




Business beyond borders

**Fasten efficiency gains
to your international trade**



November 2016

A string of colorful kites, including purple, pink, and blue ones, flying against a clear blue sky. The kites are arranged in a line, receding into the distance. The background is a solid, vibrant blue.

“From controlling the costs of international trade to unlocking payroll efficiencies, KPMG’s global reach and local knowledge can help you to de-risk operations, minimise complexity and deliver efficiency gains, wherever your business takes you.”

Stay fastened to efficiency

Controlling the cost and complexity of international trade

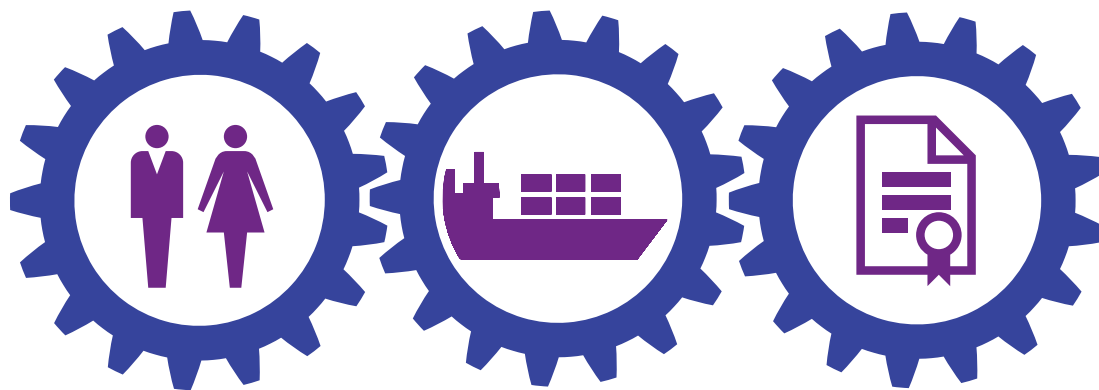
Whether you are taking your first steps into international trade or looking to accelerate into new markets, importing and exporting overseas can be a complex and costly activity.

As new trade routes emerge, the markets in which products are manufactured, distributed and sold continually shift. Increased globalisation and the ease at which global supply chains have become interrelated has led to cross-border flows coming under ever-greater regulatory scrutiny. Yet, taking a few

simple – though not always obvious – steps can significantly reduce the expense, risk and complexity of doing business beyond borders.

KPMG can provide advice to help make your cross-border operations more efficient and more effective. From the proper management of indirect taxes, such as VAT and customs and excise duties, to efficient corporate structuring and advice around reducing immigration costs and risks, we can bring order and efficiency to increasingly complex global operations.

In the light of recent events, we have the expertise and the insight to help you confidently navigate and make sense of these post-Brexit waters.



People

Assets and goods

Regulation

Ready to embark

Smarter decisions for international success

Trading internationally demands smart manoeuvres from the outset.

As you reach out to new markets for the first time, we can help you understand the tax implications of importing and exporting goods. Since customs duty is not recoverable, it can be a direct and substantial cost to a business. So it's important to get the right classification for your goods – and an accurate valuation – from day one.

Our hands-on approach helps deliver intelligent, effective ways to manage your international taxes and help you to stay ahead of regulatory change.

The difference between international success and failure isn't simply about tax and compliance though. From streamlining supply logistics to addressing the financial risks of sending your workforce overseas, we can help you make more effective international trade decisions. Our Indirect Tax Impact Assessment Tool can also help you model the possible impacts of Brexit on your current and potential future markets.

10-15%

“The default position is to pay maximum customs duty. Businesses we work with have found that uncovering and pro-actively managing the hidden costs of customs duty can typically reduce the duty burden by 10-15%.”



Regulation

When you begin to trade internationally, compliance controls can seem like moving goalposts. KPMG has the insight to keep you up-to-date on the latest reforms and what they really mean for your business.

People

If you or your employees are travelling overseas to work, there may be income tax and social security obligations to consider across differing territories. In addition, obtaining the correct visa and work permit requirements is fundamentally important. We can help you to understand the obligations which arise from working overseas, as well as local employment law and immigration regulations, which can help avoid unnecessary penalties and reputational damage.

Assets and goods

Are your assets and goods classified and valued correctly? Transfer pricing is seen by tax authorities all over the world as a key risk area and as a result, from both a tax and duty perspective, it is critical to get the pricing right early on. We can stop incorrect valuations or classifications increasing your costs unnecessarily.

Broadening horizons

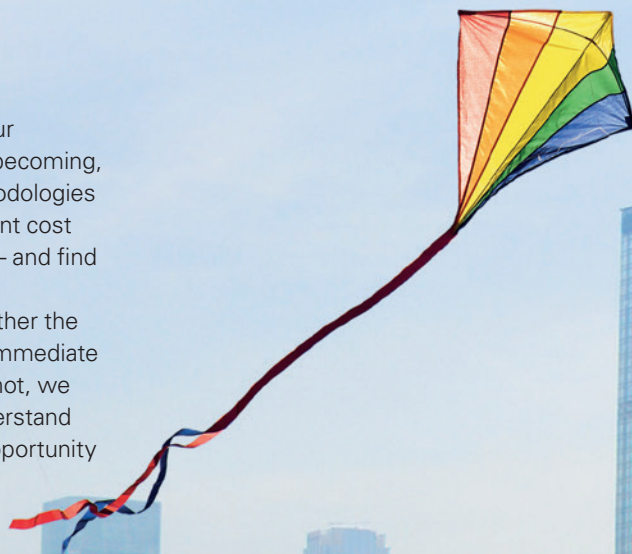
Your next steps

Maintaining efficiency throughout your growth journey couldn't be more important. As a mid-market or large corporate who's already internationally active, it's never too late to look for hidden gains in your operations.

Whether you want to analyse the benefits of utilising free trade agreements (FTAs), model the potential impact of Brexit on those you already use, capture R&D reliefs, better understand transfer pricing, or find effective ways to minimise bribery and corruption risks in third-party relationships, our team of specialist tax and legal professionals can help.

No matter how complex your international operations are becoming, we have the tools and methodologies to help you uncover significant cost and operational efficiencies – and find ways to improve control and regulatory compliance. Whether the EU referendum has had an immediate impact on your business or not, we are on hand to help you understand the potential disruption or opportunity that Brexit presents.

“Regular reviews of increasingly complex operational structures, supply chain processes, compliance exposures and third-party relationships can reveal unexpected ways to optimise international trade efficiency, while reducing costs and risks, and driving performance.”



“By utilising free trade agreements, we have helped companies drastically reduce customs duty or eliminate it altogether.”



People

As your organisation and workforce expands internationally, we can help you to manage the cost associated with this success as well as prepare for the potential Brexit-related impact on your workforce. We offer a single technology solution to make this easy, effective and transparent. From the preparation and reconciliation of tax liabilities to compensation collection and business travel risk assessment, our programme is designed to streamline processes, gather and analyse data, and consolidate the management of your mobility program.

Assets and goods

70% of companies do not fully utilise FTAs¹ which means they are likely to be paying more than necessary in tariffs and duties. We can help you navigate common roadblocks, including complex rules of origin and difficulty gathering documentation, guiding you to effectively use the agreements to maximise the potential savings in customs duty. We can also help you to identify the key FTAs your business will need to create a lobbying framework.

Regulation

Interpreting rules across borders can seem like a thankless task. Our specialist solutions help ensure compliance with the local laws and regulations associated with cross-border trade – letting you focus on adding real value to the business.

¹ Source: <https://home.kpmg.com/xx/en/home/media/press-releases/2015/11/seventy-percent-companies-do-not-fully-utilize-fre-trade-agreements.html>

Keeping control in a complex world

Mastering multi-national efficiency

Global corporates face an ever-changing maze of cross-border challenges and complexities – from profit repatriation hurdles to mounting third-party risks.

At KPMG, we bring big-picture efficiencies to the global trade environment – from structuring group operations in a tax-efficient manner to de-risking complex third-party relationships and demystifying new regulatory initiatives, such as the OECD's BEPS project.

We seek out the smaller details that have a big impact on profitability – such as implementing economically supportable transfer pricing. What's more, we can help you to see beyond tax and compliance to deliver operational improvements across both your organisation and your supply chain, while helping you to manage the financial risks of an internationally mobile workforce.

Brexit is likely to add even more complexity to doing business overseas. We can help assess the impact of some of the worst outcomes for your organisation and inform future thinking and planning as the dust settles on the post-Brexit landscape.



Assets and goods

Many multinational companies face the challenge of efficiently determining intercompany prices for products, services, intellectual properties and funding that cross international borders.


Our professionals have extensive experience in assisting companies with rules governing the customs and tax aspects of related-party transactions.

Regulation

The OECD's BEPS project was completed in October 2015 and we continue to witness changes to the tax system as a result – transparency and what gives rise to tax presence in a given territory are at the forefront of these changes. However, even in a compliance context our experts may still find efficiencies meaning that the net cost of compliance is nil or, better still, a financial benefit.

People

Attracting the right people to run your business is crucial. Key to this is developing a remuneration strategy which aligns your employee's reward with your corporate objectives. In an international context, factors such as local demand for talent, cultural differences and tax regimes can all have an impact on the design of an employee's remuneration package. From the recruitment process, through to employee benefits and executive compensation, with our expert assistance, nothing is left to chance.



“Improving financial performance across an international operating base can seem like a daunting task – the secret is knowing where to find efficiencies. We can help you avoid the obstacles and navigate the direct route.”

“Shortcomings in a multinational organisation’s structure and processes can result in overpaid duties, penalties and unnecessary costs.”

Connecting our insight to your trade

Intelligent international trade strategies

As part of one of the largest networks of specialised Customs, Excise and International Trade practices in Europe, KPMG in the UK has a long track record of advising British businesses on efficient trade operations, including duty management, supply chain efficiencies and compliance.

Our experts also have a wealth of knowledge about complex areas such as international tax legislation and transfer pricing. They can show you better routes to managing your indirect taxes and identify cost saving opportunities across your operations. They can also help you with Brexit impact assessments and model potential Brexit P&L costs or cash flow implications.

We help organisations to manage their globally mobile workforce and respond to the challenges and opportunities created by cross-border operations, now in a Brexit world. We also have tax professionals who can advise you on all aspects of employing and retaining talent.

By unlocking hidden potential to reduce the cost, complexity and risk of international trade, whilst increasing performance, we can help you to deliver value and efficiencies wherever your business takes you. Our assessment of Brexit and its implications for trading can give you the confidence to make the right decisions quickly and drive your business forward.


The KPMG Difference

Businesses we have worked with have experienced:



5-10%

drop in third party spend through global procurement



Growth of net exporting revenue of up to

20%

by managing people, goods and regulation in a more integrated way



Savings of

15%

through an aligned operating, tax and legal international trade model



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