



internationally mobile employees

who are we?

PKF is a global network of legally independent firms bound together by a shared commitment to quality, integrity and the creation of clarity in a complex regulatory environment.

With offices in 440 cities, we operate in 150 countries across 5 continents, and specialise in providing high quality audit, accounting, tax, and business advisory services to international and domestic organisations in all our markets.

where we operate

440 cities

150 countries

5 continents



right people
right size
right solutions

how can we help you?

We have teams of experts throughout the PKF network who can provide services tailored to your needs, from consulting through to complete outsourcing, in each of the following areas:

Personal tax compliance

We can help you and your employees understand the destination country's tax regulations and registration and filing requirements, and we can assist with the preparation of all the required applications and filings, at the start, during, and at the end of the employees' assignments. We can also prepare tax equalisation calculations if applicable.

Visas and work permits

We can advise on, and assist with the processing of applications for the appropriate type of visa and work permit for your employee, and accompanying family members.

Payroll services

If you do not have destination country payroll preparation capability, or if you prefer to have the international assignees' payroll prepared separately for reasons of confidentiality, we can deliver a complete outsourcing solution, producing all the documentation necessary to meet your requirements, and maintain compliance with local laws and regulations.

Advisory services

You may need advice on the corporate tax implications of having employees assigned to a destination country, or the types of benefits that are required, or customary at a destination. Your employees may need advice on the impact of their assignment on both their home country tax position, and the destination country position. Our specialists in all of our locations can provide this advice, and are happy to also share their local knowledge with respect to housing, schools, shopping, and many other aspects of life in the destination country.



why do you need us?

Overseas investments or undertaking projects abroad typically requires the assignment of people, either to manage the investment or project, or to provide skills not yet available in the local market. These movements of people create a number of issues, such as visa and work permits, payroll, and foreign tax compliance, which the Human Resources function at Head Office may not be able to deal with effectively. In addition the economic and business environment of the destination country may be such that comprehensive changes need to be made to the employees' compensation and benefits packages.

At PKF we believe that businesses must take a proactive approach to Internationally Mobile Employees, based on the following 5 principles:

- 1. One size doesn't fit all**

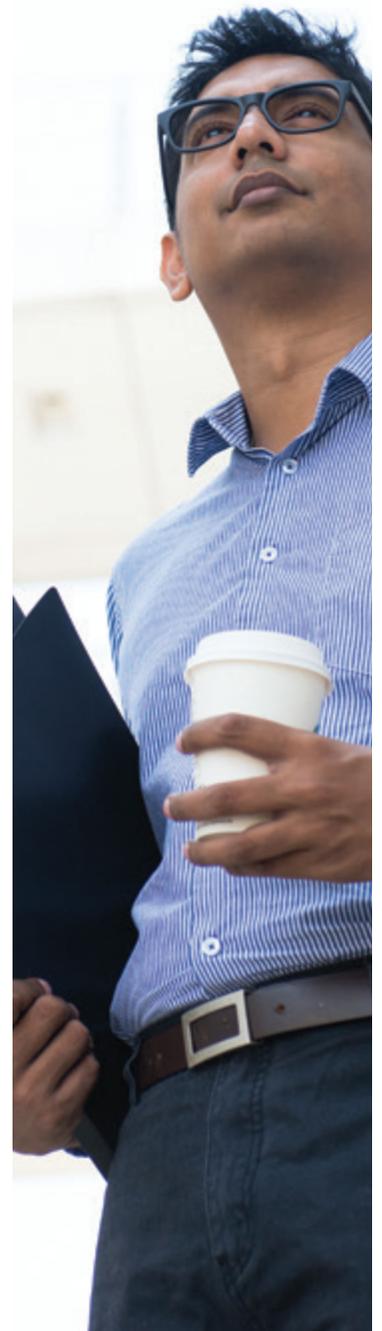
Individual residence and income tax rules can vary enormously from country to country. Benefits that are taxable in the home country may be tax-free in the destination location. Some countries tax on a worldwide basis, others only on income sourced in-country. Your compensation and benefits policies for your Internationally Mobile Employees will need to be tailored to suit individual overseas locations to avoid significant tax inefficiencies.
- 2. Equalize for mobility**

To enhance your ability to move employees across borders, you may wish to take tax out of the equation by implementing a tax equalization program. These programs can be complex to administer, but do ensure that taxes are not a factor in your employees' decisions as to whether to accept an overseas posting.
- 3. Be careful of visa and work permit issues**

Many countries adopt more protectionist employment policies than you may be used to. Avoid potentially embarrassing and inconvenient incidents by making sure that your Internationally Mobile Employees are issued with visas and work permits consistent with the work they will be performing, and the locations in which they will be present.
- 4. Don't forget your corporate tax**

The treatment of items of income for individual income tax purposes is often reflected in corporate tax regulations. Benefits may be tax-free for the individual, but non-deductible for corporate income tax purposes. If corporate tax rates are different from individual tax rates, arbitrage opportunities may exist.
- 5. Use the right employment vehicle**

Having employees present in another country can create a taxable presence in that country for the employing entity, defined as a Permanent Establishment. Subject to the provisions of an applicable Double Tax Treaty, you should be able to avoid this by careful selection of an employing entity, or the use of secondment contracts.



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