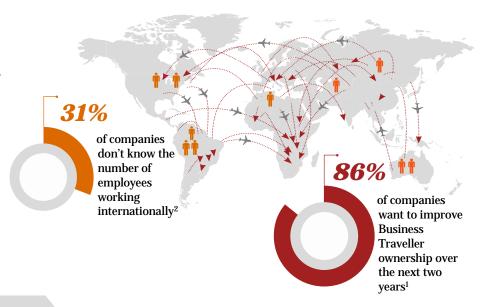
Tax risks created by global operations

Global Tax Authorities are now more connected – how connected is your business?

Global business models and employee mobility is evolving, driven by advancing technology, transformations in the way people and organisations work and by a fundamental shift in the regulatory and socio-economic environment.

It is increasingly important for organisations to know where their people are, what they are doing and how to manage the tax and other risks associated with global business models and mobile employees.



What is driving the need for focus on these risks?

Employment taxes and payroll

- Increased reporting e.g. Single Touch Payroll.
- · Data matching between ATO and the border agency.

GST

- Local entity activities creating PE risk and GST liabilities
- Changing GST rules.
- 4 year historic GST audits

Duty of care

- Industry specific regulatory bodies.
- Terror threats and natural disasters.



Corporate tax

- Base erosion and profit shifting (BEPS).
- Australia's Multinational antiavoidance legislation.





- Media interest in 'tax avoidance'.
- Penalty of **\$525,000** per outstanding return (corporate tax, GST etc.).
- A **CEO** of a French company being **imprisoned** for failing to disclose a PE.

Immigration

- Reputational risk.
- Recent immigration changes including employees reporting their TFN to Immigration.



Transfer Pricing

- Country (CbC) reporting.
- company fees Australia including mobile



employment tax, corporate tax, transfer pricing and GST perspectives.



Why you need to get this right...

To manage and reduce tax risk and associated financial cost

Better employee experience

Manage compliance & duty of care

Manage reputation and avoid penalties Cost effective and sustainable

Clear roles and responsibilities across the business

- ¹ PwC's Managing Mobility in a Changing landscape, 2016
- ² PwC Moving people with purpose 2014

Managing PE – creating clarity in the chaos...

Employee Tax

- Is the employee an Australian tax resident?
- Is there a double tax treaty in place?

International Tax:

Corporate &

Have you considered local tax legislation and if corporate tax is due?



Transfer Pricing:

- Is the allocation of profits aligned with the value?
- Do your inter-company agreements reflect what is actually happening including the activities of mobile employees?

HR & Legal

documentation **Immigration** Do your employees



the right and employment structure in place?



and Payroll

- Are you correctly reporting/withholding PAYG for inbound employees?
- Have you considered the introduction of Single Touch Payroll?

GST

- Do the activities of your local Sales and Marketing entity or your globally mobile employees create a GST PE risk resulting in a GST liability?
- Has this been factored into your contracts & pricing?

have the right visa for the work that they are doing?



Do you know where your **people** are and what they are doing?

Corporate Tax & Legal:

- Do you have an entity in the host location?
- Do you need to register with local authorities?



Who are your key stakeholders and do you have their buy-in?



It can easily go wrong... Let's look at Sam

https://www.youtube.com/watch?v=aDFO8b9_s9U&feature= share

PwC's One PE team

If you would like more information on managing the above risks and how we can help, please contact your usual PwC advisor or any of the following:



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