

Expatriate Tax

Effective Global Solutions



Now, for tomorrow

**“United by a
commitment to
provide exceptional
client service”**

We are Baker Tilly

Global providers of assurance, tax, consulting, and advisory services.

Our 34,000 people, in nearly 800 offices, across 145 territories serve clients of every sector and size who look to us for the insights needed to accelerate their growth.

At Baker Tilly, we are ready now, for tomorrow’s challenges. We believe in the power of great relationships. We lead and listen for great conversations. We channel change into progress for great futures.

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Expat tax partner – A key relationship

Migration of professional staff is rising as many employees happily move around the globe to bolster personal growth and career development.

For an international business an exchange of labour can be very valuable but also expensive and an extreme administrative burden.

When dealing with globally mobile employees, there are numerous questions to be answered from both a compliance as well as risk management perspective.

An expatriation does not only affect the employee's tax but also the remuneration package, social security position and pension planning. An employer needs to know which payroll will remunerate the employee, whether there is an obligation for the company to report the salary to the authorities, withhold taxes and social security contribution, or if is this done by the employee himself.

The independent member firms of the Baker Tilly network can assist when you need to move employee's across borders. We will provide 'one point of contact', who can ensure the company is in compliance with all tax regulations around the world, as well as social security and immigration rules.

In the Baker Tilly network we have member firms in more than 140 territories, including in all of the world's major economies. Our member firms have partners, directors and staff operating across a wide range of professional disciplines, including in the complex and challenging field of expat tax.

Our specialists in expat tax bring to each client assignment a thorough knowledge of tax law and practice in their location, extensive experience of guiding businesses safely through their compliance obligations, and a proactive approach to giving constructive advice to businesses regarding tax opportunities and minimising costs.

Through collaboration, the expat tax specialists within the Baker Tilly network provide a full service offering to international businesses.

The expat teams regularly assist businesses and individuals with the following scenarios:

- International assignments or secondments
- Cross-border commuters who live and work in more than one territory
- Business travellers
- Tax compliance for employees as well as employers
- Social security
- Immigration
- Payroll.

Tax compliance

For an employee assigned to work in a foreign territory being exposed to the nuances of another tax system can be quite overwhelming. Key questions include:

- What am I required to do?
- How do I pay my taxes?
- Is all my remuneration taxable or do I receive tax exempt benefits?
- When is the deadline for filing the tax return?
- What kind of deductions can I claim?
- Do I file a joint tax return with my spouse?

For the employer there is also a potential risk of being noncompliant if an obligation to report earnings or withhold taxes is not dealt with. Furthermore there are often corporate income tax, indirect tax and transfer pricing considerations to bear in mind.

With the assistance of our expat tax specialists, the employee as well as the employer can be certain that they are compliant in all matters concerning tax. This makes it possible for the employee to focus on what is important, the business.

- Our member's expat tax service offering includes the following:
- Exit/entry meetings
- Registration for local taxes
- Salary calculation (net to gross and gross to net)
- Tax return preparation
- Application for special tax regimes
- Liaison with the tax authorities.

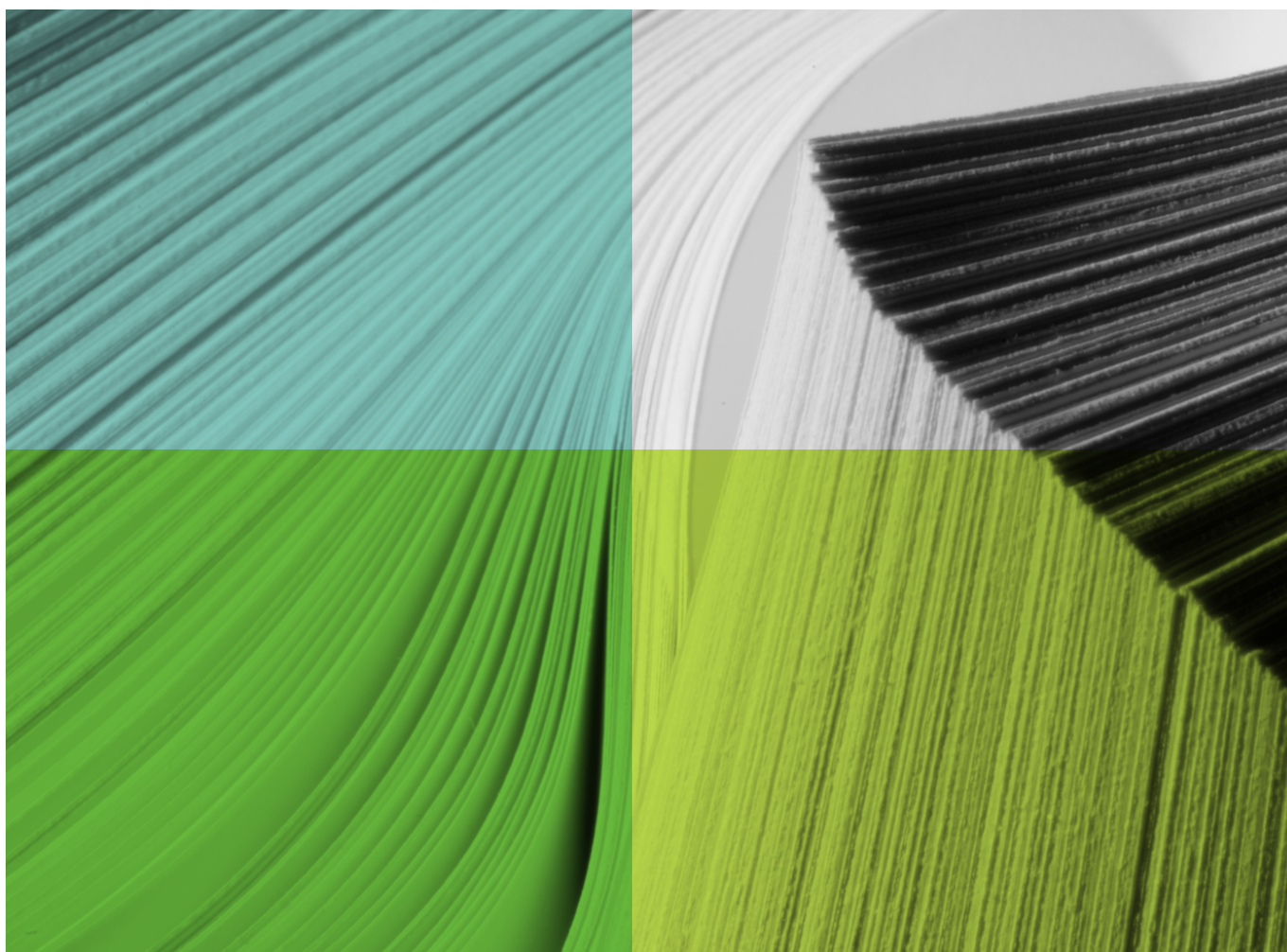
Social security

The tax and social security position does not always mirror one another in both the entry and exit locations. Also, the tax result can vary due to subtle change in circumstances.

Furthermore the social security implications differ from territory to territory and can be a material cost for the employer, hence we recommend this is taken into considerations at the earliest opportunity, when an employee is assigned to work in another territory.

If the assignment is between European territories a secondment contract is often preferable over a local contract, as a secondment makes it possible to keep the employee within the home location's social security system. This can be done by applying for an A1 form.

Our expat tax specialists are not only experienced in tax legislation but also in advising on how to efficiently deal with social security requirements and applying for an A1 form where beneficial to your business.





“Not all territories immigration legislation is the same which makes it important that a local expert handles the immigration of an employee. “

Immigration

Before an employee is sent to another territory it is important to know whether or not the employee needs a working visa in order to perform work.

Within the European Union a visa is not necessary when expatriating an employee. But if the employee is moving into the Europe Union or moving outside of the Europe Union most territories require a working visa. Some territories can even threaten harsh sanctions for the company and expat, if the immigration regulations are not met.

Not all territories immigration legislation is the same which makes it important that a local expert handles the immigration of an employee.

All over the world our expat specialists will be happy to assist with the immigration of an employee and make sure the process moves as quickly and efficiently as possible. In some territories the immigration process requires a specialised immigration lawyer who will work closely with our experts.

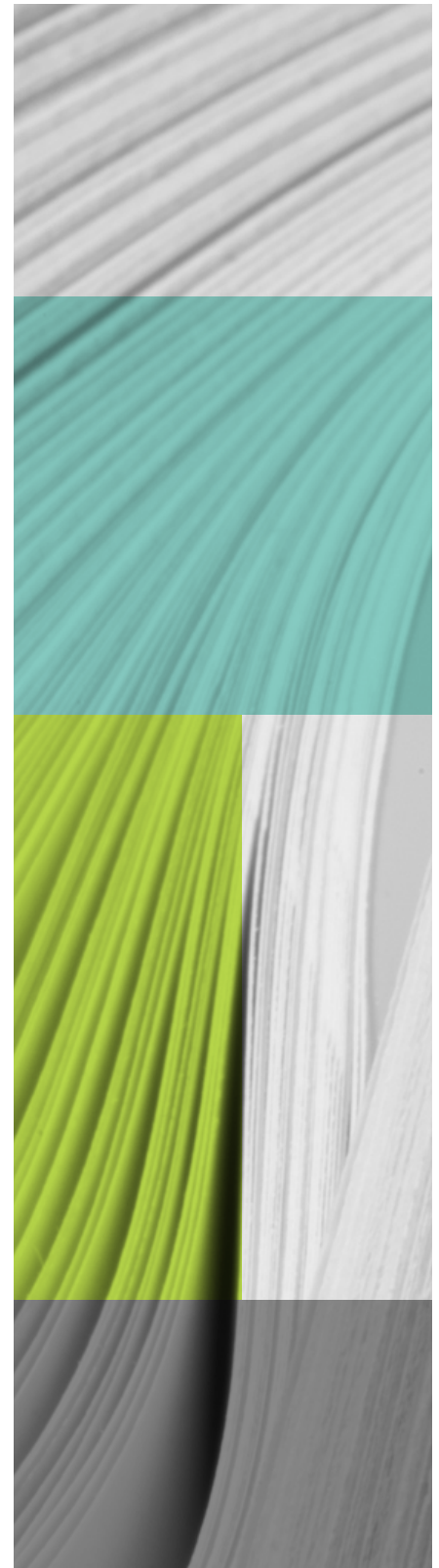
Payroll

When expatriating an employee, the question is often which payroll will pay the employee? If the employee is expatriated with a net salary the local payroll may not be able to provide the calculations necessary for them to know the gross salary or even withhold the right amount of taxes and social security contributions. Some host territories may not even have a payroll system in place.

For the employee in particular, it is vital that everything regarding the payroll is handled professionally every month and that the pay is transferred when agreed.

Our member's expat tax and payroll specialists are not only experienced in handling payroll but also in handling payroll for expatriates with a net salary or a gross salary system in place.

Our expat tax and payroll teams know how to deal with benefits efficiently too, particularly in relation to tax exemptions. We endeavour to provide advice on what kind of benefit is most cost efficient for the employer and of most value to the employee.





Contacts

Below you will find the contact details for our Baker Tilly International regional directors, who can evaluate your specific requirements and ensure a tailored tax team are brought together to meet your needs:

Tax Director

Androulla Soteri

androulla.soteri@bakertilly.global

Expat Tax Global Leader

Peter Polman

p.polman@bakertilly.nl

Regional Directors

Asia Pacific

Harsh Maheshwari

harsh.maheshwari@bakertilly.global

Europe, Middle East and Africa

Murray Watt

murray.watt@bakertilly.global

Latin America

Donny Donosso

donny.donosso@bakertilly.global

North America

Jake Luskin

jake.luskin@bakertilly.global

Alternatively, to locate your nearest member firm visit bakertilly.global.

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Global Office

6th Floor, 2 London Wall Place
London, EC2Y 5AU, United Kingdom
info@bakertilly.global

[bakertilly.global](https://www.bakertilly.global)

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