



New Ways of Working

2024 KPMG Africa Tax Summit
New challenges for tax functions

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01

Changes to the ways of working

Polling question 1— Changes to ways of working

Q: Is your organization open to flexible and remote work arrangements?

A.

Yes —

more accepting of flexible work arrangements, including international remote work.

B.

Yes —

more accepting of flexible work arrangements, but not international remote work.

C.

No —

back to the office!

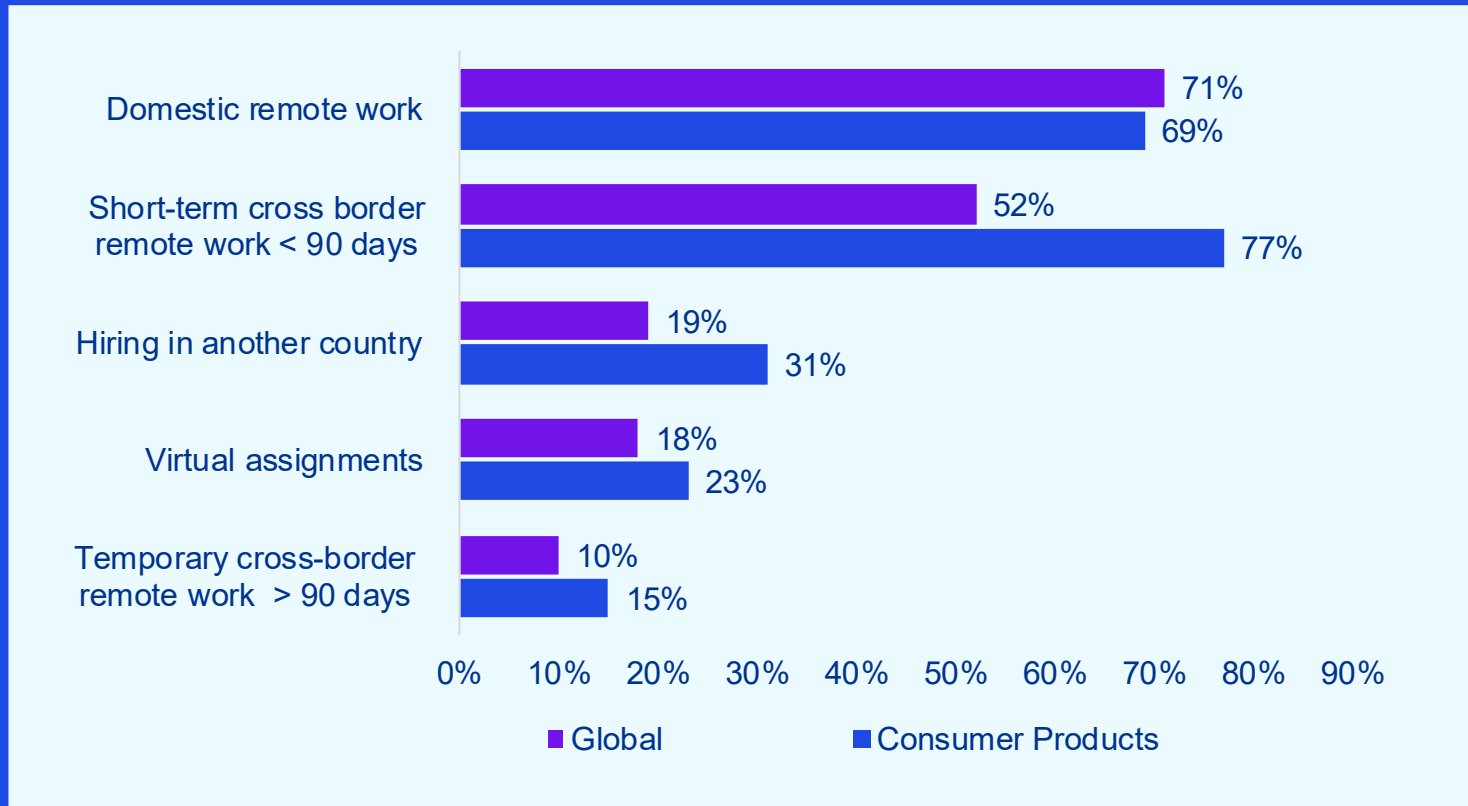
D.

Not

something that has impacted us/We haven't dealt with it yet.

The types of remote working

Patterns of remote working considered/introduced



> 50%

of companies enable
**international
short-term
arrangements**

Most participants in the most recent GAPP survey have already introduced or consider short-term arrangements of < 90 days.

Source: KPMG Webcast (2023): Work from Anywhere: It's been three years!"

Polling question 2 – Talent demand

Q: How would you describe the availability of workforce in key Africa hub locations?

- A.**
Growing, making talent easier to find and secure.
- B.**
Steady, with little change in the availability of talent.
- C.**
Shrinking, making talent harder to find and secure.
- D.**
Impacted by other markets hiring talent from Africa.
- E.**
Not something I have had to deal with.

Impacts of COVID on workplaces in Africa — Trends



Remote work has grown dramatically — but unevenly — as a result of the COVID pandemic, and it has **changed how** some enterprises hire.



Most **future workplaces** in Africa will be in-person or hybrid, but **not fully remote**.

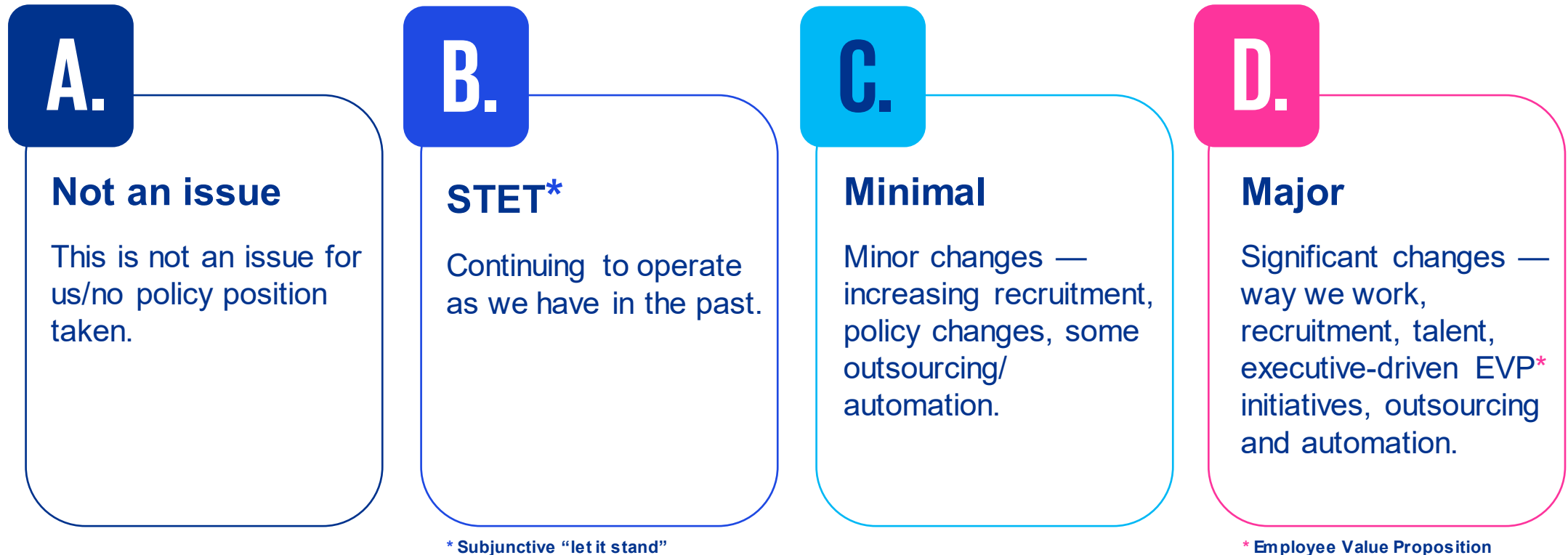


Digital, communication, innovation and teamwork skills are now top priorities for enterprises in Africa.

Source: International Labour Organisation — “The Next Normal: The Changing Workplace in Africa”

Polling question 3 – HR function response

Q: How is your organisation responding?



HR function responses

01 Grow talent

Leadership development,
talent upskilling,
talent marketplace.

03 Source globally

Talent acquisition capability and
reach, global talent pool, talent
hubs, permanent remote hires.

05 Restructure employments

Matrix organization,
global employment,
use of EoRs/PEOs,
dual employment.



02 Compete locally

Compensation and benefits,
flexible benefits,
flexible work arrangements,
EVP,
LTI/pensions vesting.

04 Deploy differently

Double-hatting,
matrix organization,
project deployment,
talent marketplace.

06 Reduce demand

Process efficiency,
outsource,
automation,
digital workers.

Polling question 4 – Tax function response

Q: What is the role of your tax function in relation to these issues?

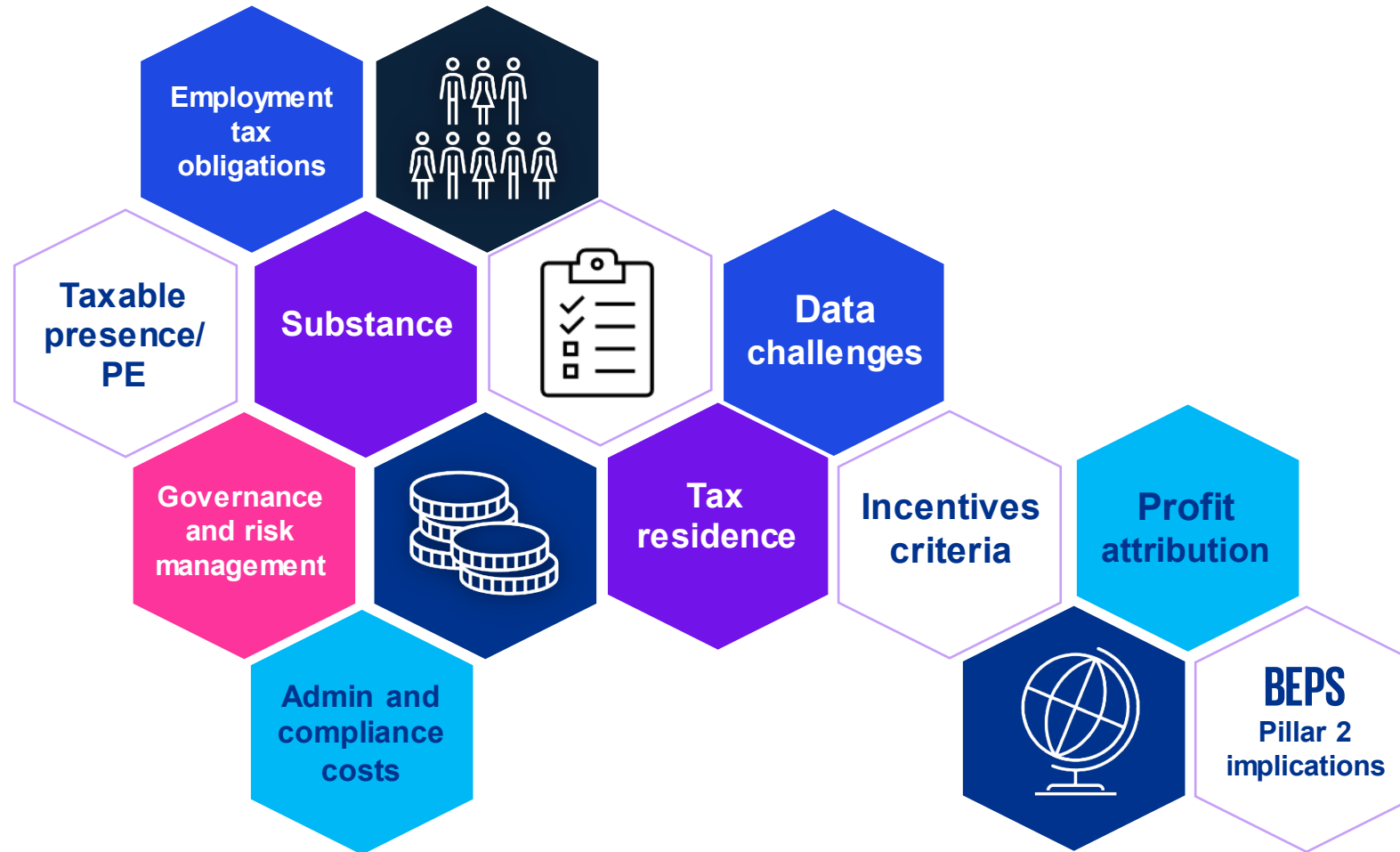
- A.**
Nothing this is an HR issue.
- B.**
Responding to increased questions from HR.
- C.**
Proactively engaging with HR.
- D.**
Part of a formal multi-disciplinary workstream.
- E.**
Leading discussions on employment structures and alternatives.

Polling question 5 – Tax function concerns

Q: What are your key concerns associated with the new employment structures?

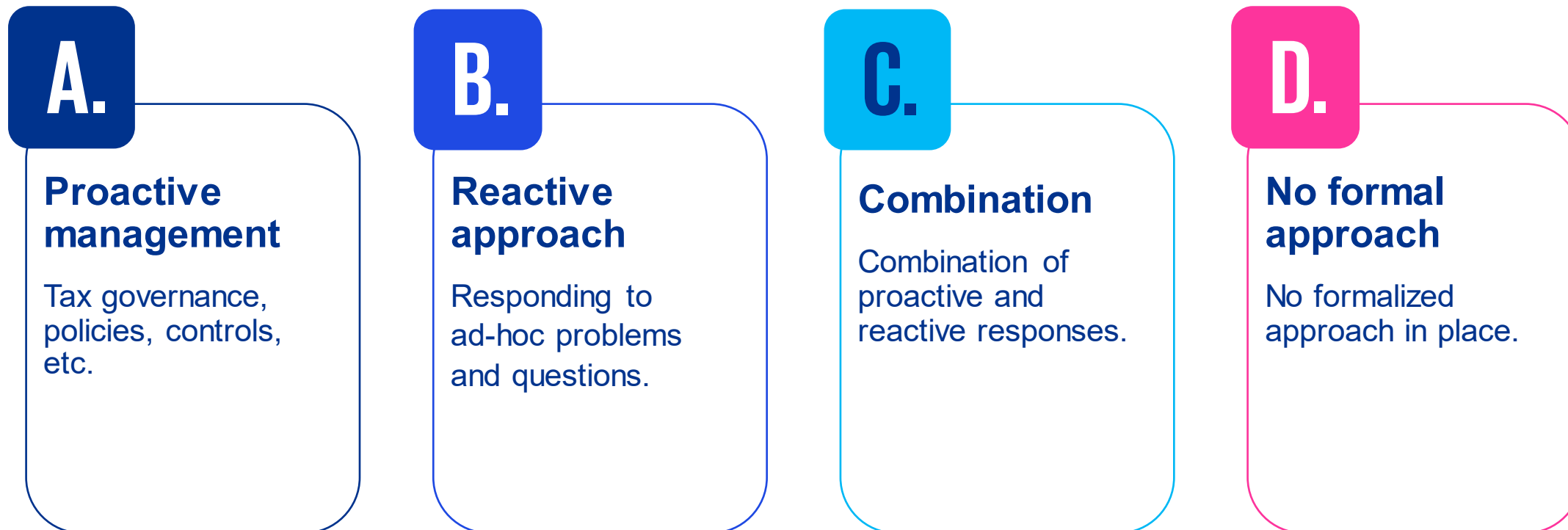
- A.** Taxable presence and profit attribution complexities.
- B.** Employment tax obligations.
- C.** Administration and compliance costs.
- D.** Challenges and availability of internal data to comply.
- E.** Most of the above, and more.

Tax function concerns and potential responses



Polling question 6 – Tax governance and risk management

Q: How does your tax function manage associated tax risks?



Polling question 7 – Tax function concerns

Q: What are your key concerns associated with the new employment structures?

- A.** Taxable presence and profit attribution complexities.
- B.** Employment tax obligations.
- C.** Administration and compliance costs.
- D.** Challenges and availability of internal data to comply.
- E.** Most of the above, and more.

Polling question 8 — Role of Technology

Q: Do you think technology can address the pressures of the labor market?

A.

Yes —

Technology can automate tasks and increase productivity, reducing the need for additional employees.

B.

No —

Technology cannot replace human skills and expertise required for many roles.

C.

It depends...

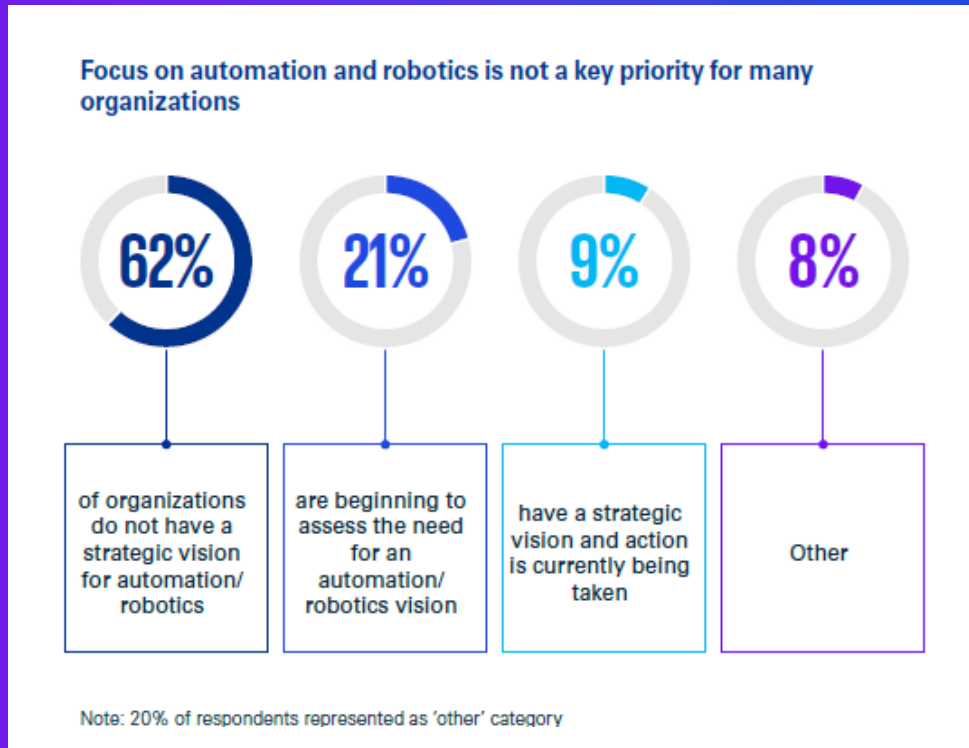
Depends on the industry and role — technology may be more effective in some areas than in others.

D.

Avoiding the question

Trying not to face the question (burying our heads in the sand for now)...

Automation and robotics






Source: KPMG Global Assignment Policies and Practices Survey (2023)




Consistent with the prior year survey, **48%** of organizations and **60% of global talent mobility functions** still do not have a strategic vision for automation and robotics.

Automation

Some of the biggest roadblocks to implementing

-  Lack of funding.
-  Bandwidth of the global talent mobility team to design and implement solutions.
-  Lack of necessary data, resources, or skilled talent.

Some of the potential benefits

-  Decreasing administrative costs and time.
-  Enabling the deployment of resources to higher value activities.
-  Enhancing workflow.



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