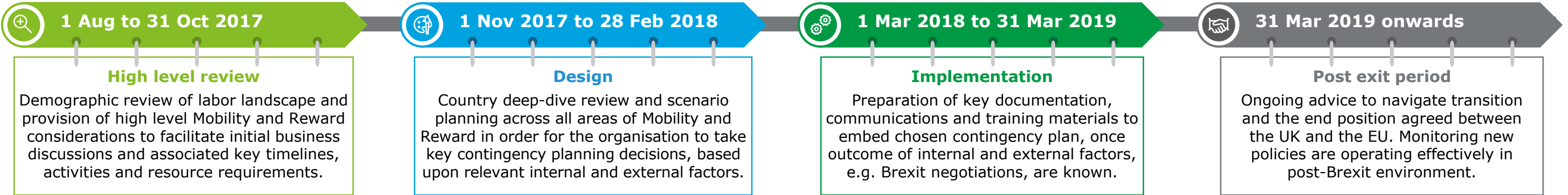




Brexit: Preparing for a new direction – a phased approach

“With the current uncertainties surrounding Brexit, many companies with significant European operations are progressing their contingency plans. Below is an indicative phase-approach organisations may follow in planning for Brexit outcomes when moving talent in respect of tax, social security and immigration compliance, as well as designing suitable mobility and reward strategies.”



Brexit: Preparing for a new direction – key activities

“The below outlines our suggested key activities that an organisation should undertake between now and Brexit. Deloitte’s market-leading subject matter experts would support you throughout this journey across our **Mobility** (Tax, Payroll, Social Security and Immigration) and **Reward** (Share plans and Exec Compensation) specialisms.”

	High level review	Design	Implementation	Post exit period	
	<ul style="list-style-type: none"> Current state assessment review to understand employee volumes, potential locations, level of seniority and types of moves. Analysis of current EU labour reliance to understand high level impact of Brexit. Benchmarking of other high level approaches across Mobility and Reward being taken by organisations in the FS industry, in light of Brexit negotiations. 	<ul style="list-style-type: none"> Deep dive location analysis across areas such as talent availability, infrastructure, cost, political stability, economic growth, availability of government incentives, cost and quality of living. Scenario planning of cross-border moves including individual pay packages, employee/ employer costs and administration requirements. Deep dive workforce review to understand categories and volumes of individuals across each scenario e.g. return to home country, commuter, permanent transfer, position fulfilment. 	<ul style="list-style-type: none"> Preparation of training material, employee communications and change management supporting tools and templates to embed new way of working. Implementation of various topic specific helplines, e.g. immigration. Creation and distribution of relevant FAQ documentation. Presentations to relevant stakeholders. Real time review and adjustments of implemented strategies/activities in conjunction with wider Brexit related developments. 	<ul style="list-style-type: none"> Ongoing Mobility and Reward updates in relation to Brexit to ensure new way of working is still fit for purpose. Adhoc Mobility and Reward advice in relation to any additional scenarios of considerations which develop post Brexit. Review of the model to ensure appropriate given current/future state of EU relationship. 	General
Mobility	<ul style="list-style-type: none"> High level Mobility compliance overview of potential locations (suggested 4) which includes comparison of local regulatory requirements across income tax, social security and immigration e.g. rates, impact on net pay, administration requirements, expat reliefs available. Decision tree documentation on specific topics, e.g. immigration and permanent residence applications. 	<ul style="list-style-type: none"> Options analysis and re-design of Mobility policy approach e.g. assignment-lite policies, use of existing Mobility policies or specific “Brexit move” policies. Policy component and flexibility design across different move types and scenarios based on best practice and to ensure talent attraction and compliance. Cross-tax review to ensure optimisation consistencies from an indirect and Corporate tax perspective. 	<ul style="list-style-type: none"> Preparation of new Mobility policies (if required) or alternative cross-border move support. Application for relevant work permit/visas for talent who are relocating. Design and set up of expatriate payroll processes and registrations to ensure cross-border compliance. 	<ul style="list-style-type: none"> Ongoing Mobility approach and policy review to ensure this continues to meet business requirements in a changing political landscape and is aligned to predominant market practice post Brexit. Monitoring compliance of new ways of working in relation to post-Brexit business travelers and commuters Adhoc expatriate compliance review to ensure all moves under Brexit were conducted in a compliant manner. 	
	<ul style="list-style-type: none"> High level Reward compliance overview providing regulatory guidance applicable to Reward in the banking, asset management and insurance sectors e.g. the level of bonus cap applied or whether there are more stringent deferral or malus/clawback requirements in a certain jurisdictions. Reviewing the relevant pension and benefit issues, e.g. mandatory requirements 	<ul style="list-style-type: none"> Compensation and benefit approach design to ensure consistency across locations. Detailed analysis of the reward regulatory rules relating to the design/structure, disclosure and governance of remuneration. Re-design of reward packages Analysis of any specific local rules/regulator guidance in relation to identifying staff as Material Risk Takers (MRTs). Design of termination planning in respect of timeline, activities required, redundancy costs and costs of local hiring. 	<ul style="list-style-type: none"> Drafting and implementation of any new reward packages e.g. award letters. Dealing with regulatory remuneration disclosures and engagement with local regulator. Drafting of new local contracts to facilitate the transfer of employment. Other associated legal considerations, e.g. transfer of employee data and assessment on employment law. 	<ul style="list-style-type: none"> Annual review and identification of MRTs under the different FS regulatory regimes. Central and independent annual review of the implementation of remuneration policies. Drafting of remuneration policies to ensure on-going compliance with regulatory requirements (e.g. severance pay policies, malus/clawback policies). 	Reward