



Podcast transcript

Part 2: The future of the global workforce post-COVID-19

Podcast with Marc Burrows, Head of Global Mobility Services, KPMG International, and Partner, KPMG in the UK, Michelle Berners-Price, EMA Head of Business Travel Services, KPMG in the UK, and Ray Rackham, Global Head of Immigration, HSBC*.

Musical intro

Announcer:

Hello and welcome to the KPMG podcast series for tax, legal and mobility leaders.

In today's episode, Part 2 of 'The future of the global workforce post-COVID-19,' we welcome back Marc Burrows, Head of Global Mobility Services, KPMG International, and Partner, KPMG in the UK, Michelle Berners-Price, EMA Head of Business Travel Services, KPMG in the UK, and Ray Rackham, Global Head of Immigration, HSBC, as we look at employee and mobility issues in light of the current outbreak and what the future of business travel and immigration may look like in a post-COVID-19 world.

In this episode, we will continue our discussion on how the current situation has impacted the movement of people globally, and what this means for the future of immigration policy, business travel, and the global workforce.

Marc, Michelle and Ray – welcome back. Michelle, I'd like to throw back to you first. We are hearing stories in the media of businesses with employees whose visa statuses are expiring during this period, or suspension of existing working status issued prior to COVID-19? How are companies managing through these kinds of challenges?

Michelle:

So what we found is that, in most cases, once governments become aware of challenges like this, they're relatively quickly issuing guidance to provide support to employees and their employers. Broadly, there's no desire for an individual's long-term position in a particular country or their long-term ability to remain in that country to be impacted by the crisis.

There's also many sites available, which provide live updates around the rules announced by various different authorities, and

we're seeing companies refer to these contact the authorities themselves for clarity or do so through their advisers just to make sure that they're receiving information and advice from the authorities as quickly as they possibly can.

Announcer:

Ray, governments have had to move incredibly fast to manage their borders in response to COVID-19, so how should we be thinking about these changes as we look towards the future and beyond our emergence from lockdown and business as usual?

Ray:

Well I've been practicing immigration law now for about 15 years or so. And immigration has predominately been about what is permissible. And each country, for example, has lists of what is allowed and what is not allowed. Now COVID-19 has added another list to the permissibility question and that is whether or not the migration is indeed feasible.

So an example here, short term assignment will be rendered redundant if there are stringent quarantine rules or a flexible approach to whether or not certain nationalities or individuals from certain countries can even enter the destination country.

But the world will want to recover speedily. However, protecting borders will remain paramount; and I think that's been really clear with what we've seen for example in the early parts of May throughout Europe and across Asia.

There will likely be times when border restrictions are lifted and then re-imposed and then re-lifted with various additional requirements. That's only natural as we begin to understand the nuances of this pandemic. Again, administered at port of arrival by immigration offices, and this is a really important thing to keep remembering, that as those border restrictions are changed, the immigration officers will be the one imposing those changes to visitors and travellers. And there's likely also to be an increase in

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protectionism for resident workers and domestic labor in countries, which will make getting a work permit more difficult.

Immigration policy will undoubtedly have to be aligned to the economic strategy of a particular country. And there could be new visa routes as I mentioned earlier. It is unlikely that there will be a return to business as usual, but I think rather a movement to a new normal of immigration compliance where the old rules are maintained but they're also joined by new rules that have a very acute COVID focus.

Announcer:

What should companies keep in mind as they start to plan their way through this uncertain immigration environment?

Ray:

I think most importantly companies should not see every new rule as a new challenge where you have to completely redesign your operational or immigration models.

It's very likely that the immigration and border rule changes will align to other changes that we've seen previously. So my advice would be to find the similarities in what we've done before and then work from there.

So be ready for the change, align that change to other operational changes you have made or will be making, but most importantly be flexible. Look at your policies, look at your procedures, and see how you can maintain flexibility while providing at least some certainty to your business.

Announcer:

Coming back to you Michelle, what are you hearing from business leaders about the steps companies are taking to manage this situation?

Michelle:

So the first step that those companies are looking at is really understanding what their risk is and going through an exercise of understanding where their people are, and how long they've been there and whether there is a potential compliance exposure there even before COVID-19. So immediate compliance obligations are being identified through that risk review process, and those can then be rectified. So, for example, if we have somebody who's living in a location and they triggered a payroll withholding requirement, then arrangements can now be set up for that payroll to be initiated and for that person's compliance obligations to be met.

Following this immediate review of risk, it's also a case of understanding the future risk. So to do this, tax and mobility teams really need to be part of the company's broad discussion about the future of the workforce. If decisions are being made, for example, if there's a policy allowing employees to work from wherever they wish, it's important the tax are part of that discussion to feed in the compliance obligations and costs that will be caused by that kind of working structure.

And the business is then able to make an informed decision about whether to go ahead with that policy and what safeguards to potentially put around it such as setting policies that don't allow certain activities in certain countries where the risk of creating a PE is deemed to be too high. And for many companies there are key regulatory considerations here, and these also can be addressed at the same time as of tax from other compliance areas.

It's clear from the discussions that we're having with some of these business leaders that home working is here to stay and most likely even when the home is in a different country. And COVID-19 is shifted the discussion on home working from primarily rules in place to avoid compliance obligations or risks to businesses accepting some of those costs and risks, and weighing them up against the wider benefits gained from more flexible working patterns.

Announcer:

Thanks Michelle, and Ray, do you think things will return to how they were before COVID-19?

Ray:

I think the short answer is no. The world of immigration and movement of peoples is unlikely to ever be the same again. We deal predominantly, almost exclusively, with the movement of people around the world.

The rules are going to change and pretty much change for good. So it's our role to not be daunted by that, but to be very well prepared. Some of the things we've discussed today are part of that preparedness toolkit that every organization is going to need as the world starts to reopen.

Immigration and borders will remain critical to getting the world back on its feet. This presents us all with an opportunity to look at what we've done to date, prepare ourselves for a new sense of normal in the mobility sphere and also kind of embrace that change as a way and means to put your employer and your organization at the forefront of that mobility change.

Announcer:

Thanks Ray. And finally Marc, what are your thoughts on how businesses can evolve their global mobility programs during the current environment and as they begin to look ahead to a post-COVID-19 world?

Marc:

I think one thing for global mobility teams to be thinking about right now is that if you look across history and major events, human patterns of behavior and the way business runs, the way people interact, it doesn't change fundamentally in response to many, many crises. So I think as we move forward, there's a likelihood that many elements of what we knew about personal human interactions, business interactions and so on, will remain.

And many are predicting this is much more of an evolutionary event rather than a revolutionary one. So I think that's the first point. I think another thing that global mobility teams should be

looking at is what are the new types of employee mobility, if you like, that will start to make the employee base more difficult to manage and control than the previous version, where there was a lot more in-office working.

I think what we find there is that beyond the traditional remit of a mobility team, long-term international assignees, short-term international assignees, commuters, and more recently frequent business travellers, I think we'll find that we need to cast the mobility net much more to those employees that operate outside of the fortress of company premises, and into those more private spaces, those more international spaces, where it's harder to at all times, in the current environment, know where people are, what they're doing, and whether that's okay from a compliance, regulatory, and productivity perspective.

Announcer:

Marc, Michelle and Ray – on behalf of our listeners, thank you for your time today. This has been a really great series and you've provided a number of really interesting insights for our listeners to consider around the future impacts to business travel and the mobility of global employees, as we emerge from this global situation.

Marc, Michelle and Ray:

Thank you ever so much, thank you, thank you both, take care everyone, goodbye.

Announcer:

For more information and resources on COVID-19, visit home.kpmg.com/covid19taxandlegal

Join us again next time and please email us with any questions you have about today's episode at tax@kpmg.com and we'd also love to hear from you with any suggestions you have for future episodes.

Thanks for listening.

Musical exit

