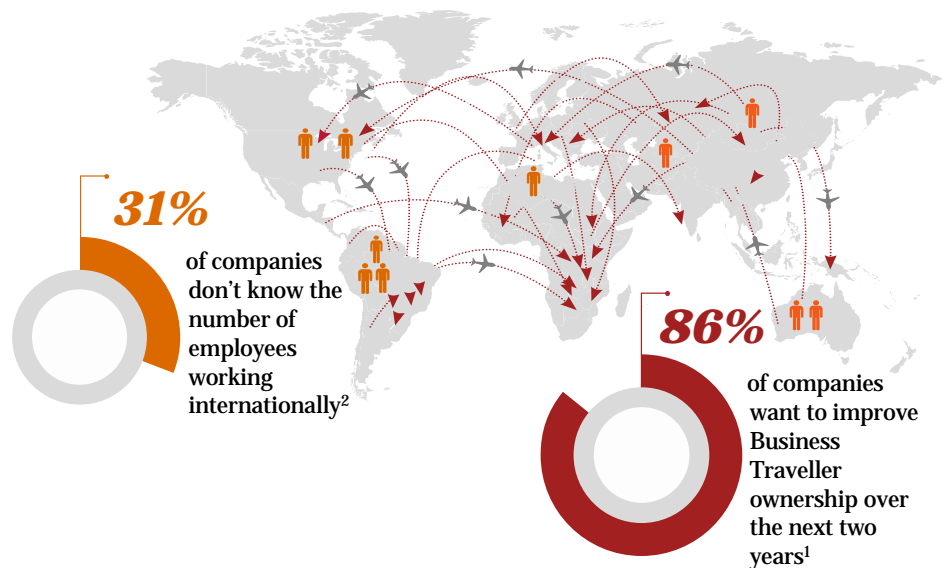


Tax risks created by global operations

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.



Corporate tax

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



Immigration

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



Transfer Pricing

- Country by Country (CbC) reporting.
- Do inter-company fees reflect activities of employees in Australia including mobile employees?



GST

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



Increased penalties and reputation damage

- 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.**



Permanent establishment rules

Different triggers of a PE from employment tax, corporate tax, transfer pricing and GST perspectives.



Duty of care

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



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

Managing PE – creating clarity in the chaos...



**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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