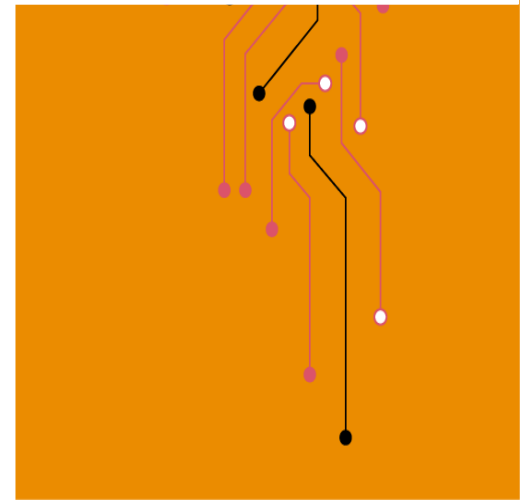
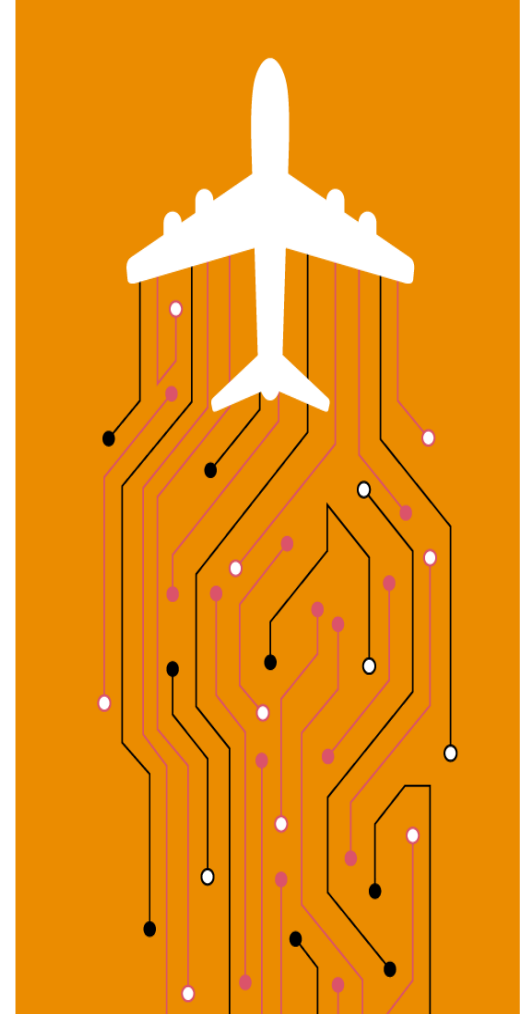


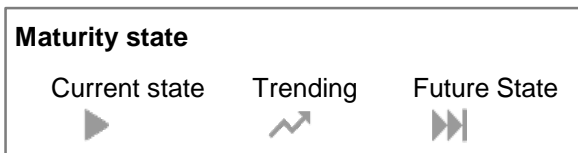
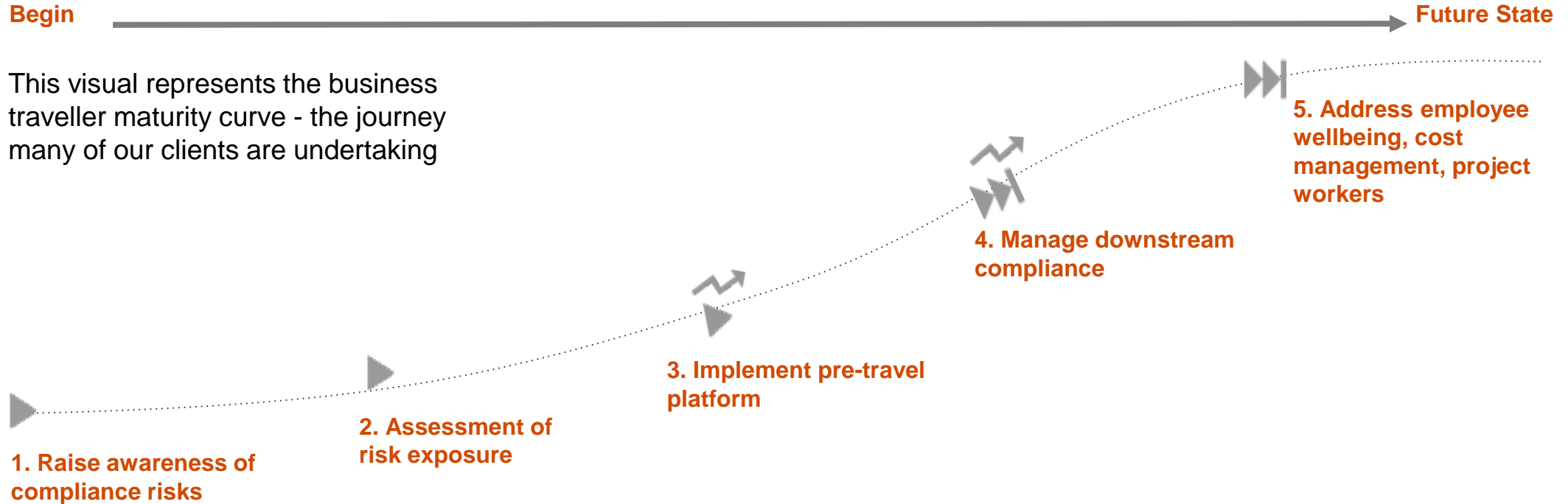
# Managing the impact of business travellers

Mobility One – Zurich

November 2019



# The business traveller maturity curve



1

Raising awareness  
regarding  
compliance risks

# Potential risks we are addressing

## Analysis of collectives

- Who
- Travel duration
- Displacement countries

1

## Income tax

- Obligations for the employees
- Obligations for the company

2

## Social security

- Obligation to issue a Certificate of Coverage

3

## Immigration

- Visas
- Work permits

4

## Corporate tax

- PE risks
- Company costs

5

## EU Posted workers directive

- Local registration obligation

6

# Poll and Discussion 1

- What are the compliance risks your organisation is most concerned about?  
(please choose one)
  - Tax withholding
  - Immigration work permits/ Visa
  - Corporate Tax (Permanent Establishment/ Transfer pricing)
  - EU Posted Worker Directive Registrations
  - Social Security Certification (Certificate of coverage or A1)



# Raising awareness regarding compliance risks

In our experience, the authorities in the countries noted below are increasingly scrutinising business traveller compliance.

## Ireland

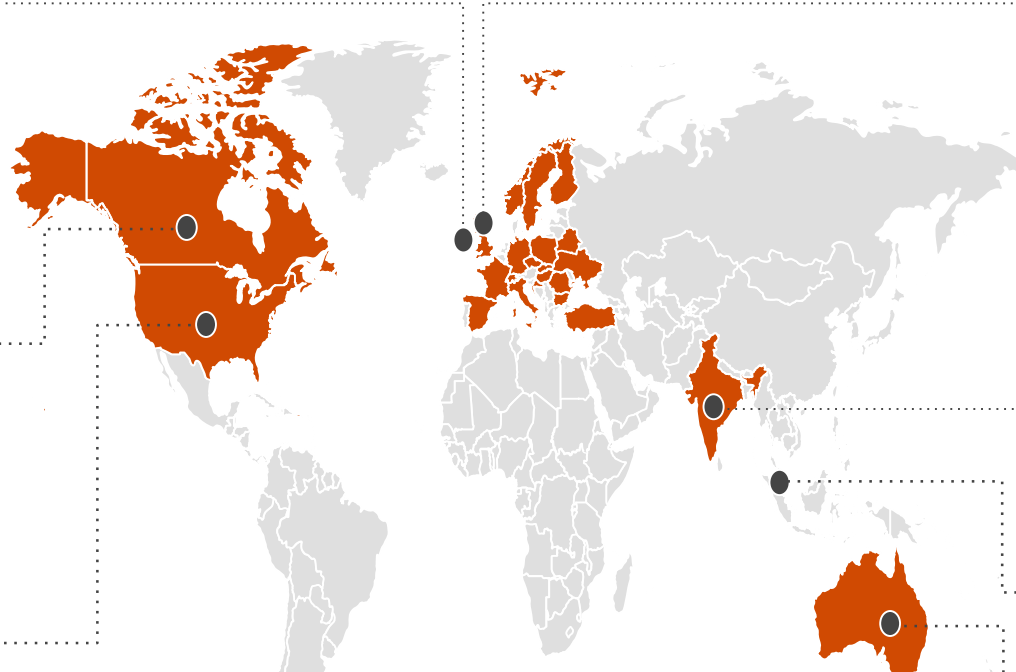
- In most cases, payroll withholding if expectation is over 30 days per year.
- Recent guidance issued by Irish authorities to clarify waiver process and day count thresholds.

## Canada

- Penalties for non-compliance.
- No de minimis threshold.
- Waivers can be obtained in advance or corporate level certification.

## US

- Withholding unless Form 8233 is received.
- Federal return required if > 90 days or \$3,000 US income.
- State Tax can be triggered day 1 in some States (e.g. California, New York).



## UK

- Challenges raised in Know Your Customer reviews/SAO reporting.
- Appendix 4 reporting.
- Branches and non treaty inbounds – recent HMRC consultation.

## India

Stricter enforcement of FRRO visa and sharing of information with the tax authorities.

## Singapore

Audits to ensure compliance with a simplified BT reporting process.

## Australia

Sharing of data with the Department of Immigration and Border Protection.

## EU/Europe

- Various countries imposing fines where workers have no Certificate of Coverage.
- EU Posted Workers registration requirements – non compliance leading to penalties, labour audits.
- Real time reporting/economic employer concept.

2

Assessment of risk  
exposure

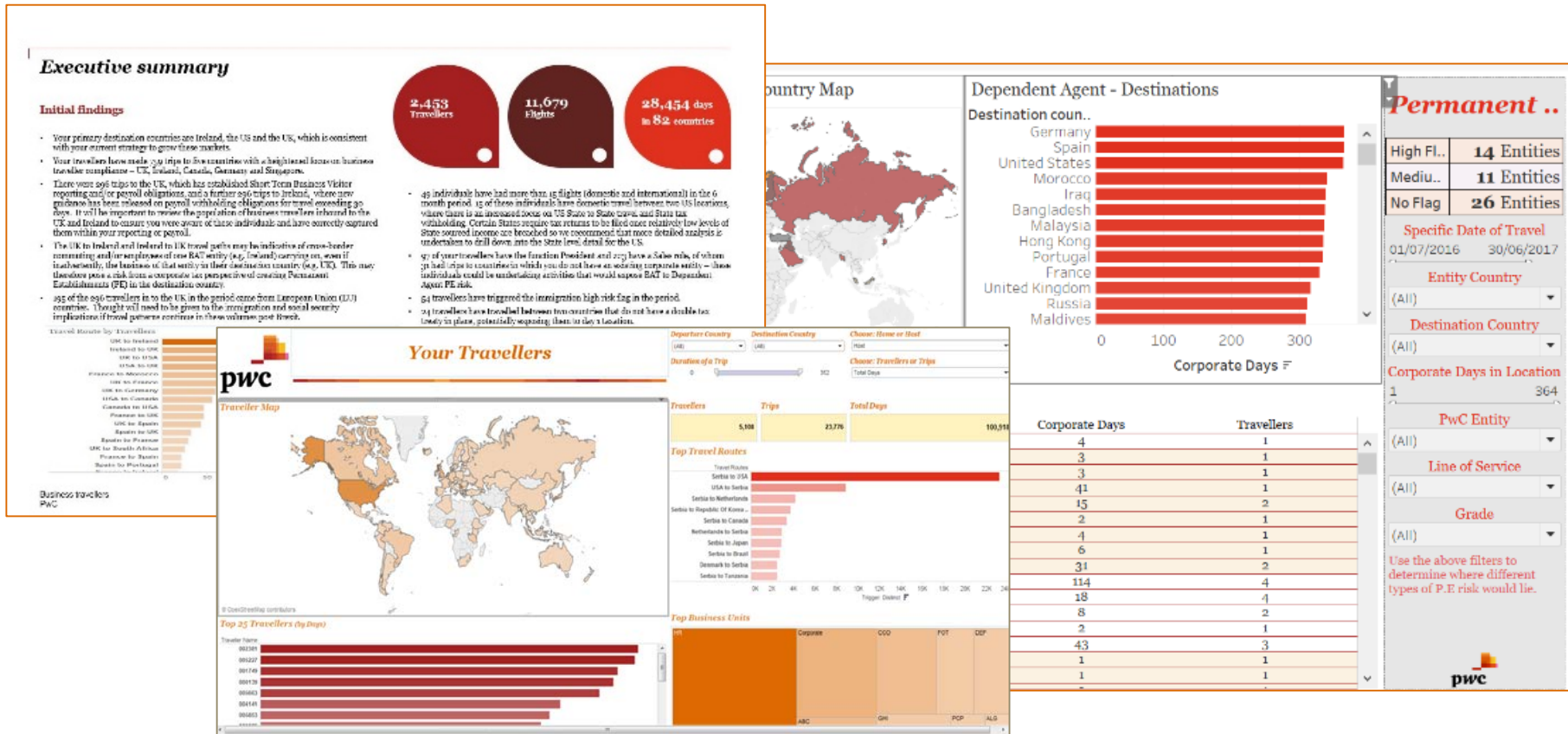
# Poll and Discussion 2

- What data sources will be the most accurate to determine when people travel?
  - HR information system (e.g. Workday, SAP SuccessFactors, Oracle)
  - International SOS
  - Expense management system
  - Security pass/ badges system
  - Other





# Data Analytics examples



3

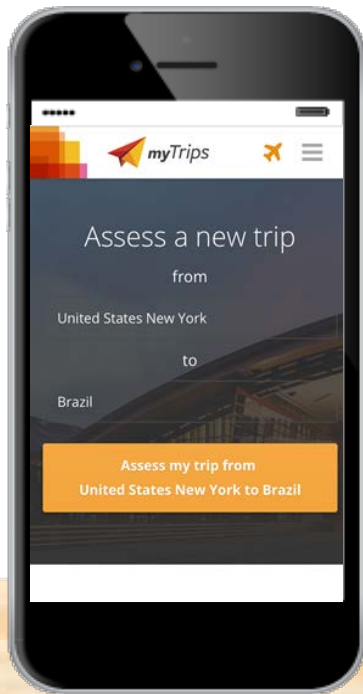
Implement Pre-  
travel solution

# Poll and Discussion 3

- What travel or security systems do your employees use to book business trips?
  - Concur
  - CWT
  - American Express Travel
  - International SOS (for security)
  - Other



# myTrips Demonstration

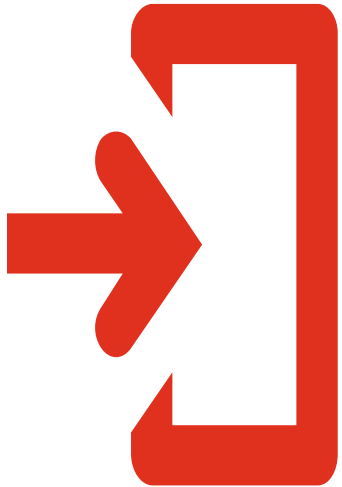


4

Manage  
downstream  
compliance

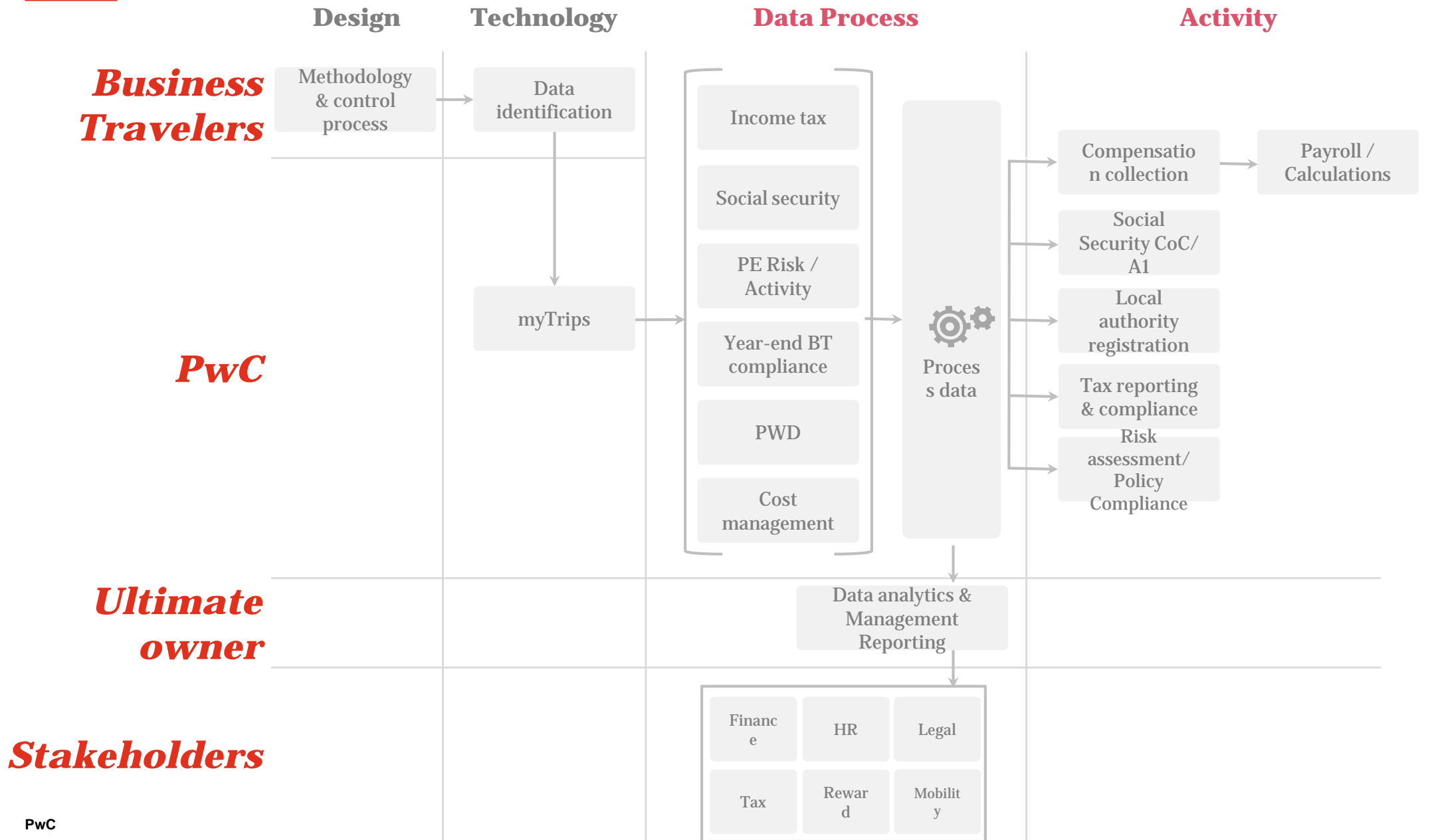
# Poll and Discussion 4

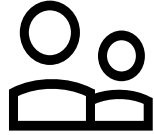
- Who should be responsible for business traveller downstream compliance operations?
  - Payroll
  - Corporate tax
  - Global Mobility function
  - Travel desk/ Corporate travel
  - Other





Example END-TO-END model

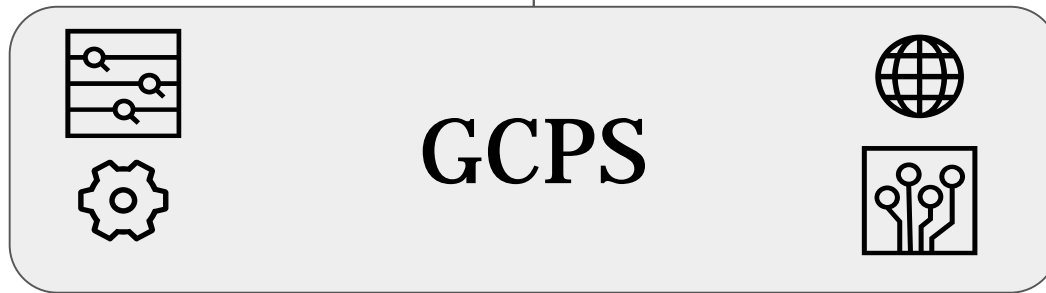




**Travel data**

**Compensation data**

**Employee data**



**Payroll instructions**

**Visualization of data**

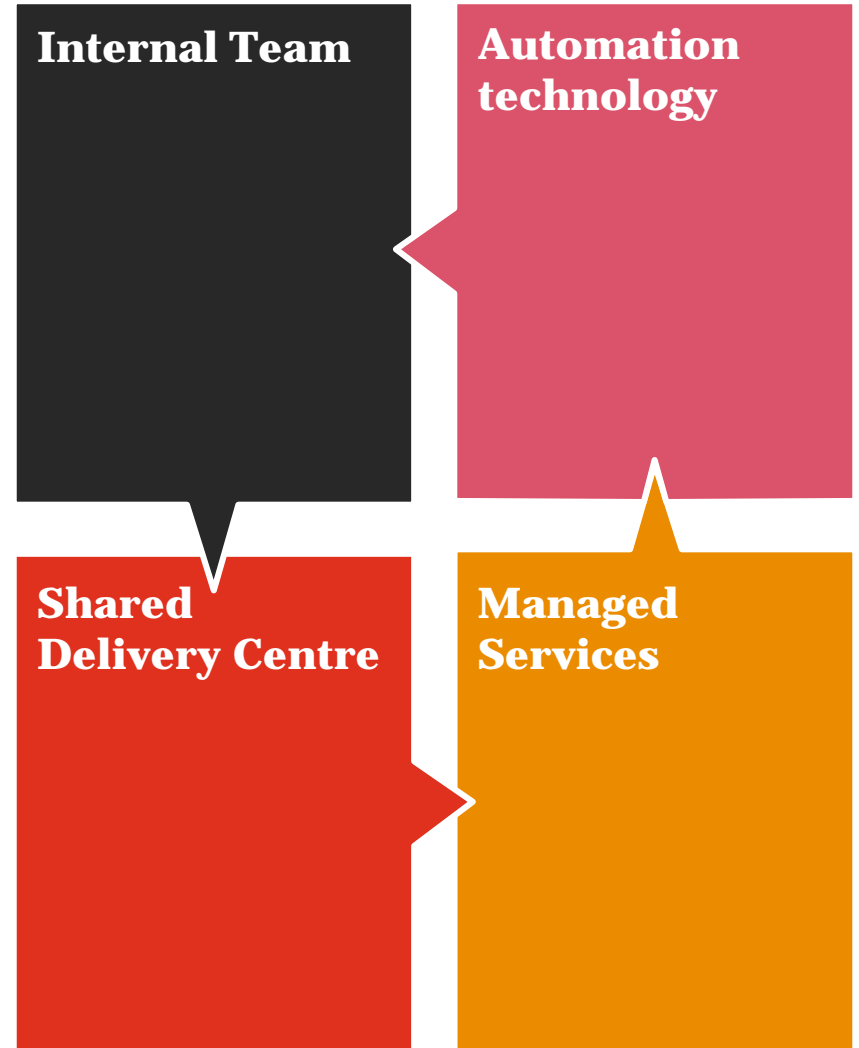
**Payroll outputfiles**



# Potential Resourcing models

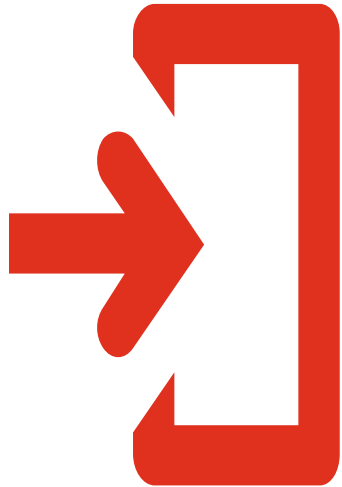
## ***Stakeholders required (internal or external)***

- Global Mobility Specialists
- Travel Team
- IT
- Employment Tax / SS Specialist
- PWD / Immigration Specialist
- SDC



# Discussion and Poll

- What downstream compliance activities should be managed using the following:



- Internal teams within your organisation
- Automation technology
- Shared delivery centre
- Managed services

5

Employee  
wellbeing, cost  
management, and  
project workers

# Best in Class: PwC case study

- PwC UK employees make almost a quarter of a million business trips a year at a cost of \$900m in 2016.
- We engaged with our specialist advisory team to use our data and drive down the costs we spend on business travel.
- This has generated savings of more than £15.5m p.a. through a combination of vendor negotiations, policy change and initiatives to encourage behavioral change.

**£7.2m...**

saved through negotiated hotel rates

**£6.5m...**

saved from airline deals

**£250k...**

saved from fixed short haul flights

**£396,000...**

saved with £250 and £5k challenge

# Draft business case for change

## Current process

- Business travellers not proactively tracked
- Risks include:
  - Social Security, EU Posted Worker Directive, Personal tax
  - Permanent Establishment
  - Immigration
  - Reputational damage and fines

## Estimated annual cost of current process

- i. Current cost of flights and accommodation per annum: **4.6m Euro pa\***
- ii. Compliance risks **XXX\*\***

\*These are very rough estimates based on the size and global footprint of Client X. These figures will be refined after we carry out a diagnostic review in phase 1.

\*\*This figure will be estimated after we carry out a diagnostic review in see phase 1.1

## Alternative approach

1. Creating a business traveller policy, process, governance to enhance compliance.
2. Negotiation of enhanced commercial arrangements with suppliers of travel and accommodation.
3. Quarterly diagnostic review of traveller data until a pre-travel technology system is implemented (see phase 3)

## Estimated cost and benefit of alternative approach Euro

(pa)	
Budget for traveller policy, process, governance (4,000 euro per month)	48,000
Negotiation and management of commercial arrangements (assuming this is done by Client X)	
Quarterly diagnostic review of data (15,000 per quarter)	60,000
Budget for downstream compliance services*	75,000
<b>Total cost</b>	<b>183,000</b>
<b>Less: Estimated flights and accommodation savings (4.6m Euro * 10%)</b>	<b>(460,000)</b>
<b>Total Estimated Cost (Saving)</b>	<b>(277,000)</b>

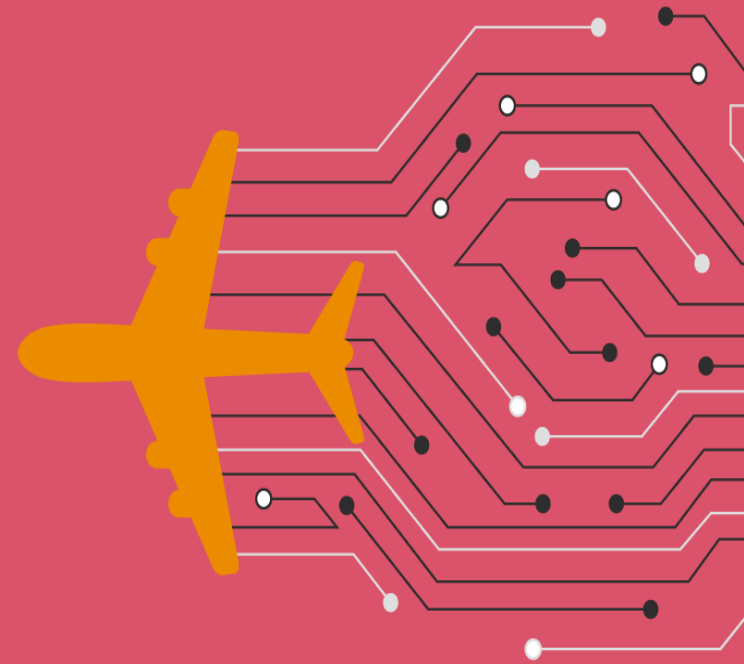
6

Next Steps

7

Q&A

# Thank You!



© 2019 PwC. All rights reserved. Not for further distribution without the permission of PwC. "PwC" refers to the network of member firms of PricewaterhouseCoopers International Limited (PwCIL), or, as the context requires, individual member firms of the PwC network. Each member firm is a separate legal entity and does not act as agent of PwCIL or any other member firm. PwCIL does not provide any services to clients. PwCIL is not responsible or liable for the acts or omissions of any of its member firms nor can it control the exercise of their professional judgment or bind them in any way. No member firm is responsible or liable for the acts or omissions of any other member firm nor can it control the exercise of another member firm's professional judgment or bind another member firm or PwCIL in any way.