

Global mobility

Global mobility is increasingly becoming a way of life. Deputations and secondments are a natural extension of the globalized economy. Requirement to have the right employee with the appropriate skill-set at the right location to fulfill organizational requirements mandates speed of deployment.



With a view to leverage the available pool of talent and cost advantage, India has become a hotspot of outbound deputation. Some of the key drivers for the companies to develop assignment models for deputations are outlined below:



- Business Drivers**
- Meeting business needs seamlessly
- Speed of deployment
- Cost optimization
- Risk mitigation



- Manpower Drivers**
- Right policies and framework
- Partnering with the right vendors to support employee and family transition
- Continuity of retirals and benefits
- Assistance to ensure employee compliances
- Clear communication to employees

Deloitte.

Deloitte refers to one or more of Deloitte Touche Tohmatsu Limited, a UK private company limited by guarantee (“DTTL”), its network of member firms, and their related entities. DTTL and each of its member firms are legally separate and independent entities. DTTL (also referred to as “Deloitte Global”) does not provide services to clients. Please see www.deloitte.com/about for a more detailed description of DTTL and its member firms.

This material is prepared by Deloitte Touche Tohmatsu India LLP (DTTILLP). This material (including any information contained in it) is intended to provide general information on a particular subject(s) and is not an exhaustive treatment of such subject(s) or a substitute to obtaining professional services or advice. This material may contain information sourced from publicly available information or other third party sources. DTTILLP does not independently verify any such sources and is not responsible for any loss whatsoever caused due to reliance placed on information sourced from such sources. None of DTTILLP, Deloitte Touche Tohmatsu Limited, its member firms, or their related entities (collectively, the “Deloitte Network”) is, by means of this material, rendering any kind of investment, legal or other professional advice or services. You should seek specific advice of the relevant professional(s) for these kind of services. This material or information is not intended to be relied upon as the sole basis for any decision which may affect you or your business. Before making any decision or taking any action that might affect your personal finances or business, you should consult a qualified professional adviser.

No entity in the Deloitte Network shall be responsible for any loss whatsoever sustained by any person or entity by reason of access to, use of or reliance on, this material. By using this material or any information contained in it, the user accepts this entire notice and terms of use.

Deloitte.



Outbound employee management

2016



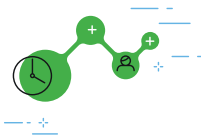
Outbound employee management

As organizations grow and become more global in nature, employment issues become more complex. Among the most serious challenges businesses face today, is compliance with multifaceted tax laws and labor regulations.

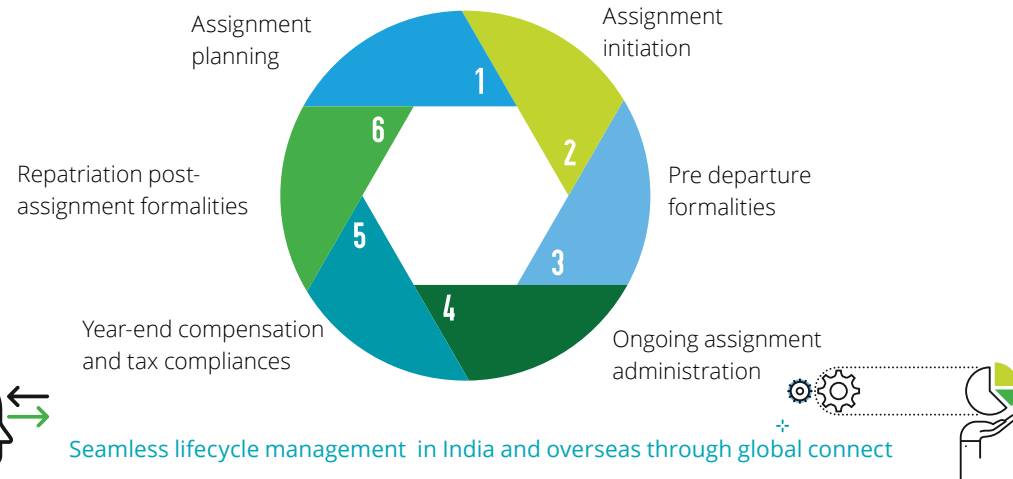
Enhanced disclosure through tax return forms and the introduction of stringent provisions to

tax undisclosed/unaccounted overseas income and assets by tax authorities warrant a review of current policies and processes.

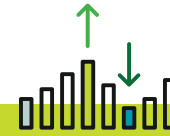
With increased sharing of data amongst tax, immigration and social security authorities, employers need to focus on robust documentation and choose the right deployment model.



Outbound engagement – Life cycle



Key outbound drivers



Right deployment model

- Determine the outbound deployment model keeping in mind tax, social security, regulatory and immigration considerations both from India and overseas perspective.
- Optimization of tax and social security costs by leveraging on tax treaties and social security agreements.
- Ensure consistency in documentation being submitted to various authorities.



Plan for New destinations

- Understand immigration requirements, documentation and related implication on the type of visa.
- Take an informed decision based on tax and social security implications in India and overseas.
- Revisit deployment model to cater to country specific requirements such as availing expatriate tax reliefs, specific dispensation regimes (tax and social security).



Employee communications to

- Enhance awareness on tax and social security obligations in India and overseas jurisdiction
- Have clarity on employer provided benefit and support
- Evaluate the possibility of availing reliefs under tax treaties and social security agreements
- Review the positions adopted in respect of per-diems etc.

Managing compliances

- Employer compliances
 - Withholding tax
 - Obligations for RORs
 - Policies for per diems
 - Distinction between tour v/s transfer and determination of residential status thereon
 - Explore alternatives to minimize tax exposure for non-residents
- Individual tax compliances
 - Tax registrations, returns etc. in India and overseas locations
- Retirement benefits
 - Review risk exposures on account of Provident Fund and Gratuity
 - Optimize on social security agreements



Compliance drivers (home and host country)

