

# ***BusinessTravelWatch***

## The future of global workforce mobility and compliance



# Successfully navigate complex cross border issues with PwC's BusinessTravelWatch

## Recognizing the issue

As the pace of business has accelerated, the need to quickly and strategically deploy your global workforce has increased exponentially. Today's workers are on the go, often crossing multiple international borders as projects or client demands dictate. With this shift in mobility patterns comes a number of unique challenges that many organizations face today.

- **Process** - Does your organization have a process or system in place for tracking frequent business traveler movement around the globe?
- **Compliance** - For individual tax return thresholds, do you have employees that are out of compliance in certain countries?
- **Corporate Responsibility** - Are employee movements triggering any corporate responsibility for income tax reporting and withholding?
- **Permanent Establishment** - How do you know when you are at risk of creating permanent establishment?

We recognize that the management of your globally mobile employees is becoming increasingly more complex as migration patterns and assignee demographics shift. This migration from long-term assignments to shorter term mobility patterns has been occurring for the last several years and has been a major focus of PwC's tax research, thought leadership, technology investment, and innovation.

Based on our deep understanding of the frequent business traveler space, PwC has developed a three-prong approach for successfully managing compliance risks: domain expertise, technology, and process. By leveraging our extensive domain expertise, we've created a truly comprehensive technology solution. When implemented using an established and defined process, it delivers the value you are looking for.

## A solution configured for your business needs

BusinessTravelWatch is PwC's end to end technology solution that addresses the issues most critical to your business. With features like flexible employee tracking including mobile devices, streamlined data aggregation, configurable rules analysis, and robust reporting, this action-based solution empowers you to proactively manage your business. BusinessTravelWatch can be easily aligned with your organizations strategic goals.

One of the primary goals is to help mitigate the number of tax returns required by either identifying an obligation before it occurs or by funding a tax liability through withholding. When the need to file a return does arise, our integrated solution provides the tax preparation team with all the relevant data required to file an accurate return.

Whatever the need, our experienced team works closely with you to help implement the system based on your business objectives and your organizations risk profile. Our subscription based approach allows you to leverage only the modules that you identify as relevant to your organization.



***We have extensive experience helping organizations manage the accumulation of data from multiple sources***

### ***Our established process***

PwC has a defined process for helping organizations deal with this increasingly common problem surrounding globally mobile employees. Our experience working with a wide range of clients provides us with unique insight into those issues that organizations are struggling with. More importantly, we are helping clients identify and solve these challenges. Leveraging our domain knowledge, we start with an in-depth review of your organization to determine your strategy towards risk for each of the following areas:

- Point of taxability based on income and day thresholds
- Withholding tax and reporting responsibilities
- Permanent Establishment (PE) risk

validation rules, design current and future state process flows, as well as present system integration opportunities.

Travel patterns change. This is why the identification phase is ongoing and BusinessTravelWatch continuously analyzes and refines the list of travelers for whom travel data is being collected.

### ***Track travel data automatically***

One of the most significant challenges is identifying the proper data source. It is likely that there are several different sources of information within your organization that can be used to determine travel patterns and this is no trivial task. It is common for there to be conflicting information across different systems.

- 1. Identify your 'at risk' population***
- 2. Track travel data automatically***
- 3. Assess compliance risks***
- 4. Report as needed when required***
- 5. Be proactive and make informed decisions***

Once we've clearly identified the challenges we are going to solve, we begin our 5 phase process .

### ***Identify your 'at risk' population***

The first step in successfully managing these areas is to identify those employees that are at risk of triggering taxable risks. We work closely with you during this identification phase to determine the appropriate data source(s) based on your objectives.

During the identification phase, we also work with you to identify required data elements to be collected, agree on data ownership and

At PwC we recognize that there is no one-size-fits-all solution. We leverage industry best practices we've developed to assist in identifying the critical systems and data points required to successfully manage your frequent business travelers.

A thorough review of the data sources available in your organization allows us to determine the most appropriate approach for collecting data. One option is to seamlessly integrate BusinessTravelWatch with other systems that already exist like corporate travel.



# *We are also using the latest in mobile device tracking technology.*

With mobile device tracking, the burden on the traveler is minimized and the data being provided tends to be more timely. This helps to ensure that the data being used for reporting and decision making purposes is up-to-date and has been validated by the traveler.

At the core of BusinessTravelWatch is a single, secure global data warehouse for all your travel data. This includes:

- Automated electronic collection of travel data from corporate expense reports and corporate travel systems
- Data that is captured through an automated tracking and collection process using mobile devices or laptops
- Travel data that is collected directly from the traveler on our mobile or web-based calendar, which is accessed online at MyTravel.pwc.com

## ***Assess compliance risks quickly based on your risk profile***

By tracking all relevant travel data for your defined population, you have the information necessary to quickly and accurately assess and take action on your compliance risks. Through the use of advanced data analytics and alerting techniques, we provide you the ability to effectively and proactively manage your business. Your HR team is automatically notified of travel activity that could create potential compliance issues through our secure messaging functionality.

This provides inherent workflow capabilities and allows staff to take action on items that require immediate consideration. It also surfaces those items that are trending towards becoming a compliance issue in the future. For complex cases that require additional assistance, simply action the alert to request guidance from your PwC tax contact.

BusinessTravelWatch also includes a compendium of global tax compliance rules and treaties for supported countries.



*PwC mobile iPhone app*

In addition to this standard set of rules, you have the flexibility to create custom business rules based on your organizations risk profile. You can also subscribe to the alerts that are important to you by project, entity, or country.

## ***Report information as needed and when required***

- Generate robust reports with filter and drill-down options
- Dashboard reporting capabilities allows roll-up reports that can be shared with the business to help with forecasting and resource planning
- Graphical reporting at both the roll-up and detailed assignee levels

## ***Be proactive and make informed decisions***

The ability to anticipate and prevent 'surprises' is vital when it comes to compliance risks. The financial and reputational risks associated with interest and penalties from non-compliance can have a significant impact on an organization. Our action based solution allows you to quickly:

- Review alerts and make strategic business decisions, taking into account all of the complex variables associated with your globally mobile workforce
- Leverage our scenario modeling functionality to help you better understand the impact of sending an employee to a particular location

***Empower your organization to proactively monitor compliance risks associated with cross border travel***





# ***An in depth look at BusinessTravelWatch***

## ***Point of taxability based on income and day thresholds***

BusinessTravelWatch tracks the historical travel data for your population, and alerts you of potential tax filing obligations before they occur by analyzing total days in a location and comparing that to the treaty day and income thresholds for that location.

Local provisions are included in the tool and are also considered during the data analysis process if they are applicable. Additionally, we examine how costs are being charged back at the individual, project, or entity level to help determine if there is an immediate tax obligation based on the charge out structure.

The ultimate goal is to identify potential tax obligations before they occur, so that you are empowered to work with travelers at risk of triggering the event before it happens.

## ***Permanent Establishment risk***

The Permanent Establishment (PE) module is an analytical tool that helps organizations monitor PE exposure with a rolling 12 month view of all projects by entity level in a specific country. Details available include project type, duration of a project, time an employee spent on the project in the travel location, total number of employees who worked on the project and time spent in host country etc... This information facilitates a qualitative decision making based on the relative risk of PE exposure.

- Advanced data analytics techniques present travel trends by individual, project, entity and country. Having the ability to view all relevant data provides new perspective and empowers organizations during the decision making process
- Leveraging both standard and configurable business rules, PwC can help identify potential risks based on project type, days in country, role, chargeback, number of project workers etc...

## ***Withholding liabilities and calculation responsibilities***

BusinessTravelWatch's Withholdings module helps manage this process by interpreting complex tax laws that are based on a set of rules that takes into consideration: double taxation treaties and social security agreements, and residency rules for treatment of frequent business travelers.

An integral step in this process is the preparation of a tax calculation for each traveler to determine if a filing requirement is present. Through reporting and data analytics, a summary withholding report can be obtained outlining the required withholding amount as well as any annual filing obligation that may be needed. Providing this critical information to the business allows organizations to remain compliant with the local government agencies while also identifying opportunities to reduce the filing requirements.

- Receive alerts of withholding responsibility based on travel and compensation history for your traveler population
- Automated tax calculation preparation for both income tax and withholding liability
- Eliminate tax filing obligations in some countries through proper withholding methods

***MyTravel.pwc.com***  
provides your employees with  
the simplicity they want and  
the flexibility they expect.

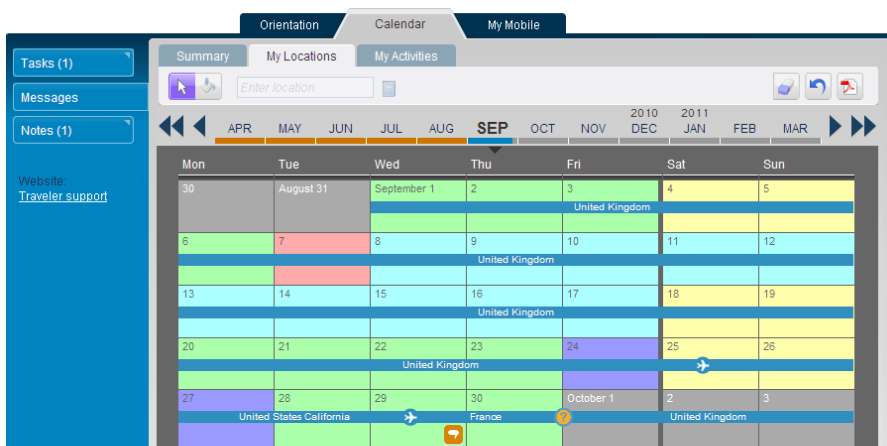
### ***Traveler participation in the process***

By nature, frequent business travelers are busy individuals. The last thing they want to do in addition to their core job responsibilities, is to track their location and activities using a time consuming process. In addition, they may not have an understanding of the compliance risks related to global commerce and frequent business. We observed very early in the mobility shift to frequent business travelers, that a successful tracking solution needs to be accessible and easy to use for the traveler, while also providing them with flexible alternatives for how they prefer to provide their travel details.

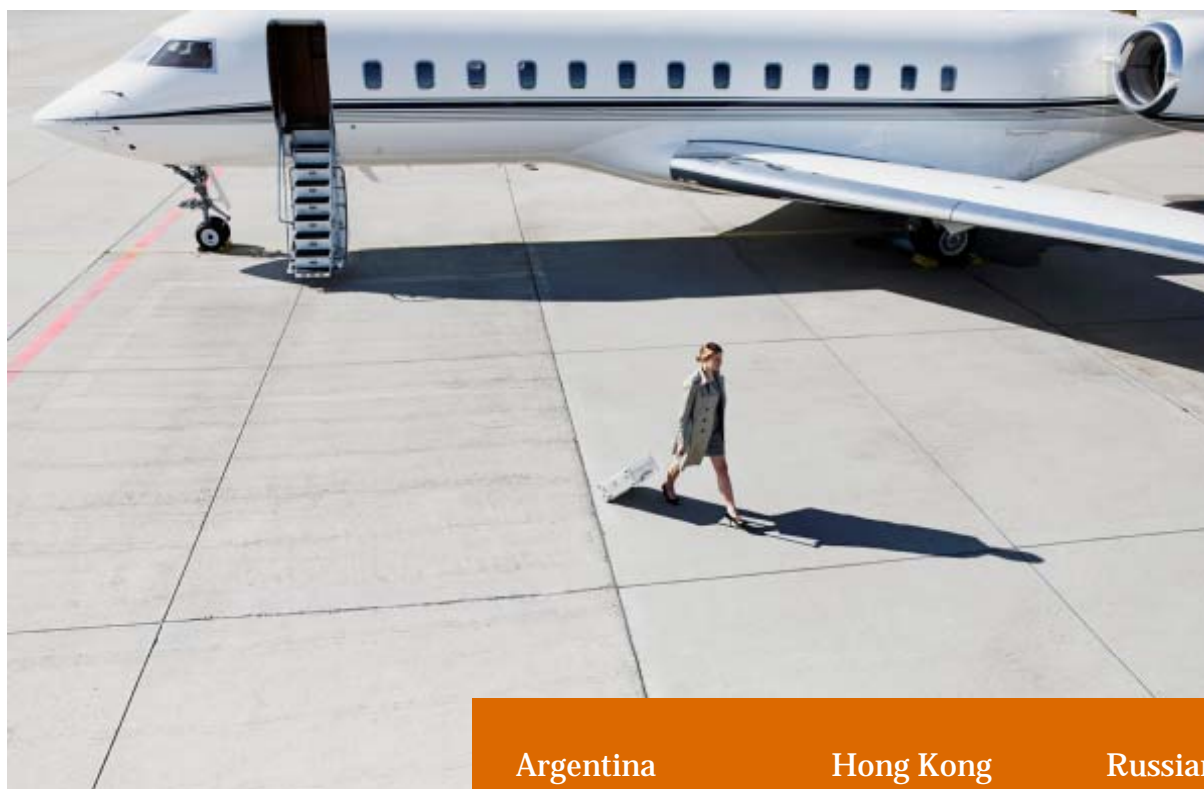
Depending on the tracking method selected, there are varying degrees of traveler participation required. For example, if automated feeds from other systems are used, travelers have the ability to validate that the data collected is accurate. If the sole use of corporate expense or travel systems as a data source is not appropriate, additional responsibilities are required of your travelers.

### ***MyTravel.pwc.com is PwC's secure online destination for your travelers***

MyTravel, as we call it, is where travelers choose their desired tracking preferences, selecting from a range of options. They can choose to either automatically track and record their location through their mobile devices or laptop, or to manually update a mobile or a web-based calendar on the MyTravel site. While there is flexibility to allow them to choose their preference, the ultimate decision rests with your organization. So, if you'd like to require all travelers to be automatically tracked through corporate issued mobile device, the solution can be configured accordingly. MyTravel also helps to educate travelers on the compliance risks associated with global commerce and frequent business travel. This is delivered through interactive, rich multimedia that can be customized to those messages that are most important to your organization.



*MyTravel's web-based calendar, can be completed online or synchronized with a supported mobile device.*



***Our growing  
list of  
supported  
countries***

Argentina  
Australia  
Austria  
Belgium  
Brazil  
Canada  
China  
Czech Republic  
Denmark  
Finland  
France  
Germany

Hong Kong  
Hungary  
India  
Indonesia  
Ireland  
Israel  
Italy  
Japan  
Mexico  
Netherlands  
Norway  
Philippines

Russian Federation  
Singapore  
South Africa  
Spain  
Sweden  
Switzerland  
Thailand  
United Kingdom  
United States  
Venezuela

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