



Accounting and Tax Outsourcing Solution

KPMG Webinar | 19 May 2022

Challenges



- Find and retain talent
- Keep up-to-date with legislation
- More scrutiny from authorities
- Finance



Accounting and Tax Outsourcing Service

Benefits



- Access to professional with in-depth knowledge and extensive experience
- Technical and practical advice
- Access to up-to-dated legislation



- Dedicated team help working smoothly
- Free resource to focus on core business
- Worry free on staff turnover and staff training
- Flexible for reorganization

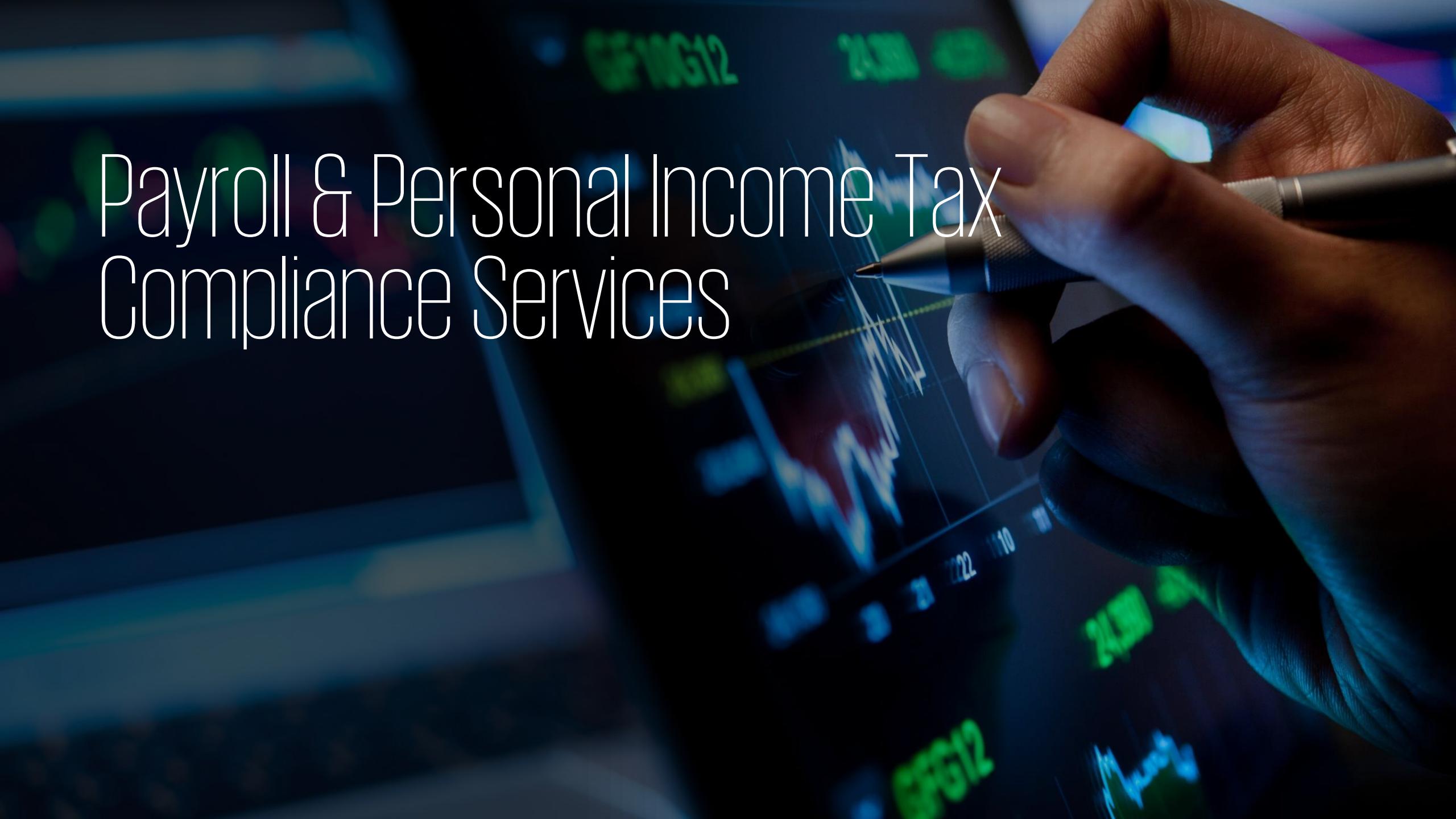


- Better compliance
- Efficiency



- Better cost control with fixed fee
- Value added

Payroll & Personal Income Tax Compliance Services



Payroll & Personal Income Tax Compliance Services

Objective

With the increasing scrutiny for more tax transparency on employers by tax authorities, it is important for organizations to review payroll operations and personal income tax compliance to ensure full compliance with the relevant requirements and mitigate tax exposures, especially those additional complexities arise from the benefits, both in-cash or in-kind, and employees who carry out their responsibility in various jurisdictions with tax liabilities in multiple locations.

How KPMG can help you

You will have access to our team of dedicated tax professionals specialized in Thailand on personal income tax and payroll of combined experiences. Our professionals stay abreast of the most up to-date legislation and practices as we strive to provide the best possible support in a timely manner to assist in mitigating any overpayment or underpayment of payroll taxes, and regulatory reporting obligations.

We can conduct a payroll outsourcing services tax, payroll health check to identify potential payroll issues and personal income tax compliance in Thailand and also other location in overseas for Inbound expat working in Thailand & Thai outbound cases to avoid double taxation



Tax (risks) issues for consideration

Payroll & Withholding Personal Income Tax, PND1

- Tax treatment of benefits in-cash & in-kind and entitlement of allowance deductible to be taken into tax calculation for progressive tax rate
- Delivering incorrect or non-compliance work and increase exposure risks
- Un-proactively thinking beyond compliance matters affecting your value employees and company's business
- Uncertainty on changing in law and increasing tax exposures
- Over/under withheld tax e.g. short notification of assignment end, over/under reporting income, non-timely adjustment
- Complexity to taxes withholding and reporting in Thailand on sharing responsibility of tax between employer and employee,
- IBC flat rate of 15% - qualification and tracking criteria for foreign national employees
- Tax calculation on termination of employment
- Split payroll between home and host country
- Sharing employment cost between home/host country to reflect statutory tax reporting
- Equity compensation
- Trailing income paid after repatriation



Annual Personal Income Tax, PND91/90

- Over declaration of income and tax
- Under declaration of income and tax
- Tax refund case in Thailand is not straightforward
- Double taxation application

Payroll & Personal Income Tax Compliance Services

Other tax matters

- Social & Tax Planning
- Tax notice responses
- Audit assistance with taxing authorities
- Work remote



Pre-assignment planning

- Establishing employees & operations in country
- Cost projections
- Estimated tax liabilities
- Hypothetical tax withholding calculations



Compensation & payroll assistance

- End-to-End Payroll outsourcing services
- Payroll Health Check
- Shadow payroll reporting
- Tax gross up on certain payments



Ongoing tax compliance

- Home country tax returns
- Host country tax returns
- Tax equalization or settlement calculations
- Double taxation issues

Tax Outsourcing Solution (TOS)



Tax Outsourcing Service

Trend of Challenges



- Financial Statements required/Tax Returns required more than Tax Figures and increasing of cost pressure.



- Can your data be transformed into valuable information to enable you to identify opportunities to reduce your VAT liabilities.



- Do you have visibility over how much VAT you are paying, and are you certain you are not overpaying, or under-claiming VAT credits.



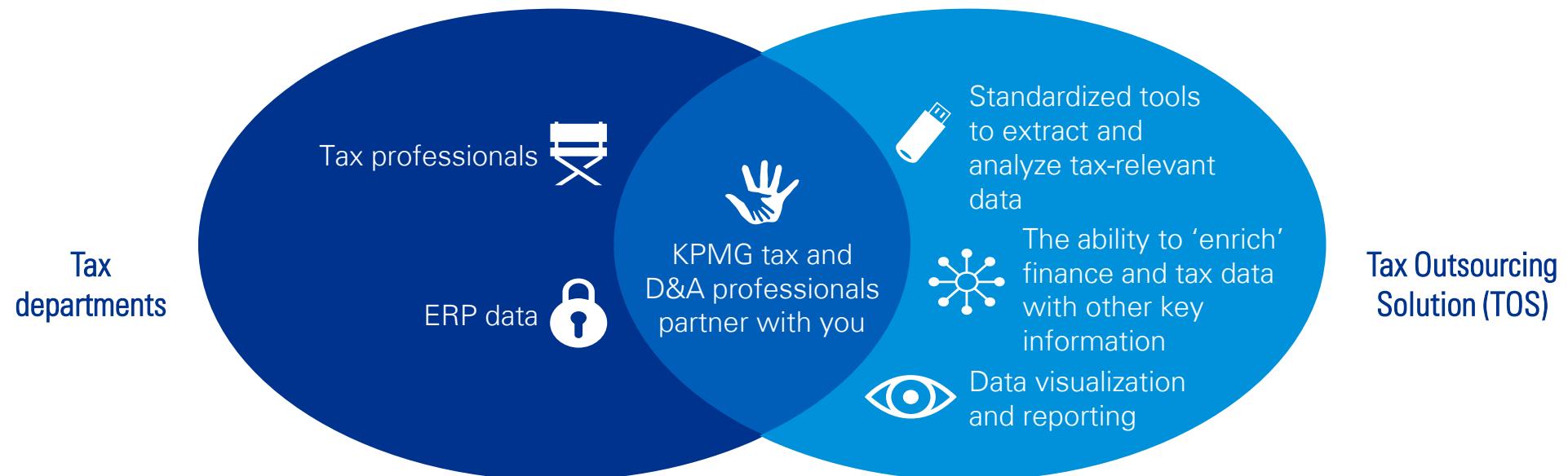
- Is the VAT/WHT logic applied correctly to your data? Repetitive errors can occur and remain undetected, costs for your business.



- Would you like oversight to reconcile invoices reduced in your ERP system and those sent or validated by Tax system for analysis.

KPMG believes that a collaboration between Tax and Data Analytics specialists is a key success factor

KPMG works with clients to provide real-world tax expertise underpinned by best-practice Data & Analytics process.



>TOS help to unlock the hidden value of your ERP data and use it to proactively manage tax, risk and compliance issues with certainty.

>Using Data & Analytics tools, organizations now have the opportunity to transform tax data into insight.

>Imagine gaining certainty on each Tax invoices, returns and declarations, finding overpaid or under-claimed tax, and revealing buried business opportunities.

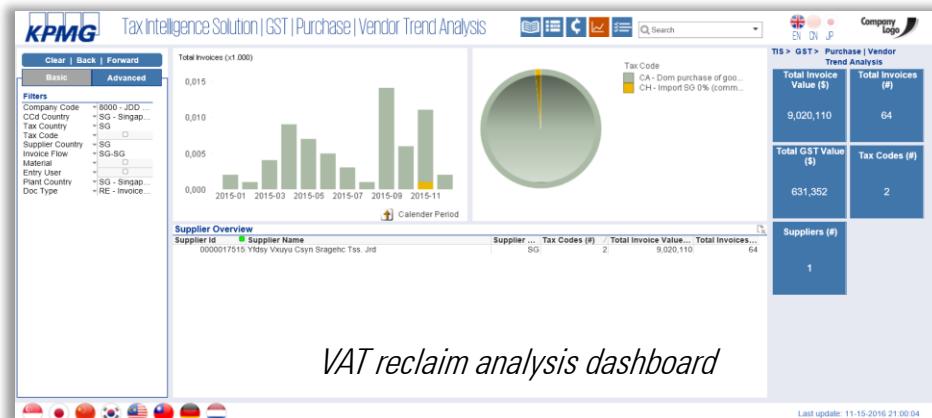
>By accessing relevant tax data in a user friendly way (Manual and Technology), you can be in control of tax portfolio, identifying risks and leveraging opportunities.

KPMG "TOS" Services - Key Features

- ✓ Visibility over how **much VAT you are paying**, and whether you are overpaying VAT, or under-claiming VAT credits
- ✓ Potential detection of **risks and opportunities** in the VAT compliance process

Real-life examples of identified client risks and opportunities from recent client engagements:

- ❑ Identification of **USD 150K of expensed VAT** due to incorrect usage of zero-rate tax codes (cash saving)
- ❑ Invoice value totaling to **USD 23K** which were **not reported in the tax return** (compliance risk and opportunity)
- ❑ **Duplicate payments** (Tax Invoice issued/booked and paid twice) totaling to **USD 55K** – direct cash saving
- ❑ Purchase invoice without Tax Code (Supplier Tax Code Trend Analysis) Result: **7,445 invoices totalling to USD 3.7MB** where no Tax Code has been booked on purchase invoices. Potential opportunity for missed VAT input credit



Hiring talent to perform compliance reporting is an increasing cost pressure to you?

What we heard you say...?

Company In-House Tax Function is undergoing a transformation of its finance department and is looking for support for the following functions to move to a managed services platform (Outsourcing):



...and what you hope to achieve? “A-Team of Tax Professionals with A fixed budget”

Expertise across the globe

- Right mix of domain expertise, experience and track record
- Nominated a specific tax & finance team to serve each client

Best in Class Global Process

- Benchmarking functional process to a country best practices
- Optimization of delivery through MS-Excel and/or digital tools

Scalable & Flexible Solution

- Flexible and scalable solution to meet the demands of each client.
- Commercial flexibility on budget.
- Deploying right talent at the right time to eliminate turn over issue.

Future Ready Operations

- Bringing people to enable and run future ready processes
- Cost to serve initiatives kick in under “Add-On” approach.

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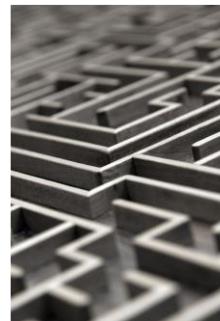
Some Situations to Outsource



- New entity
- New project
- New accounting software



- Staff shortage
- Resource capability



- Tax audit
- Tax refund
- Potential risk assessment
- Reorganization

Accounting and Tax Outsourcing Service

Cost Comparison of In-house and Outsource

Year	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031
Outsource										
Service Fee	100,000	100,000	100,000	100,000	100,000	105,000	105,000	105,000	105,000	105,000
In-house										
Salary: 25K per person	50,000	51,500	53,045	54,636	56,275	57,964	59,703	61,494	63,339	65,239
Bonus and fringe benefit	60,000	60,300	60,609	60,927	61,255	61,593	61,941	62,299	62,668	63,048
Computer	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000
Total cost	120,000	121,800	123,654	125,564	127,531	129,556	131,643	133,792	136,006	138,286
Saving	16.67%	17.90%	19.13%	20.36%	21.59%	18.95%	20.24%	21.52%	22.80%	24.07%

Why KPMG



Why KPMG

- Accounting
- Tax
- Legal
- Advisory

One-stop

Extensive
experience
professionals

Expertise

- Customized scope of work
- Business size
- Transaction volume

Listen
and Tailor
Approach

Operate in 145
countries and
territories

Global
Network





Tax Outsourcing Service team



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