


# MAZARS INTERNATIONAL TAX CONFERENCE 2019

 HIRING FOR THE NEXT DECADE

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## **HIRING FOR THE NEXT DECADE**

WHAT DOES THIS ALL MEAN FOR ME AND HOW SHOULD I PREPARE?

1. INTRODUCTION
2. NEXT DECADE'S CHALLENGES AND DEVELOPMENTS IN CROSS BORDER WORK; IMPACT ON BUSINESSES
3. IMMIGRATION PERSPECTIVE
  - Sue Kukadia, Head of Immigration Services (Mazars UK)
4. LABOUR LAW PERSPECTIVE
  - Floris Asscher, Labour Lawyer (Pellicaan Attorneys, Netherlands)
5. TAX AND SOCIAL SECURITY PERSPECTIVE
  - Joe Pilley, Head of Global Mobility Services (Mazars UK)
6. WHAT'S NEXT & HOW TO BE PREPARED?
7. QUESTIONS



## Common cross border business activities (?)

- i. Company A based in China intends to expand its business in Europe. They wish to hire an employee in/for the Netherlands to develop the business and increase sales in Europe. The employee will be required to travel frequently throughout Europe and to the HQ in China. For the time being, A is not considering to start a Dutch subsidiary.
- ii. Company F based in the US intends to develop a service with their UK subsidiary G. The expertise is not readily available within G, so F is considering to assign specialists for educational purposes from another group company to G. In a second phase key management personnel will be assigned from the US for the further growth and development of the UK department.
- iii. Company K is a multinational company with strong global presence, with HQ in the UK. Their management travels frequently to conduct business meetings, inspect operations. Besides these business travellers, specialists from their South African hub are posted for 3 and 6-month projects with clients in Vietnam, UAE and UK. Due to a recent merger, the French HQ is required to supply staff to the new Italian subsidiary, resulting in heavy commuter traffic.

# IMMIGRATION

Sue Kukadia, Head of Immigration, Mazars UK



## 2A. TRENDS & CHALLENGES - IMMIGRATION

- Too expensive to sponsor individuals on work permits
- Increased synergy between immigration and tax authorities
- More business travellers being scrutinised at border
- Impact of Brexit



# LABOUR LAW

Floris Asscher, Labour Lawyer, Pellicaan Attorneys  
(Netherlands)



## 2B. TRENDS & CHALLENGES – LABOUR LAW

- A global economy, with an increasing use of cross border employment
  - Remaining challenge: which law is applicable?
- The development of the platform economy and the use of self-employed
  - Disruptive new forms of organizing work have paved the way for self employed performing a wide variety of services;
  - Attractive due to flexibility, (often) lower cost, less restrictive regulations;
  - Challenges: ambiguity of the status and changing legislation;
- The use of remote workers / working from home in the digital age
  - Often cost driven (less office space needed);
  - Employees increasingly see working from home as a benefit;

# GLOBAL MOBILITY TAX & SOCIAL SECURITY

Joe Pilley, Head of Global Mobility Services, Mazars UK





## 2C. TRENDS & CHALLENGES - TAX & SOCIAL SECURITY

- Continued growth in demand
- Increased scrutiny from tax authorities
- Downward pressure on cost
- Availability of IT based alternatives
- Changing employee expectations
- Impact of Brexit

## 3A. IMPACT ON BUSINESSES - IMMIGRATION

- Increase in business traveller population / more refusals and breach of immigration rules
- Contractor versus Employee
- Risk and compliance management

## 3B. IMPACT ON BUSINESSES - LABOUR LAW

- Cross border working: are you aware of the applicable laws?
  - Impact on enforceability of the contract, dismissal protection, etc.
- Contractor vs Employee: are you working with self employed contractors?
  - status ambiguity, changing legislation, reputational risks
- Remote working: are you aware of the consequences of having remote em
  - both legal and practical implications



## 3C. IMPACT ON BUSINESSES - TAX & SOCIAL SECURITY

- More variety of cross border working modes
  - Commuters
  - Short Term or project based assignments
  - One way moves
  - Remote or Virtual teams
  - Business Travellers
- Status issues; Contractor versus Employee
- Focus on 'Value'



## 4. WHERE NEXT: ACTIONS AND PREPARATIONS



### Immigration

- Review population
- Consider alternative immigration routes
- Prepare for immigration overhaul
- Prepare for Brexit



### Employment Law

- Review current arrangement for your:
  - cross border employees;
  - self employed contractors;
  - home working employees.
- Stay up-to-date with local (legislative) developments
- Be prepared (contractually)
- Think about what is right fit for the specific situation and the company



### Tax & Social Security

- Review current arrangements
- Consider alternative approaches
- Keep an open mind
- Prepare to adapt to changing situations



## CONTACTS

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#### **About Mazars**

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