

GLOBAL MOBILITY SOLUTIONS

Why focus on Global Mobility?

By Huub Kapel

The answer is simple. In order to retain business from existing local clients and to attract new business from foreign clients, an understanding of the tax, social security, accounting and legal issues associated with the assignment of the (first) employee is key. Should the (first) assignment be successful, more business is likely to follow. In a market that is ruled by the Big 4, the multi-disciplinary character

of GGI provides unique business opportunities.

In today's world, organisations are exploring international business opportunities more than ever before. They may be searching for new distribution markets, or reducing operational expenses or production costs. Nowadays, global mobility is seen as a critical means of deploying and developing talent that increasingly pursues international career opportunities, and will therefore become more integrated into strategic recruitment and talent mobility processes.

Furthermore, global mobility policies are normally reviewed every two years to ensure they are up to date with market prices, competitive in their industry and providing sufficient support to meet employee and their families' needs. Software tools and data analytics are used to help mobility programs run smoother, more



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cost-effectively and provide better service but also just to know who is where in case of evacuation. In short, global mobility is on the rise.

Whatever the case may be, organisations are aware of the increasingly costly, complex and time-consuming nature of the various legal, tax, social security and legal compliance requirements of a global mobile workforce. Even the OECD action plan on Base Erosion and Profit Shifting (BEPS) addresses the permanent establishment risks associated with globally mobile employees.



Whether it relates to long-term assignments, short-term assignments, "Local Plus" packages, permanent relocations, frequent business travellers or stealth commuters, employers and employees will have to deal with the issues involved.

Organisations that find new opportunities in other countries lack both infrastructure and talent on the ground. Many of the initial skills needed therefore come from international assignments or transfers. In spite of this, organisations also expect the (first) assignee to hit the ground running and start adding value immediately and make the international adventure a success as from the start.

This is, however, easier said than done in an expatriate environment. Employees who leave their country to work abroad say goodbye to not only their home, but also family, friends, culture and core values they have grown up in. During the first months abroad, many day-to-day routines appear to be cum-



bersome. Whether it relates to traffic regulations, local bank jargon, utility issues, health care or local shopping, the new environment can be stressful for the expatriate and their family. It does not take long for an expatriate to realise that the assignment is not an extended holiday.

Organisations are aware of these stress factors and the risks associated with expat assignment. Troubles adjusting can cause issues for individuals, families and companies alike. The burden may lead to poorer work performance, or compel some to leave their positions altogether: neither situation is beneficial to the organisation.

However, by carefully planning and monitoring the process of the (first) assignment, both employer and employee can grow and develop together leading to a successful international expansion of the business.

Planning and monitoring may include:

- global mobility management
- design/implementation of global mobility policies
- international tax planning
- application for special expat tax regimes
- international social security planning
- set-up and implementation of (shadow) payroll
- preparation of income tax returns
- mandatory (tax) registration
- application for work and residence permits
- preparation of employment contracts/assignment letters
- preparation of intercompany documents

This is the recipe for a happy and profitable business environment, which GGI members around the world can provide and from which GGI members around the world can benefit.

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