

● Webinar | Payroll Payments Edition

**“Never Have I Ever”**

# Navigating the Last Mile of Compliance



# I'm Ian. Nice to meet you...

A Global Payroll Leader and Mentor, Payroll Strategist for Papaya Global



**Never have I ever...** Performed ½ million keyboard strokes a week

**Never have I ever...** Used a dot-matrix printer

**Never have I ever...** Separated metres of perforated payslips

**Never have I ever...** Paid employees in cash

**Never have I ever...** Had to hand write cheques

# Everything Payroll Leads To Payments

# Agenda

1. Why is global payroll so complex
2. Bringing payroll & payments into the 21st century
3. The challenges in global payroll payments
4. Paytech built for payroll: Papaya Global solution
5. Not all payrolls are created equal: Understanding payroll maturity
6. Legislation, compliance and local payroll practices

# Why is Global Payroll so Complex?

“Never have I ever” seen anything advance as little as payroll and payments

- Holding onto the past
- Not enough investor interest
- 25% of payroll is done by hand



# What does this mean for global payroll?

**3.5B**

People in the  
global workforce

**43%**

of large global businesses don't  
have standardized processes

**8 in 10**

errors are due to flawed data  
management

The average cost of a global data  
breach is

**\$3.9 billion**

**42%**

Experience Compliance challenges

**27%**

Have inefficient processes

**34%**

Report the complexities of multi-jurisdictional  
payroll are an issue

# Payroll lessons from that last 2-3 years

“Never have I ever” seen as much change as I have in recent years

**The positive:**  
innovation &  
creativity

**The negative:**  
mass layoffs &  
overworked  
employees

# Payroll in the 21st Century: a work in progress

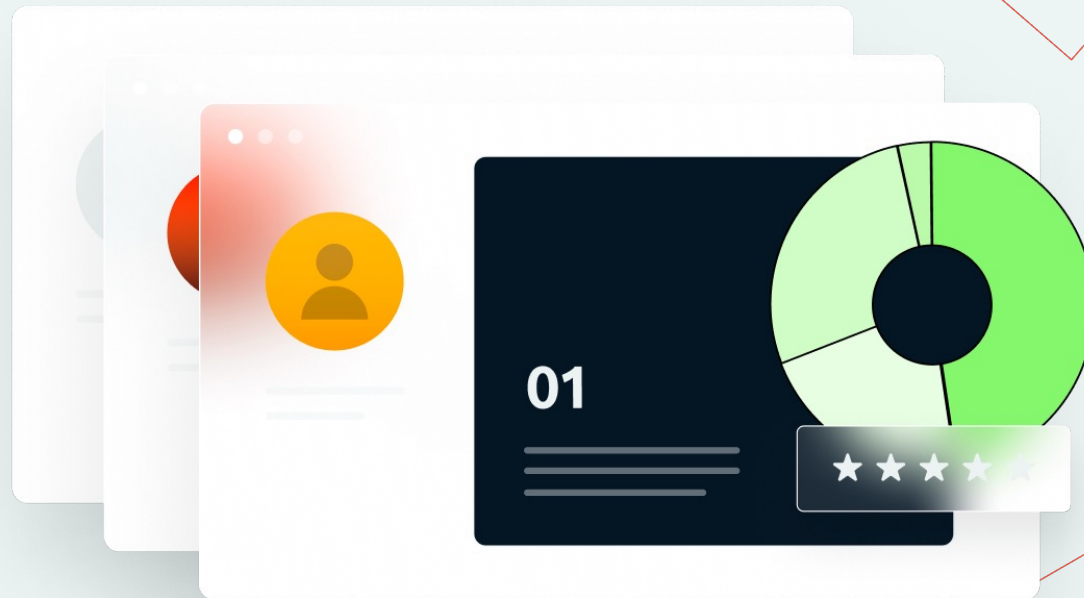
“Never have I ever” seen payroll run smoothly by relying on multiple systems and partners

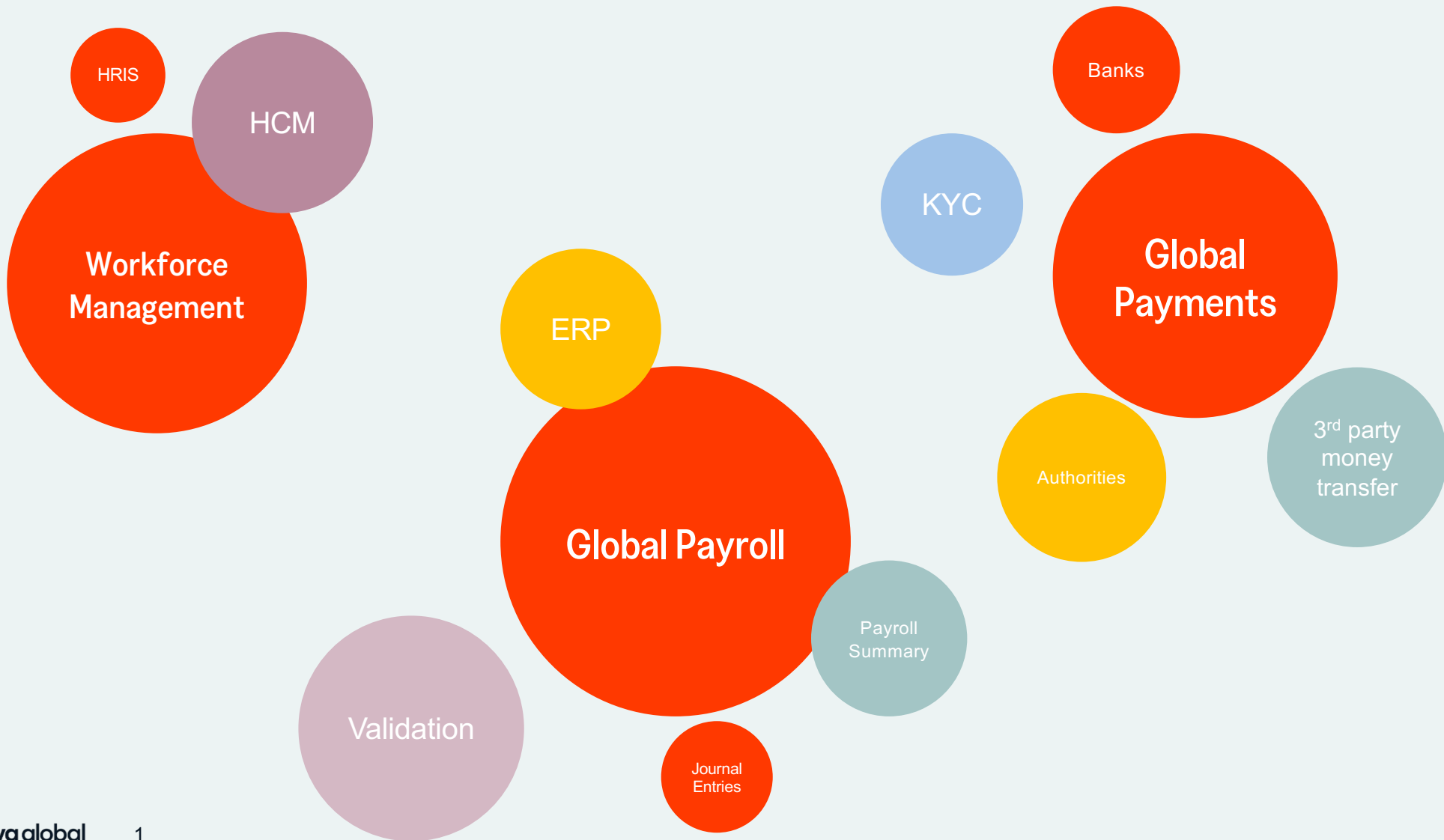
Only **11%** of companies say they have workforce data in real-time

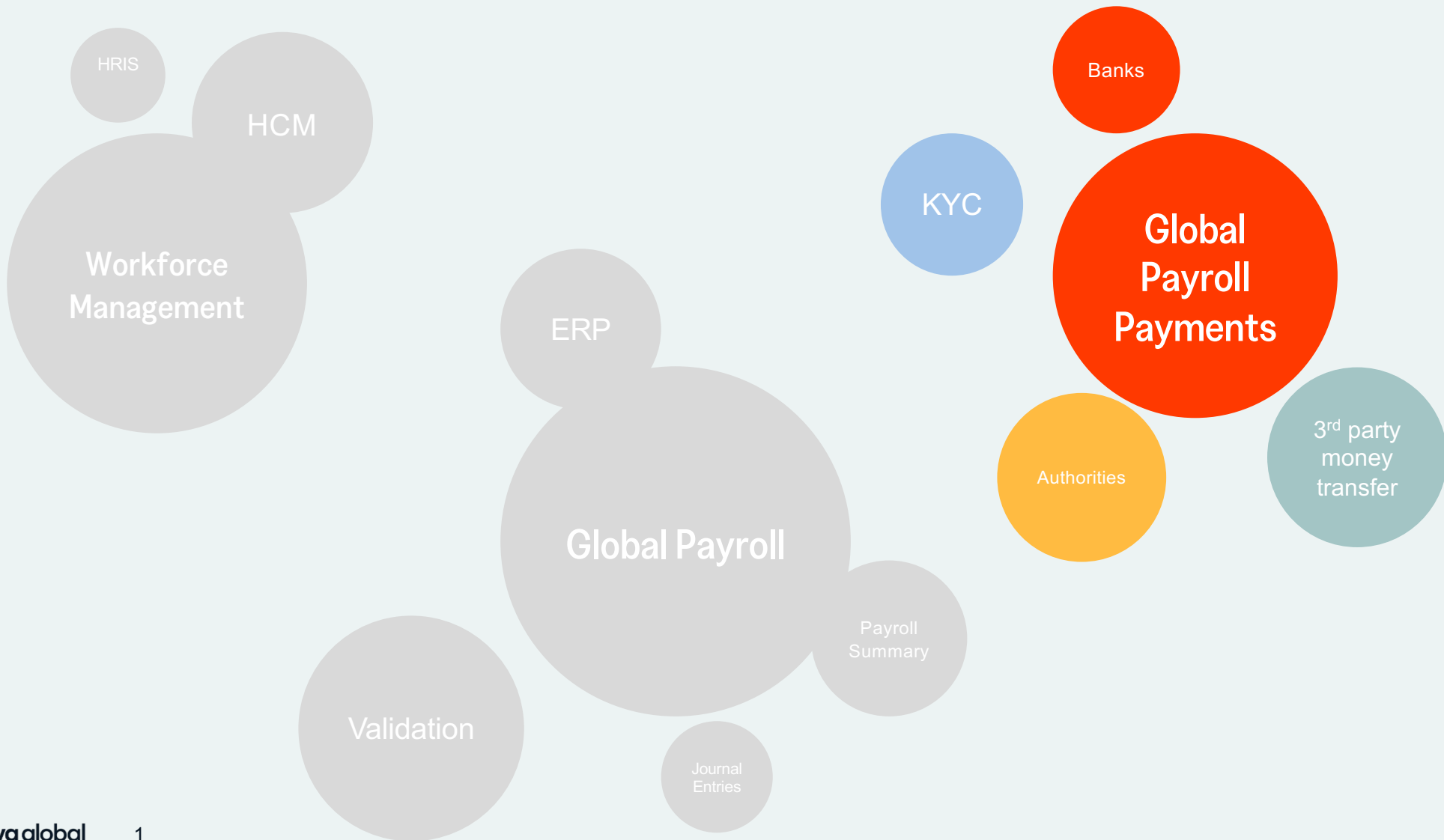


# What's wrong with multiple systems?

- Human error
- Little data visibility
- Time wasted
- Lack of security

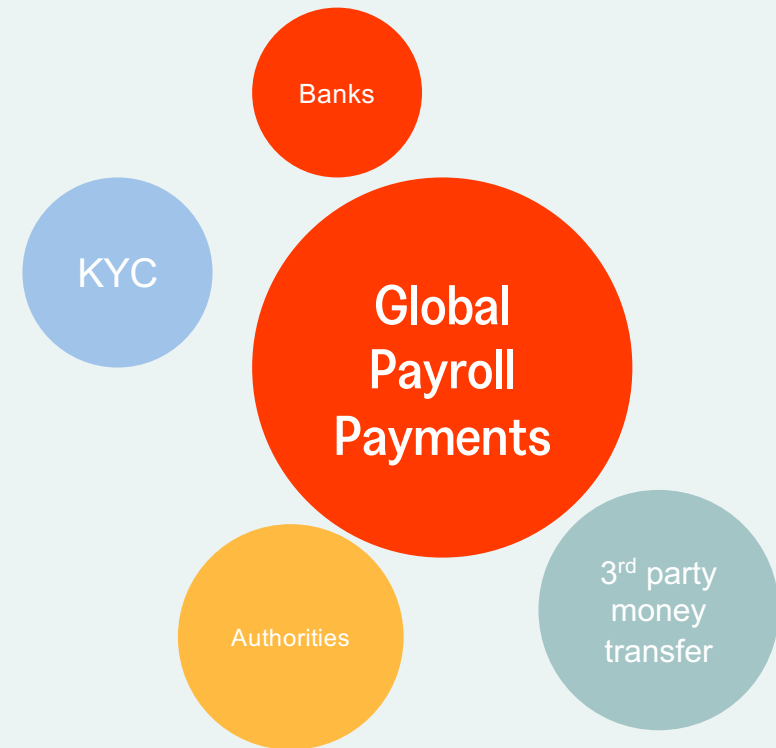






# The pain of the “last-mile” payment

“Never have I ever” considered the struggle behind the last-mile payment before I had to do it myself



# What are the challenges in global payroll payments?

# Currently 2 ways of doing cross border payments

## Banks and PSPs



# Why banks are still in the dark ages?

Time  
sensitive

Lack of  
visibility

Ultimate  
debtor

Payroll  
Classification

Accuracy

KYC

Local  
regulations

Authorities'  
payments

# Why PSPs bring a new world of (modern) challenges?

Data security

Ultimate debtor

Cross-border,  
local currency

KYC

Accuracy

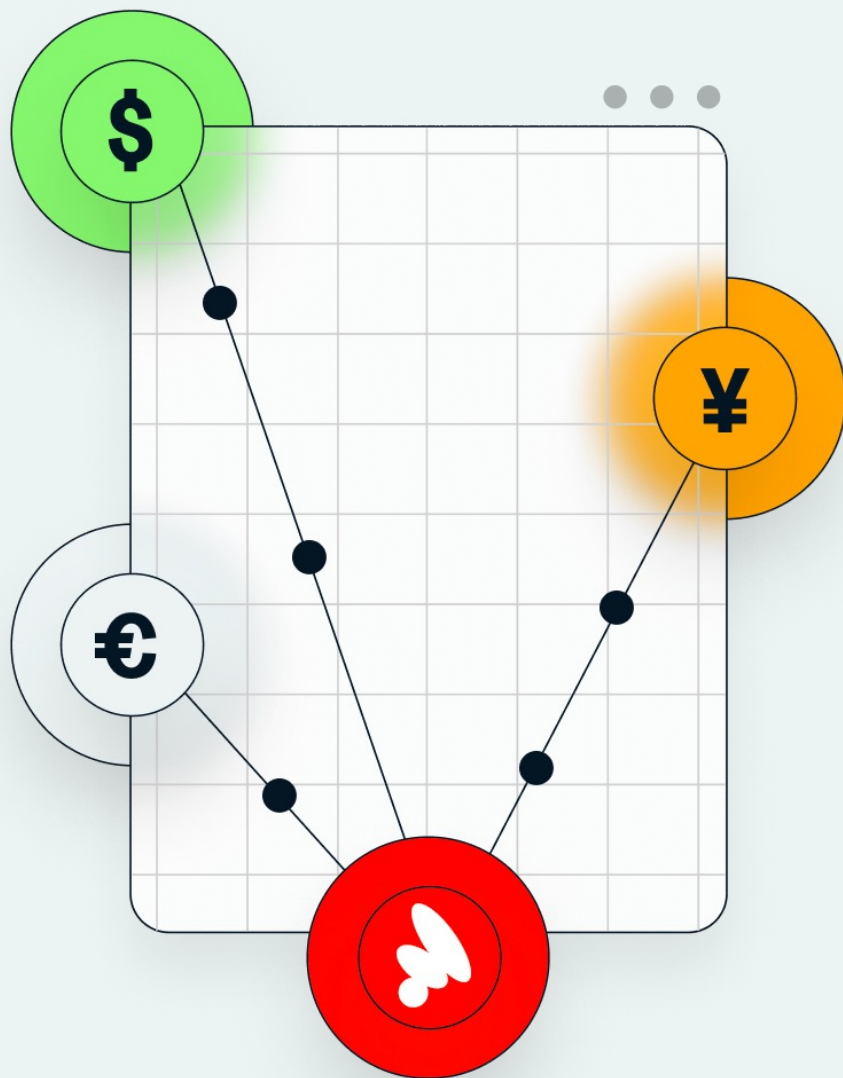
Authorities'  
payments





## **Paytech built for Payroll:**

**Papaya Payments – the first payment platform designed and specialized to solve all the complexities of global payroll payments.**



- ✓ **Same-day payments**
- ✓ **Free up working capital**
- ✓ **100% accurate**
- ✓ **Bank level security measures**
- ✓ **Automated JE + ERP connectors**
- ✓ **Full transparency**
- ✓ **AML screenings**
- ✓ **Full liability**

# Papaya Payroll Payments OS

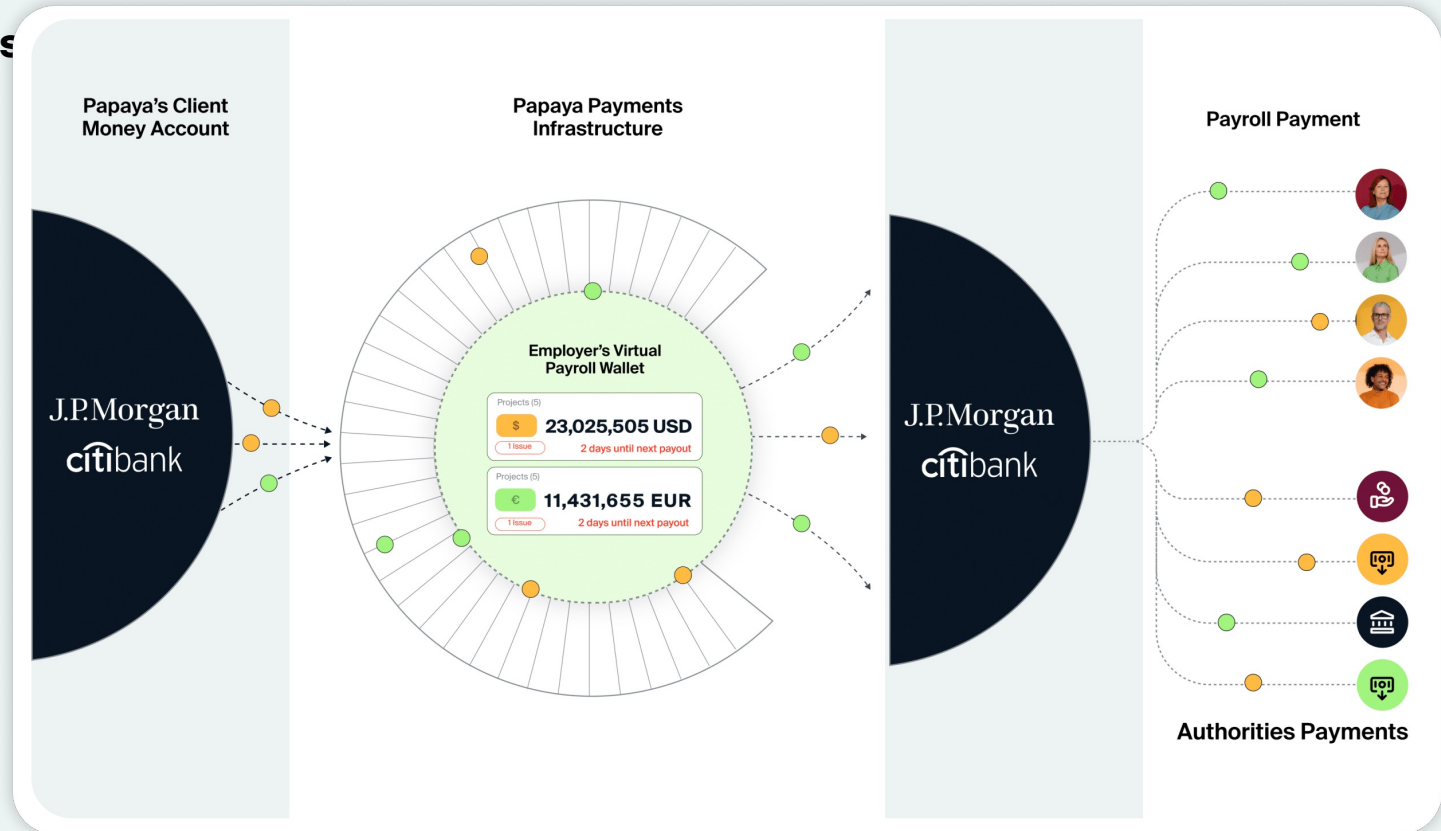
**5** money transfer licenses

**Same day** delivery

Fund in **13** currencies

Pay in **160+** countries

Licensed to hold and transfer funds safely and compliantly, leveraging **J.P. Morgan** and **Citibank** rails.



# Traditional Payroll **vs** Modern Payroll Approach

Siloed

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Multiple touchpoints

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Multiple integrations

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Compliance at risk

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Multiple banks

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Post-payroll reporting

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Unified

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Automated

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Fully integrated

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100% Compliant

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Instant payment rails

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Real-time insights

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# 21st Century Payroll & Payments Excellence

# Not all Payrolls are created equal.

## Understanding the 4 levels of payroll maturity

“Never have I ever” thought of payroll strategy as something that’s ‘finished’

**Immature**

**Reactive**

**Controlled**

**Strategic**

# Immature

High-touch

Heavily manual

High error rates

Minimal data validation

# Reactive

Maintaining, but not improving

Medium to low touch

Moderate manual effort



# Controlled

Improving payroll from  
cycle to cycle

Lower number of  
technology solutions

Lower touch approach

# Strategic

‘The gold standard of payroll’

Shaping strategy

Delivering value-added insights

Centralized & partner-based

# Current State Assessment

Geographical resource  
knowledge

Data

Cut-offs & sign-offs

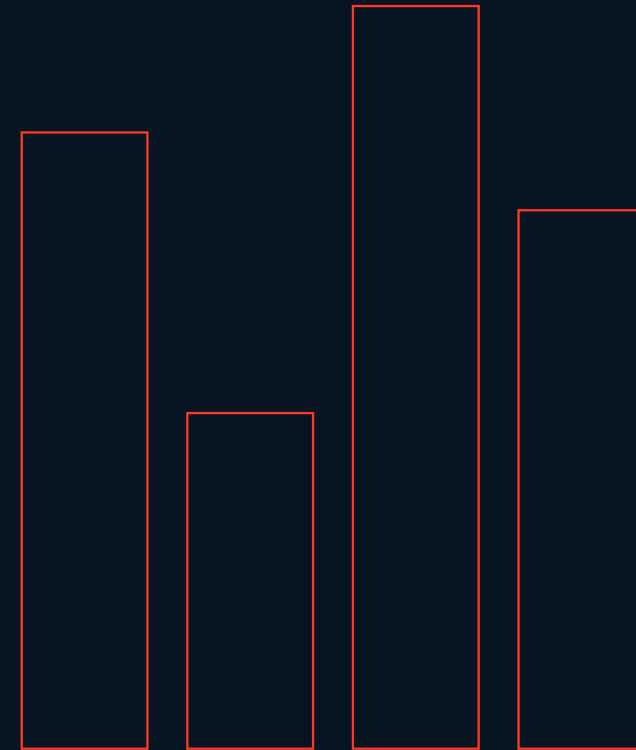
Payments

Hand-offs

Communication

Effort versus results

Perception



# Legislation, Compliance, and Local Practices

# Legislation, compliance, local practices – how they differ from country to country

“Never have I ever” thought that there is a one-size fits all payroll

Tax rate range

**0-55%**

Penalties for late payments

As much as **240%** of the amount due

Attempts to evade taxes

Prison sentences up to **8** years

# Let's talk payroll models

“Never have I ever” given so much thought to payroll processing until I did it on a global level

## **In-house model** **Immature**

country-specific payrollers & a large internal team

## **Decentralized model**

In-country partners with local compliance expertise & a smaller payroll team

## **Unified model**

A single provider coordinating payroll and payroll providers

# They say politics is always local – so is payroll

“Never have I ever” faced something as complicated as  
countries’ local payroll policies



# Last mile of compliance

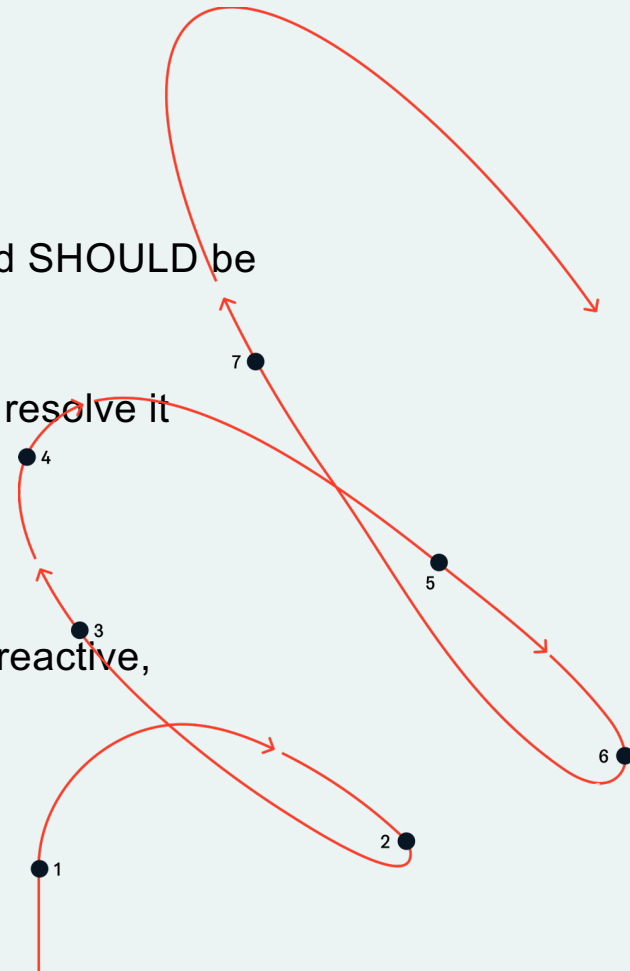
- ✓ Late payments
- ✓ Inaccurate payments
- ✓ Payments not marked as salaries

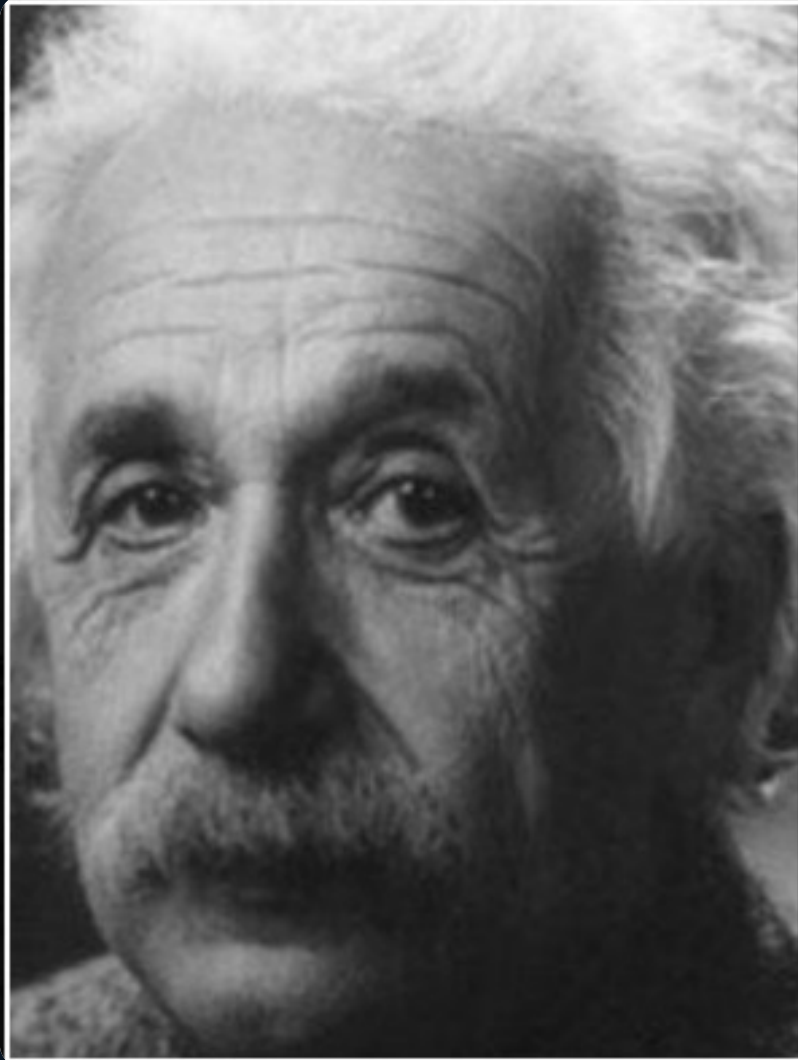




# Let's Summarize!

- Why payroll and payroll & payments are so complex: compliance, standardization, security
- Understanding the importance of payroll payments: why it can and SHOULD be connected to your payroll system
- What are the pain points of payroll & payments, and how Papaya resolve it
- Why multiple systems are a no-go for smooth running payroll: data silos, limited visibility & security
- How to measure payroll maturity & why it matters: is it immature, reactive, controlled, or strategic?
- Payroll models: choose the one that's right for you





This is too difficult for a mathematician. It takes a philosopher. The hardest thing in the world to understand is the income tax.

— *Albert Einstein* —

AZ QUOTES

# Questions?

# Thank You!

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