



Global Mobility Services

**Aligning your global workforce
and business strategy**



KPMG International



kpmg.com/gms



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?

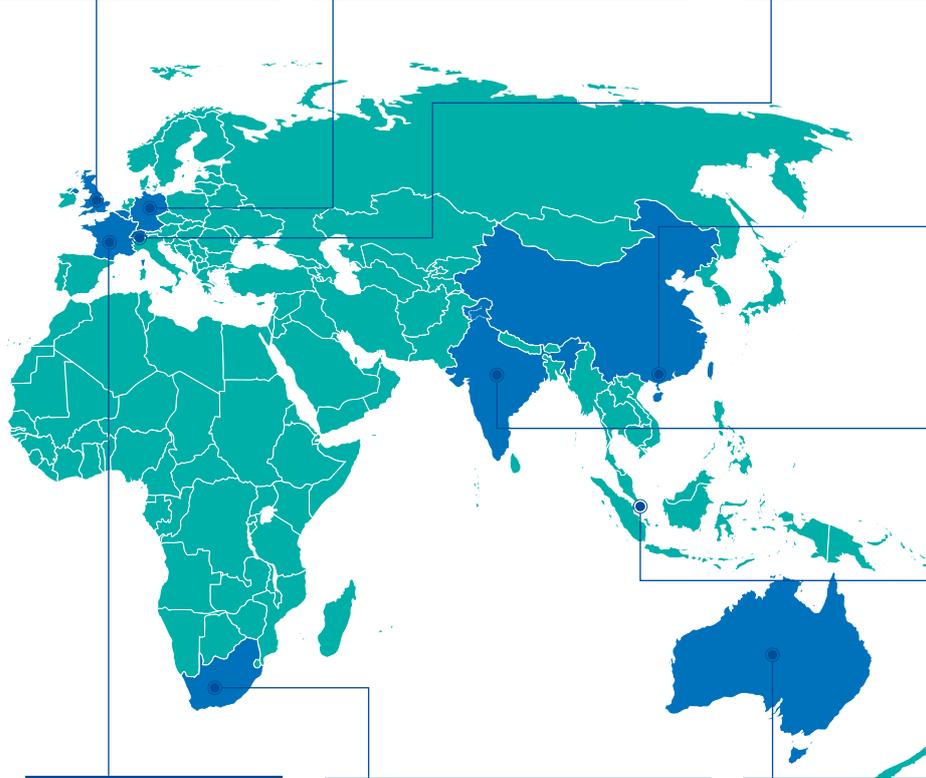
Brazil
Did you know that tax residents owning assets abroad must inform the Brazilian Central Bank of these holdings provided the total fair market value exceeds 100,000 US dollars (USD)? Penalties apply for not reporting.



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?

Transforming global mobility to anticipate a changing world

To say we live in a volatile worldwide business environment is an understatement. The question is: how do you align the need to anticipate ongoing change with your global business strategy?

Rethinking your approach to workforce mobility can help. That's where KPMG's Global Mobility Services (GMS) practice comes in.

Our GMS practice builds on our deep experience in tax, technology, immigration, compensation and benefits, and mobility administration services. Now add our ability to harness the power of data and analytics and emerging technologies like digital labor and cognitive automation, and you can see how we can help make managing your global workforce simpler and more efficient.

Our GMS practice also takes advantage of our worldwide network of KPMG firms, allowing you to tap into local knowledge when it comes to:

- managing jurisdictions looking to increase tax revenues
- political changes that complicate immigration
- pressure from governments to enforce compliance.

Delivering on these capabilities also supports HR and Global Mobility functions in their efforts to earn or solidify their "seats at the table" as they improve their visibility and strategic partnership within the organization.

KPMG's Global Mobility Services delivers value with 4,000 professionals around the world



200
countries



2,500
clients



100,000
assignees



40 years
experience



\$40M global
technology investment

So whether you're considering expansion, relocation, an acquisition, or are working to streamline processes, achieve cost reduction, and facilitate cultural alignment of policy and practice, KPMG and our GMS practice professionals can help.

Driving deeper insights and data enabled decisions

KPMG is an early innovator applying advanced data analytic techniques and concentrating on putting insights into the hands of decision makers to help enable evidence-based decisions and ensure that global mobility, talent and human capital are aligned with broader organizational goals.

We help you understand and create "the story behind the data." By concentrating on strategic performance analysis and value-added data sources, GMS and the KPMG LINK Work Force technology suite help enable you to drive efficiencies, enhance

performance, mitigate risk, and increase visibility within global mobility and across your organization.

GMS blends your data with our advanced analytics techniques to offer prescriptive and predictive insights into:

- operational effectiveness
- assignment spend, cost control and budgeting
- root cause analysis of rising costs
- employee attrition anomalies
- post-repatriation retention
- business-traveler and equity compensation exposure analysis
- career mobility and business unit success.

Data & analytics provides the opportunity to:



Drive **greater confidence and credibility** in the global mobility organization.



Shift the **global mobility function** from administration to high-value business advisory.



Develop **closer partnerships** between global mobility, human resources, and other business units.



Align global mobility with the **company's strategic vision and initiatives**.

Benefit from the vast array of GMS services

KPMG's 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.

Services to help you help them

Tax compliance

Our GMS practice provides personalized service for each expatriate. This includes completing pre- and post-travel tax briefings, tax returns, and tailored consulting.

Among the specific benefits we offer are:

- reviewing current program to uncover potential savings, including use of data analysis to facilitate fact-based policy changes and communications
- providing tax structuring support related to global mobility policies.
- helping implement new ideas and methodologies
- leveraging technology to identify areas for efficiency and improvement within the global mobility organization
- supporting the business case for change
- communicating global mobility's value to the organization.

Mobility Consulting Services

Our 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.

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 Incentive Compensation services

KPMG offers enterprise-wide Global Incentive Compensation Services to client practices. These services are supported by KPMG's Global Equity Tracker technology that is designed to help organizations meet the challenges associated with global incentive compensation program design, implementation, administration, tax effectiveness and compliance. Here are some of the areas in which we can help:

- plan design
- tax and legal feasibility and due diligence
- tax and regulatory filings
- PMO support for incentive program rollout and implementation
- stakeholder communication strategy and training
- program participant communication and education
- corporate tax structuring and tax minimization strategies
- accounting guidance
- M&A-related structuring and postmerger integration support
- operational effectiveness and process improvement
- data & analytics to drive program effectiveness, risk mitigation and cost savings.

International Social Security Advisory

Plan for 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.

Tax compliance case study

A GMS client was expanding into a number of jurisdictions across Europe and Asia Pacific. The KPMG member firm assisted the client in developing 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.



Incentive Compensation case study

Using in-depth analytics, KPMG evaluated several years' worth of share-based compensation data. This helped identify potential corporate tax savings opportunities related to the company's global incentive program. As a result, we found more than **\$100 million** of potential corporate income tax savings and tax-free cash repatriation for the parent company and its global subsidiary companies. Interactive data visualization and predictive analysis also provided instant insights to potential policy changes and assumptions to identify future potential savings and the operational requirements for their implementation.



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, our teams can help you get necessary visas, work and residences permits, determine applicable visa categories and advise on immigration topics and processes.

Technology

The KPMG LINK Work Force 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 globally mobile employees use KPMG LINK Work Force?

KPMG LINK Work Force is a powerful resource that international assignees can use throughout their assignments. They can:

- exchange information with KPMG firms securely and conveniently
- access data collected for both home and host country tax return preparations
- enter required information only once (information is automatically shared for multiple countries)
- build relevance by interactively 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 global mobility managers use KPMG LINK Work Force?

KPMG LINK Work Force provides a single portal for all stakeholders and can help streamline the management of a globally mobile population. Through the portal you can provide tailored views to each user and configure workflows to support key processes in the assignment lifecycle, depending on the tools you leverage.

- **Dashboard and status report center:** the dashboard provides a high level, graphical status of all tax compliance at both the program and individual employee levels, with multiple portlets that can be added to or removed from your personalized dashboard.
- **Taxpayer documents:** a place for you to retrieve international assignee specific documentation, such as tax equalization summary information, hypothetical tax calculations, and assignment letters.
- **Online collaboration:** 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:** generate 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.

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

KPMG LINK Cost Projector: helps multinational companies quantify the assignment and tax costs associated with sending employees on both short and long-term international assignments.

- Identifies tax obligations and keeps budgets under control.
- Gives companies the power to effectively structure assignments and select the right candidate.

KPMG LINK Enterprise Assignment Manager: provides an end-to-end process and data management solution with integrated analytics, work flow, and robust reporting functionality.

- Helps prepare for, and manage tax and payroll issues, compensation incentives and assignment structuring.
- Provides robust cost projections with company-specific policies and granular allowance calculations.
- Facilitates the global payroll and tax compliance process and manages the administrative side of the move to track and keep costs down while ensuring all issues are quickly and efficiently addressed.
- Monitors and reports on the many various post-assignment activities and transactions.

KPMG LINK Global Equity Tracker: a flexible, web based application that helps companies manage the payroll reporting and withholding obligations for incentive compensation of mobile employees.

Global Equity Tracker has tax rules for more than 145 countries and can be used for any type of incentive arrangement or even regular pay. It not only provides payroll instructions, but supports the entire process from collection of data through to settlement, communication, and even payroll reconciliation and helps ensure your employees receive the right amount at the right time.

KPMG LINK Business Traveller: helps companies and employees quantify the risks associated with entry requirements, income tax, social tax and permanent establishment.

- Track the travel of all employees, including on-the-go tracking via the mobile app.
- Provide instant trip analysis and guidance: fast, accurate and tailored tax, social security and immigration assessments.
- View real-time travel assessments for employees contemplating business trips.
- View management information, available 24/7, through a live digital dashboard and generate compliance reports detailing issues and next steps.
- Receive regular updates to tax, social security and immigration rules and logic.

KPMG LINK Global Payroll Manager: helps streamline the collection and reporting of global compensation for traveling employees by leveraging automated data feeds, configurable cut-off dates and a reconciliation engine allowing you to see discrepancies in your payroll instruction and actual pay amounts.

- Payroll reporting: create monthly, quarterly and annual payroll statements based on your chosen output style. Review dashboard reports and information on your employees' payroll directly through the KPMG LINK Work Force dashboard.

KPMG LINK success stories

Improving access to critical data

A FORTUNE 500 company faced significant tax exposure due to unaudited payroll instructions. In addition, the company needed to realign its overall goals in order to realize cost efficiencies. By implementing KPMG LINK Enterprise, the client was able to take advantage of a central repository that was accessible to its many stakeholders and vendors. Today, the client has complete administrative control over its global mobility program, while the technology facilitates accurate, timely payroll instructions and access to data for analysis and decision making.

Implementing more reliable controls

A client's external auditor determined that the company lacked adequate controls to ensure they were properly capturing their entire short-term cross-border population. KPMG assisted the company in identifying their frequent business travelers and quantifying the level of exposure created by these domestic and international business trips. The company had under-accrued for the expenses related to the cross-border population (primarily the foreign and state tax liabilities created by their business travelers), and as a result, the company was required to make a \$64M adjustment to their financials over a three-year period.

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 kpmg.com/gms

Contact us

To learn more about KPMG's Global Mobility Services, contact your local KPMG adviser or email go-gms@kpmg.com.

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

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

kpmg.com/socialmedia



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