



2024 KPMG Global Mobility Forum: Key takeaways

October 2024

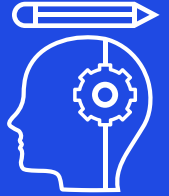
KPMG International



2024 KPMG Global Mobility Forum: on campus

| | | | | |
|---|---|--|---|---|
|  <p>Humanities</p> | <p>Employee experience: Don't be short-sighted</p> <p>Cross-border employee moves involve more than just compensation and taxes. A positive employee experience also depends on minimizing the impact of the move on health care, social security and pensions, in both the short - and especially the long-term. The potential issues are extremely varied, depending on the jurisdiction. This seminar explored how these areas can affect the employee experience and provide practical considerations and recommendations to mitigate the risks of adverse outcomes.</p> | <p>Non-traditional Mobility: Igniting your global workforce strategy</p> <p>Non-traditional Mobility arrangements are on the rise: cross-border roles, matrix organizations, remote/virtual assignments and more. This seminar covered the employment structuring solutions that support the various forms of non-traditional Mobility arrangements. The presenters shared practical insights into how you can partner with the business and your corporate tax teams to stay ahead of talent demands and use Mobility as a strategic driver for business growth and talent development globally.</p> | <p>Mobility job description of tomorrow</p> <p>The roles you have today: are they the roles you need for tomorrow? And do you and your team have the skills to get there? This course discussed the skills and roles you have today and what you anticipate you will need for tomorrow. The course also explored the experiences employees may want from Mobility in the future and the requirements Mobility teams need to manage those desired career experiences.</p> | <p>Debate club: Reward & executive pay</p> <ul style="list-style-type: none"> Is executive compensation “out of control”? Will “skills-based” pay improve an organization? Is pay transparency a “development for good”? <p>Would you argue “yes” or “no” to these vital questions affecting executive reward today? These questions were debated by KPMG professionals as they brought their perspectives to these key issues and the consequences, both intended and unintended, of the decisions companies take regarding executive pay.</p> |
|  <p>Classics</p> | <p>Sense & Sensibility: Annual regulatory update</p> <p>This seminar explored governments’ regulatory and tax policy responses to the era of the flexible workforce. Global Mobility professionals from around the world examined a range of topics: from the growing demand for transparency and fairness in the international tax system to the digitization of tax reporting and from the OECD’s worker Mobility and taxation workstream to how companies are navigating the challenges that cross-border and remote work continue to present.</p> | <p>Of Mice and Men: The dream of a better life and the reality of immigration</p> <p>This seminar draws from Steinbeck’s classic to explore the gap between the dreams and realities of employee relocation. The presenters examined the role of Mobility professionals in navigating the complexities of immigration, supporting employees’ aspirations, and managing business imperatives. They offered a thought provoking look at the human side of immigration and the crucial role of professionals in shaping each journey.</p> | <p>The Invisible Hand: Mobility economics — end-to-end cost control</p> <p>Your Mobility program can easily cost millions. Understanding your total program costs and their components supports you in making better and more informed decisions. This seminar explored the cost drivers in Mobility, how the demand for cost transparency and measurement of ROI can be met for your business stakeholders, and provided insight into how Mobility professionals can partner with the business to plan and execute international mobility more strategically.</p> | <p>Debate club: Tax principles</p> <ul style="list-style-type: none"> Residency vs. Source-based taxation: what’s the right approach? <p>A change from Residency-based to Sourced-based taxation could represent one of the most significant changes to international tax rules and cooperation ever considered. Hearing what an alternate approach might mean for individuals, companies, and Global Mobility promises to provide fascinating insights. KPMG professionals debated this question while bringing in their own perspectives.</p> |
|  <p>Design and Innovation</p> | <p>Designing cross-border solutions</p> <p>The risks created by cross-border work are now widely understood, but securing a budget for a solution often remains challenging. In this session, presenters discussed the design principles used to develop fit-for-purpose solutions that mitigate compliance risks and add value to the organization. Presenters shared real-life examples of the innovative ways businesses are addressing this topic, from adapting existing technology to expanding offshore teams and implementing new solutions.</p> | <p>Managing global employment and mobility taxes</p> <p>Global employment and Mobility taxes present a constantly changing landscape that can be difficult for employers to keep up. A governance framework can provide a clear and effective way to understand the global picture and manage the risk of costly errors. This session walked through the steps involved in designing and implementing such a framework for employment and Mobility taxes and discuss the practical steps needed to maintain it.</p> | <p>What gets measured gets done</p> <ul style="list-style-type: none"> Are we there yet? Is our Mobility program making a positive impact on our wider company strategy? What data sources will help us? <p>This session explored how identifying data sources, defining key performance indicators, and setting up a measurement process can support strategy and transformation. Panelists discussed how these principles have been applied in a real-life example of setting up a performance measurement system.</p> | <p>Debate club: Artificial Intelligence (AI)</p> <p>AI vs. Human</p> <ul style="list-style-type: none"> How can AI transform the processes in your Global Mobility program? Does AI present a threat to Global Mobility? Are we moving too quickly? <p>How would you argue these questions? KPMG professionals from around the world debated the positive and potentially negative impacts of AI on your workforce and organization.</p> |

Employee experience: Don't be short-sighted



Humanities

Presenters

Robert Rothery

Director
KPMG in the U.S.
rrothery@kpmg.com

Carolyn Chambers

Partner
KPMG in South Africa
carolyn.chambers@kpmg.co.za

Jonathan Turner

Senior Manager
KPMG in the U.S.
jonathanturner@kpmg.com

Alex Thornton

Partner
KPMG in the UK
alex.thornton@kpmg.co.uk

Three key takeaways

1. Different focuses.

Employers are likely to be most focused on short-term results and cost containment. Employees may be focused on personal costs, with a desire that the employers will shoulder any incremental financial burdens of mobility. Employers should anticipate potential assignee's questions about the long-term impacts of taking an assignment.

2. Anticipating concerns.

Employers should anticipate potential assignee's questions about the long-term impacts of taking an assignment. Pensions, social security and health care in an international context are confusing, which may contribute to hesitancy in relocating. Employers may be able to anticipate many concerns.

3. Communication is crucial.

With employee focuses taken into account and potential concerns understood, employers can develop and present information in a way that is useful to potential assignees. Greater certainty about costs and future impacts may smooth the way to employee acceptance.



Non-traditional Mobility: Igniting your global workforce strategy



Humanities

Presenters

Kshipra Thareja

Partner
KPMG in the U.S.
kthareja@kpmg.com

Demetra Marcantonio

Director
KPMG in the UK
demetra.marcantonio@kpmg.co.uk

Eric Gangey

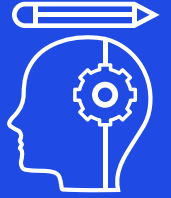
Head of Global Mobility
RWE
eric.gangey@rwe.com

Three key takeaways

1. As ongoing skills shortages continue, organizations are thinking critically about their talent strategies and the skills they need for the future. The use of talent marketplaces are expanding internally within organizations but also externally.
2. There has been a clear shift from global mobility arrangements to global workforce arrangements, requiring Global Mobility professionals to partner better with other parts of their organization to ensure the right talent is available at the right time.
3. It is important to take a step back and look at the bigger picture before designing specific interventions such as policies and employment structuring solutions, to really understand the overarching objectives, and types of arrangements which should be supported.



Mobility job description of tomorrow



Humanities

Presenters

Jamie Seymour

Partner, Tax
KPMG in the U.S.
jpseymour@kpmg.com

Elisa Holland

Managing Director and Head of
Innovation Labs at Ignition
KPMG in the U.S.
elisaholland@KPMG.com

Tracy Paech

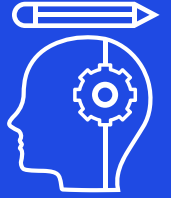
Head of Cross-border Workforce
Bayer
tracy.paech@bayer.com

Three key takeaways

1. Gain an understanding of the long-term trends and short-term shocks that are redefining work.
2. Better understand future skillset needs in mobility and where to invest in people, process and technology.
3. Gain insights from industry data and peer discussion on how to better connect across adjacent company functions to address new ways of working and meet future employee needs.



Debate club: Reward & executive pay



Humanities

Presenters

Chris Barnes

Partner
KPMG in the UK
chris.barnes@kpmg.co.uk

Bobby Berkowitz

Managing Director
KPMG in the U.S.
paula.holmstrom@kpmg.fi

Parmjit Sandhu

Principal
KPMG in the U.S.
parmjitsandhu@kpmg.com

Paula Holmström

Partner
KPMG Finland
paula.holmstrom@kpmg.fi

Eric Myszka

Managing Director
KPMG in the U.S.
emyszka@kpmg.com

Three key takeaways

1. Reward is something that impacts everyone in some way — both personally and in daily interactions with others. The nature of the topic makes them highly personal and can evoke emotional responses. Understanding different perspectives on the “rights” and “wrongs” of rewards can help you engage in conversations more thoughtfully and empathetically leading to higher-quality discussions.
2. There is increasing legislation that is already in place or soon to be implemented. Businesses must be prepared to comply with these regulations while also looking for opportunities to leverage any changes in legislation and rewards to set themselves apart from the competition.
3. The reality is that there may not be a definitive “right answer” to any debate about pay — which makes it both an interesting and sometimes frustrating area to navigate. It is important to consider the lens of each stakeholder involved in pay conversations. As the voices of these stakeholders grow, ignoring their views could lead to significant reputational damage for your business. But if you are able to harness their support for your proposals, it can deliver a significant advantage for your business.



Sense & Sensibility: Annual regulatory update



Classics

Presenters

John Seery

Managing Director
KPMG in the U.S.
jseery@kpmg.com

Martha Klasing

Partner
KPMG in the U.S.
mklasing@kpmg.com

Daida Hadzic

Director
KPMG in the U.S.
dhadzic1@kpmg.com

Murray Sarelius

Partner
KPMG in Singapore
murraysarelius1@kpmg.com.sg

Three key takeaways

1. Evolving tax and legal frameworks for diverse workforce models:

The landscape for tax and legal considerations continues to evolve rapidly, especially for cross-border workers, including traditional assignments, business travel and remote workers. Governments are increasingly updating their regulations to address the complexities introduced by new working arrangements, such as remote and virtual assignments. The OECD's BEPS initiatives and changes in the definition of permanent establishment highlight the need for businesses to stay vigilant and adaptable to these evolving rules.

2. Employer compliance and risks amidst increased regulatory scrutiny:

Employers are facing heightened obligations to comply with mobility's legal requirements, with an increasing focus on audit activities by tax authorities and labour inspections. This includes payroll audits, assessments of whether employees' activities create a taxable presence in certain jurisdictions, and whether employers provide adequate working conditions to mobile workers. The rising enforcement activities, particularly in the US and Europe, with audits conducted jointly by labour inspections from several countries, underscore the risks involved in non-compliance and the importance of robust internal controls and compliance strategies.

3. The role of technology and artificial intelligence in regulatory compliance:

Use of technology and digitalization of compliance processes, especially within the European Union, is playing a transformative role in the mobility world. Authorities are leveraging digitization and AI to enhance data collection, transparency, and enforcement. This includes initiatives like the entry/exit system in Schengen countries (e-gates), digital wallet for verification of social security and health insurance, and labor inspections organized based on data and risk analysis. The use of AI by tax authorities is expected to further increase the accuracy and efficiency of audits and compliance checks, making it crucial for businesses to stay ahead of technological advancements and integrate them into their compliance frameworks.



Of Mice and Men: The dream of a better life and the reality of immigration



Classics

Presenters

Stefano Moritsch

Global Geopolitics Lead
KPMG International
stefanomoritsch@kpmg.co.ke

Graeme Black

Partner
KPMG Canada
graemeblack@kpmg.ca

Rachel Paul

Partner
KPMG in the U.S.
rachelpaul@kpmg.com

James J. Plunkett

Shareholder
Ogletree Deakins
james.plunkett@ogletree.com

Three key takeaways

1. Fragmentation of the global economy, rising protectionism and national agendas result in immigration policymakers having to form policies under huge pressures to address skills deficits and fit in growing demands for 'closing borders.' As a result, companies find themselves in a complex environment to manage talent attraction, retention and mobility.
2. It is increasingly important to be able to mitigate the geopolitical risks and impacts on talent mobility, which requires strong communication within companies, well-prepared mobility and immigration teams and strong vendor relationships. Only then can companies take a holistic view to address skills gaps, consider which immigration strategies should be employed and how to best ensure safety, talent retention and business continuity.
3. Mobility professionals have the unique positioning to both shape the experience that employees have, and also to advise the business in ways that minimize stress and strain. Increasingly, it is vital to employ scenario planning to prepare for geopolitical risks and immigration strategy mapping while driving toward goals in growth, talent supply, etc.



The Invisible Hand: Mobility economics — end-to-end cost control



Classics

Presenters

Thomas Efkemann

Partner
KPMG in Germany
tefkemann@kpmg.com

Matthias Wiemann

Partner
KPMG in Germany
mwiemann@kpmg.com

Cathryn Vose

Head of International Mobility
and Global Employment Tax
Vodafone
Cathryn.vose@vodafone.com

Three key takeaways

1. Understanding and managing mobility cost drivers

Understanding the different cost drivers in your mobility program, such as shipment, housing and tax costs, is essential for effective cost management. Creating transparency in these costs allows businesses to make informed decisions to optimize spending and avoid unexpected costs post-assignment. Leveraging cost estimations and establishing a robust process from planning to actual cost measurement can build accurate financial accruals. Awareness of total mobility program costs and active management of these can significantly demonstrate the value of cost management to your business.

2. Importance of cost transparency and process establishment

Creating cost transparency is not just about tracking costs but also about understanding their implications and managing expectations within the business. It involves educating stakeholders about the impact of cost decisions and using data effectively to manage budgets and forecasts. A systematic process from cost estimation to tracking actuals helps align the mobility program's financial goals with the overall business strategy. This process should include regular updates and checkpoints to ensure that cost projections remain accurate and provide real-time financial visibility.

3. Leveraging analytics and reporting in mobility programs

Using analytics to calculate business cases and report ROI is crucial in justifying the expenditures involved in mobility programs. It helps map out the financial impacts of mobility decisions and communicate these impacts to stakeholders through clear and concise reporting. Additionally, analytics support the continuous improvement of cost estimation models by identifying areas where actual costs deviate from projections, thereby refining future forecasts. This analytical approach not only supports better financial management but also enhances the strategic value of the mobility program within the business.



Debate club: Tax principles



Classics

Presenters

Dan Hodgson

Partner
KPMG in Australia
mwiemann@kpmg.com

Barbara Kinle

Partner
KPMG in Singapore
bkinle@kpmg.com.sg

Christine Deveney

Director
KPMG in the U.S.
cdeveney@kpmg.com

Fredrik Lundgren

Partner
KPMG in Denmark
fredrik.lundgren@kpmg.co

Three key takeaways

1. Currently, many countries adopt a residency-based taxation model, where individuals are taxed on their global income based on their residency status. This approach aims to ensure that those who live and contribute to a country's economy are held accountable for their financial activities, regardless of where those activities take place. However, as the landscape of work continues to evolve — particularly with the rise of globalized business operations and hybrid work arrangements — this traditional model faces significant challenges. Many individuals now find themselves working across borders, leading to questions about fairness and efficiency in taxation. A resident may earn income from various jurisdictions, complicating tax obligations and potentially resulting in double taxation or regulatory loopholes.
2. In response to these challenges, tax authorities and regulators will need to consider if alternative frameworks of personal taxation may be more appropriate. For example, source-based taxation may present an alternative framework, where individuals are taxed based on where their income is generated, regardless of their residency. This approach could simplify compliance for global workers and ensure that countries receive tax revenue from economic activities conducted within their borders.
3. However, any change from the current state to accommodate the new way of work will be incredibly complex to design and implement, and requires global alignment to be effective. It may just be that notwithstanding the rise of hybrid and remote work presenting new challenges for tax authorities, they do not necessitate the abandonment of our long-held principles, which are based on fairness, simplicity, adaptability, and a sense of community, and that abandoning these principles risks weakening our common connections even further. For now, at least, we are stuck navigating the status quo, and it remains very much a case of 'watch this space'!



Designing cross-border solutions



Design and
Innovation

Presenters

Michelle Berners Price

Partner
KPMG in the UK
michelle.berners-price@kpmg.co.uk

Dave Mayes

Partner
KPMG in the US
dmayes@kpmg.com

Amanda Ayotte

Director, Global Mobility
Koch Inc.
amanda.ayotte@kochcc.com

Ralph Kirchof

Head of Global Mobility
UBS AG
ralph.kirchof@ubs.com

Three key takeaways

1. Successful programs follow design principles during the setup phase:
 - Assess
 - Architect
 - Action
2. A strong governance model is needed to ensure:
 - Challenges are overcome
 - Stakeholders are aligned
 - Timelines are met
 - Budgets are managed
3. Leveraging existing skills, processes, platforms and AI improves the Return on Investment for the organization.



Managing global employment and mobility taxes



Design and
Innovation

Presenters

Roop Vohra

Partner
KPMG in the UK
Roop.Vohra@kpmg.co.uk

John Montgomery

Partner
KPMG in the U.S.
jmontgomery@kpmg.com

Kristin Noble

Partner
KPMG in Canada
knoble@kpmg.ca

Three key takeaways

1. Employment and mobility taxes are constantly changing, and it can be difficult for employers to keep up, creating risk and exposure.
2. A governance framework can provide a clear and effective way to manage these risks, showing control and oversight.
3. Not many companies have a formal governance framework, and we see this as an area that will demand more attention.



What gets measured gets done



Design and
Innovation

Presenters

Dinesh Sinniah

Tax Partner
KPMG in the U.S.
dsinniah@kpmg.com

Mónika Martens-Fila

Senior Manager Tax
KPMG in Hungary
monika.martens-fila@kpmg.hu

Katherine Avery

Tax Partner
KPMG in the U.S.
katherineavery@kpmg.com

Jennifer Fontaine

Bill and Melinda Gates Foundation,
Global Mobility
jennifer.fontaine@gatesfoundation.org

Three key takeaways

1. Developing methodology to measure the success of the mobility program
2. Providing clear and tangible examples of how to measure
3. Application of the methodology to other use cases like managing compliance risk



Debate club: Artificial Intelligence (AI)



Design and
Innovation

Presenters

Steve Herlocker

Partner, Tax, GMS Core
KPMG in the U.S.
sherlocker@kpmg.com

Wayne C Soontiraratn

Managing Director, Tax, GMS Client Products
KPMG in the U.S.
wsoontiraratn@kpmg.com

Simona Vasile

Partner, Global Mobility Services (Law)
KPMG Norway
simona.vasile@kpmg.no

Robert N Smith

Managing Director, Tax, GMS Client Service
Delivery
KPMG in the U.S.
robertnsmith@kpmg.com

Andrew Vincett

Partner, Tax, GMS PTA (CC)
KPMG Switzerland
andrewvincett@kpmg.com

Anita R Bhargava

Managing Director, Tax, GMS Client Service
Delivery
KPMG in the U.S.
abhargava1@kpmg.com

Three key takeaways

1. AI driven program transformation.

AI can help transform the global mobility function but will not do it alone. AI can automate routine tasks and extract key insights from disparate data sources, allowing global mobility professionals to focus on creative and strategic activities. Truly transformative global mobility functions will harness the power of AI to enhance their service delivery while focusing efforts to drive better business relevancy to the function.

2. AI and the global mobility professional.

Global mobility is an inherently human experience. Empathy and personal connections are required to successfully serve multiple stakeholders. AI cannot replace the crucial role of global mobility professionals, by leveraging this technology, the expectations of global mobility professionals in the future will change. Those who can harness the technology to effectively augment their roles will differentiate themselves within their organizations and the market.

3. When to implement.

It is difficult to know when the right time is to introduce AI into the global mobility function. AI technologies are evolving rapidly and continuing to get better with each release. On a global scale, there are concerns about economic and social costs and a potential market bubble surrounding the proliferation of specific AI applications and options. A balanced implementation that allows for foundational and incremental uses of AI will often lead to the biggest return on investment. By focusing on how AI can serve you and your function versus a specific platform or offering, global mobility professionals can start harnessing the power of AI now while allowing flexibility for the inevitable evolution of specific technology offerings and platforms.



Some or all of the services described herein may not be permissible for KPMG audit clients and their affiliates or related entities.

kpmg.com



© 2024 Copyright owned by one or more of the KPMG International entities. KPMG International entities provide no services to clients. All rights reserved.

KPMG refers to the global organization or to one or more of the member firms of KPMG International Limited ("KPMG International"), each of which is a separate legal entity. KPMG International Limited is a private English company limited by guarantee and does not provide services to clients. For more detail about our structure please visit kpmg.com/governance.

The information contained herein is of a general nature and is not intended to address the circumstances of any particular individual or entity. Although we endeavor to provide accurate and timely information, there can be no guarantee that such information is accurate as of the date it is received or that it will continue to be accurate in the future. No one should act on such information without appropriate professional advice after a thorough examination of the particular situation.

The KPMG name and logo are trademarks used under license by the independent member firms of the KPMG global organization.

Designed by Evaluateserve.

Publication name: 2024 KPMG Global Mobility Forum: Key Takeaways

Publication number: 139679-G

Publication date: November 2024