





Managing your global workforce

For many organizations, the pressure to compete effectively has led to an increase in the size and complexity of their global workforce, placing greater demands on international human resource teams. Managing compensation, tax compliance and global mobility is becoming more costly, complex and time-consuming.

KPMG's Global Mobility Services (GMS) practice brings together a wealth of tax, technology, immigration and mobile administration services to help make managing your global workforce easier, safer and far more efficient. Whether you are considering expansion or relocation to a new location, an acquisition or more streamlined processes to manage your existing workforce, our practice can support you.

The scale and scope of our knowledge spans the world, with our diverse, experienced teams working closely to provide personal service on a global scale.

CANADA

Did you know employers have a payroll reporting and withholding obligation, even if the employee's income is exempt from tax in light of the provisions of a treaty?

US

Did you know that individuals on temporary assignment in the US may be able to deduct certain US "away from home" expenses such as travel, meals, and lodging?

BRAZIL

Did you know that tax residents owning assets abroad must inform the Brazilian Central Bank of these holdings provided the total fair market value exceeds USD100,000. Penalties apply for not reporting.



KPMG's GMS practice thinks globally – beyond the present and beyond borders

- 3,600 worldwide GMS professionals
- Staff in over 140 countries

UK

Did you know that most extended business travelers would not be liable for UK social security?

GERMANY

Did you know that tax withholding for non-resident employees follows special rules, which differ from those for resident employees?

SWITZERLAND

Did you know that on a monthly or quarterly basis, the employer is obliged to report the gross salary as well as the deducted withholding tax to the authorities?

HONG KONG/CHINA

Did you know that visitors who do not exceed 60 days of presence in Hong Kong in a year of assessment will be exempt from salaries tax?

INDIA

Did you know that India has introduced social security arrangements which can apply to expatriates and require both employee and employer contributions during an assignment?

SINGAPORE

Did you know employers are required to complete a return of remuneration form (Form IR8A) setting out the various payments under the employment for the year?

FRANCE

Did you know that income tax in France is assessed on a family/household basis?

SOUTH AFRICA

Did you know that individuals claiming relief from tax under a Double Tax Agreement are required to submit tax returns to claim relief?

AUSTRALIA

Did you know that non-cash employment benefits, including many assignment benefits, are taxed to the employer rather than the employee?

Case study

A GMS client was expanding into a number of jurisdictions across Europe and the Asia Pacific. The KPMG member firm assisted the client to develop their global mobility policies by identifying the key benefits commonly offered in each jurisdiction and structuring the provision of those benefits in the most cost effective manner. This enabled the company to ensure its policies were both competitive and cost effective.

The KPMG GMS practice's end-to-end international assignment administration can include pre-departure services, coordinating services in the host country, ongoing support and tracking, and assignee repatriation. The practice can provide support in coordinating international vendors, such as moving companies, destination services, cross-cultural consultants and language instructors. It is about making your job easier while looking after your staff.

Tax compliance – a source of long term savings?

The practice completes tax returns for international assignees. This is a personalized service for each expatriate.

To help provide you with the competitive edge, the GMS practice aims to provide value beyond the preparation of tax returns. We can also help assignees get the payroll information they need

to process a return. Our professionals review a company's current program to help uncover potential savings and then help the company implement the ideas and methodologies it chooses to adopt. All of this is done in alignment with the organization's global corporate goals and compliance initiatives.

Services to help you help them

Global Mobility Advisory Services (GMAS)

KPMG's GMS practice offers a broad array of strategic (advisory) and administrative (outsourcing) services to help improve business processes, including:

- policy review, design, and development
- international assignment process improvement and re-engineering
- process manuals and guides
- international assignee assessment and repatriation planning
- assignee communications
- tailored benchmarking surveys
- employee attitude surveys.

The GMS practice team has worked with many leading multinational organizations that have redesigned their policies and processes to reduce costs, improve assignee satisfaction, address a new environment caused by a merger or acquisition, and respond to recent government legislation.

The GMS practice has also provided assistance with routine administration of international assignment programs so that companies can focus on high-level strategic human resources aspects of their programs.

It is important to us that both the organization and individual assignee are confident that all aspects of the assignments are being handled effectively.

Due Diligence Advisory

When your company needs to evaluate tax compliance, our Due Diligence Advisory team can provide a variety of services, from assisting with evaluating permanent establishment issues to helping to evaluate potential unrecorded liabilities associated with globally mobile employees.

Companies often ignore the tax aspects of transactions such as an acquisition, a merger, movement into a new country or a joint venture. If a significant amount of your business is from offshore operations where employees are on the

ground, cross-border employees can have hidden or unexpected financial consequences. Our network of Advisory professionals can help you to evaluate these types of transactions.

Global Equity Tax Advisory

Increasing employee mobility, combined with the clear trend toward long-term incentive programs, creates challenges for companies. Not the least of these is managing complex multi-country payroll reporting and withholding obligations which often involve countries that an employee left years prior to the taxable event. KPMG professionals can help take the complexity out of this important process. Our member firm practices not only understands the rules, but can effectively coordinate the many stakeholders that need to be involved in the incentive settlement process. Our experienced teams, combined with cutting edge technology, can help you to satisfy your payroll obligations quickly and cost-effectively while ensuring a proper level of understanding.

International Social Security Advisory

You need to plan social security tax, which can sometimes be higher than the income tax associated with employees. It is important to understand the rules and how they impact the cost of international assignments so you can control organizational costs. For example, effectively using Totalization Agreements and other exemptions can help lower the social tax cost where only one country's tax system is being funded.

Employment Tax Services

Our Employment Tax professionals can help companies identify payroll and employment tax issues early and help resolve them before they escalate into significant tax problems. This includes assistance in identifying, quantifying and recovering payroll tax overpayments, complying with employment tax requirements during restructuring or related M&A transactions, and securing the abatement of penalties for payroll-related assessments. Our professionals can provide day-to-day assistance on various types of payroll and payroll-related issues.

Global Immigration Services

Managing a global workforce means observing different, complex and fast changing immigration laws worldwide. Increasing enforcement of the laws by the immigration authorities and severe penalties in cases of non-compliance means companies need to be more diligent than ever about managing their global workforce.

KPMG's network of member firms offer the broad range of immigration services required to deal with such challenges. With a global network of immigration specialists in more than 100 countries, we can help you get necessary visas, work and residences permits, determine applicable visa categories and advise on immigration topics and processes. It's about giving you the information you need to help you efficiently manage your global workforce.

Case study

During the due diligence review for a corporate acquisition, the KPMG member firm identified substantial unrecorded liabilities related to international assignees of the target company. As a result, the client was able to favorably adjust the purchase price for the target and subsequently put in place processes to mitigate their associated tax and financial costs going forward.

Case study

An internal audit review of compliance with internal corporate processes, including employer withholding, remittance and reporting obligations, resulted in an audit adjustment for unpaid taxes and penalties and interest associated with a number of short-term assignments. The KPMG member firm worked with the client's corporate tax and human resources teams to put into place processes and controls to mitigate such an occurrence in the future. The member firm also negotiated with multiple jurisdictions to mitigate any penalties and interest arising in respect of the identified exposure.

KPMG LINK technology

KPMG's GMS practice develops technology tools that can help you manage costs and enhance efficiency. The KPMG LINK suite of global mobility tools, combined with KPMG's services, can help streamline and simplify the management of your global mobility program.

Our web-based, integrated, and user-friendly tools can be tailored to a company's assignment program and can be used in multiple languages.

How can international assignees use KPMG LINK?

KPMG LINK technology is a powerful resource that international assignees can use throughout their assignment. Here is why:

- Exchange information with KPMG securely and conveniently.
- Access data collected for both home- and host-country tax return preparations (more than 40 countries included).
- Enter required information only once – information is automatically shared for multiple countries.
- An interactive questionnaire builds relevance by presenting follow-up questions based on previously entered answers.
- Learn about home and host country tax obligations.
- View the status of a tax return or tax equalization/settlement calculation, and retrieve documents, such as a completed tax return or certificate of coverage.

How can international assignment program managers use KPMG LINK?

Accessing a single portal, managers can streamline the management of a globally mobile workforce. As an international



assignment program manager and a KPMG client you can access:

- **Status Report Center.** See the latest status of all tax compliance projects such as home and host country tax returns, tax equalization settlements, assignment counseling sessions, and other activities. Key metrics allow you to evaluate your international tax compliance program and KPMG's performance at a glance.
- **Taxpayer Documents.** A place for you to retrieve international assignee specific documentation, such as tax equalization summary information, hypothetical tax calculations, and assignment letters.
- **Info Share Center.** Access to online space for you to work collaboratively with KPMG member firm professionals and your own company's management on projects, initiatives, and ongoing engagement management.
- **Travel Tracker.** Generates real-time travel and workday reports based on data entered by the assignee. The Travel Tracker can be particularly beneficial in determining an employee's filing or withholding obligations.
- **Benchmarking Center.** Houses the Global Assignment Policies and Practices Survey, the first web-based survey of its kind, which provides immediate data and enables you to compare global mobility policies across peer organizations.

Other licensed technology

In addition to KPMG LINK technology, the GMS practice offers a host of licensable assignment management, financial modeling, and compensation collection tools to facilitate the management of programs of all sizes:

Compensation Collector. Can be used to coordinate payroll data collection between multiple locations, facilitating the year-end reporting process.

Cost Projector. Helps organizations perform sophisticated hypothetical calculations to help structure cost-effective compensation packages, implement policy changes and quantify tax positions. The program includes a HypoTax Calculator, designed to calculate hypothetical national, state/canton/provincial, and social taxes on both an annual and a per-pay-period basis for over 65 countries and a generic option to allow the addition of tax tables from any other country in a matter of minutes.

Enterprise Assignment Manager.

The web-based tool provides a single, global repository for international assignment information. In particular it:

- Helps create an automated work environment where data is entered only once and company-specific assignment cost projections and policies can be created.
- Integrates with your payroll, human resources, and email systems to automatically distribute reports and alerts.
- Allows for complete tracking of assignment data.
- Automates calculation of assignment-related compensation balance sheet summaries, including special allowances, premiums and deductions, worldwide hypothetical taxes, salary splits, and year-end reconciliations.

The application incorporates many user-friendly features such as workflow and task management, budget-versus-actual and ad hoc reporting, document storage and effective policy management.

Global EquityTracker. A flexible, web-based application that provides multi-country payroll reporting and withholding instructions for incentive compensation of mobile employees.

Global EquityTracker contains data for more than 130 countries and can be used for virtually any type of incentive arrangement, whether cash-based or equity-based.

The tool not only provides payroll instructions, but supports the entire process from collection of data through to settlement and communication. The advanced functionality, flexibility, accuracy, transparency and speed within a single system will help you satisfy your complex multi-country payroll obligations efficiently and cost-effectively.

Business Traveler. Designed to help proactively mitigate the compliance risks associated with domestic or international cross-border travelers. It provides a real-time travel risk assessment for employees when a trip is initiated, while managers can view assessment results according to location(s), risk analysis, and time period. Business Traveler is available as an online tool or mobile application.



Online travel diary and payments tracking from KPMG LINK

Other Resources

KPMG's GMS practice offers many resources to keep you alert of breaking tax news, trends and key issues concerning international assignments.

We also conduct a number of global studies throughout the year covering tax rates, policies and practices, and compliance risk.

Visit our website to find out more information www.kpmg.com/gms

Contact us

To learn more about KPMG's Global Mobility Services, contact your local KPMG adviser.

Drawing on the experience of our people and multi-disciplinary approach, we are able to help member firms' clients to think beyond the present, see beyond borders and achieve long-lasting success.

We call it thinking beyond. You'll call it KPMG.

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