



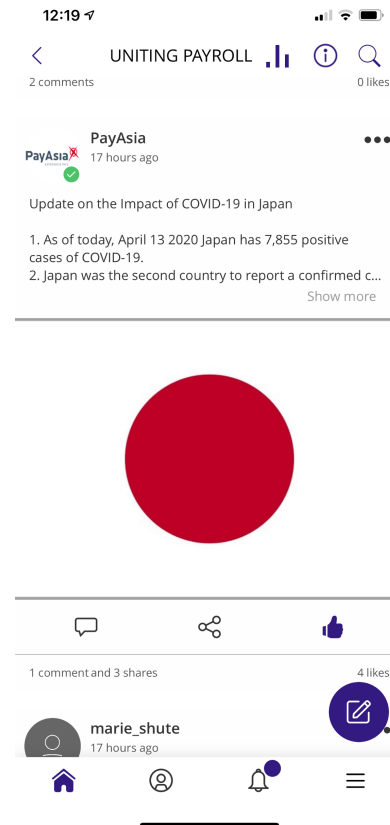
Uniting Payroll |  
Virtual Global Payroll Summit |

# Housekeeping

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- Live streaming and recording
- Type your questions in the Q Box
- Questions may be answered post event
- No introductions of each speaker details are on the GPA Website  
Uniting Payroll
- Ask your questions on GPA Network App

# GPA Network App



# Agenda



APAC



Middle East



Employment Tax and Payroll



International Payments



Lessons Learnt



Sachin Goklaney



Marko Taylor



Lee McIntyre-Hamilton



Owain Walters



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Ana Ronco

Presenters....



Sachin Goklaney |  
Asia |



## Asia-Pacific Region – Covid-19 facts

- The Covid-19 number of cases across 20 countries in Asia-Pacific (and that's not a complete list as there are many others with smaller numbers) is approximately 160,000 cases till now.
- This is less than 10% of global cases reported but the number of governments and authorities which have had to react and look at the protection of employees and employers makes it a very challenging set of circumstances
- The common theme is that there are many moving parts to payroll, lodgement and payment deadlines. Our role and expertise is to provide some insights into how these vary from country to country, and we will continue to work with GPA to provide ongoing updates.



# Asia-Pacific Region

## Payroll

- Varying legislation across countries
- Governments reacting on a daily basis, impacting all workforces
- Stimulus packages to assist employees and employers

## Lodgements

- Automated vs Manual
- Moving deadlines as governments look to ease burden
- Complexity of registrations during workforce lockdowns

## Payments

- Automated vs Manual
- Payroll vs Statutory
- Infrastructure and Support availability challenges





# Challenges

1. Ensuring there is expertise within available remote workforces to administer multi-country payroll deliveries – potentially high movements in employee data with increased complexities like terminations and retrenchments
2. Remaining compliant in countries which are not 100% automated with statutory lodgements
3. Ensuring robust remote infrastructure to perform important banking transactions – not everyone in every country has the availability of online banking
4. Accessing data securely from remote workplaces – Asia is vastly spread country to country, and even within certain countries, there is a large variation between urban and rural areas
5. A large number of countries not used to “working from home”. Workers not trained for such scenarios.

+’ves

## Singapore

Highly efficient country and government

Robust Infrastructure

Online banking network

## India

Highly disparate state government structure

Varying Infrastructure

Online banking network

## Australia

Large Stimulus packages impacting employers and employees.

Robust infrastructure

Workforces used to working from home

-’ves

Latest country to impose a workforce lockdown

Regional headquarters reliance causing uncertainty

Statutory deadlines could be shifted based on recent lockdowns. Offices are shut

Country in curfew. Immense disruption

Further extension to lockdown makes it more unstable

Highly manual processes in certain aspects of lodgements and payments

Complex retrenchment and redundancy processes

State by State rule changes – calculations rates, lodgement deadlines  
Multiple categories of workforces, and not all are captured under the government stimulus



Marko Taylor |  
Middle East |

# Middle East

Country	Number of Confirmed COVID-19 Cases
Bahrain	1,040
Jordan	381
Kuwait	1,154
Lebanon	619
Oman	546
Qatar	2,728
Saudi Arabia	4,033
United Arab Emirates	3,736

- The number of confirmed cases has been relatively low; however, the growth has accelerated during the last week.
- Majority of the Middle Eastern countries are under a full lockdown and only essential staff and sectors can continue to work.

## Middle East (cont.)

- Workforce in the Gulf region countries is largely expatriate – immigration processes are a priority.
- HR & Payroll related COVID-19 responses are mostly focused on the limitation of movement and remote work arrangements (majority of the labor laws did not accommodate remote work arrangements).
- Financial incentives and support programs are limited and focus on local nationals.
- Expatriate employees working in services and hospitality industries are most vulnerable as staff and salaries are being reduced, while expatriate employees are unable to return to their home countries.
- Labor laws provide employers limited options for finding flexible solutions – only the UAE and Saudi Arabia have amended the labor laws to increase the flexibility to restructure employment agreements.
- COVID-19 infection related leaves are treated as statutory sick leaves.



## Middle East (cont.)

- Bahrain:
  - Labor Law – No Changes
  - Payroll – No Changes
  - Payroll Incentives – Payment of local nationals' salaries for 3 months
  - Immigration – Issuance of visas and residency permits has been suspended
- Jordan:
  - Labor Law – No Changes
  - Payroll – Temporary reduction in social security rate (1 March – 31 May 2020 employer 14.25% -> 4.25% and employee 7.5% -> 1%)
  - Payroll Incentives – No Changes
  - Immigration – Issuance of visas and residency permits has been suspended
- Kuwait:
  - Labor Law – No Changes
  - Payroll – No Changes
  - Payroll Incentives – No Changes
  - Immigration – Issuance of visas and residency permits has been suspended

## Middle East (cont.)

- Lebanon:
  - Labor Law – No Changes
  - Payroll – Suspension of all payroll-related tax payments and filings for 3 months (March – May 2020)
  - Payroll Incentives – No Changes
  - Immigration – Issuance of visas and residency permits has been suspended
- Oman:
  - Labor Law – Remote work mandated
  - Payroll – No Changes
  - Payroll Incentives – No Changes
  - Immigration – Issuance of visas and residency permits has been suspended
- Qatar:
  - Labor Law – No Changes
  - Payroll – No Changes
  - Payroll Incentives – No Changes
  - Immigration – Issuance of visas and residency permits has been suspended

## Middle East (cont.)

- Saudi Arabia:
  - Labor Law – Employment agreements restructuring allowed:
    - Unpaid or paid leave
    - Temporary or permanent reduction of salaries with the mutual consent
    - Termination in accordance with the standard clauses of the labor law
  - Payroll – No Change
  - Payroll Incentives – Partial payment of local nationals' salaries for 3 months
  - Immigration – Issuance of visas and residency permits has been suspended
- UAE:
  - Labor Law – Employment agreements restructuring allowed:
    - Unpaid or paid leave
    - Temporary or permanent reduction of salaries with the mutual consent
    - Termination in accordance with the standard clauses of the labor law
    - Creation of a government job portal for all terminated employees
  - Payroll – No Changes
  - Payroll Incentives – No Changes
  - Immigration – Issuance of visas and residency permits has been suspended



Lee McIntyre-Hamilton

Employment Tax and  
Payroll

## Repatriation of overseas employees to the UK

- UK tax and NIC may be required, even where employee remains non-UK resident
- Double tax treaty exemptions and double tax mitigation, subject to conditions
- Potential employer PAYE obligations
- Residence and personal tax considerations
- Employer and employee actions



# Repatriation of UK based employees to their overseas home country

- Corporate tax considerations
- Income tax and social security
- Practical implications
- Employer and employee actions

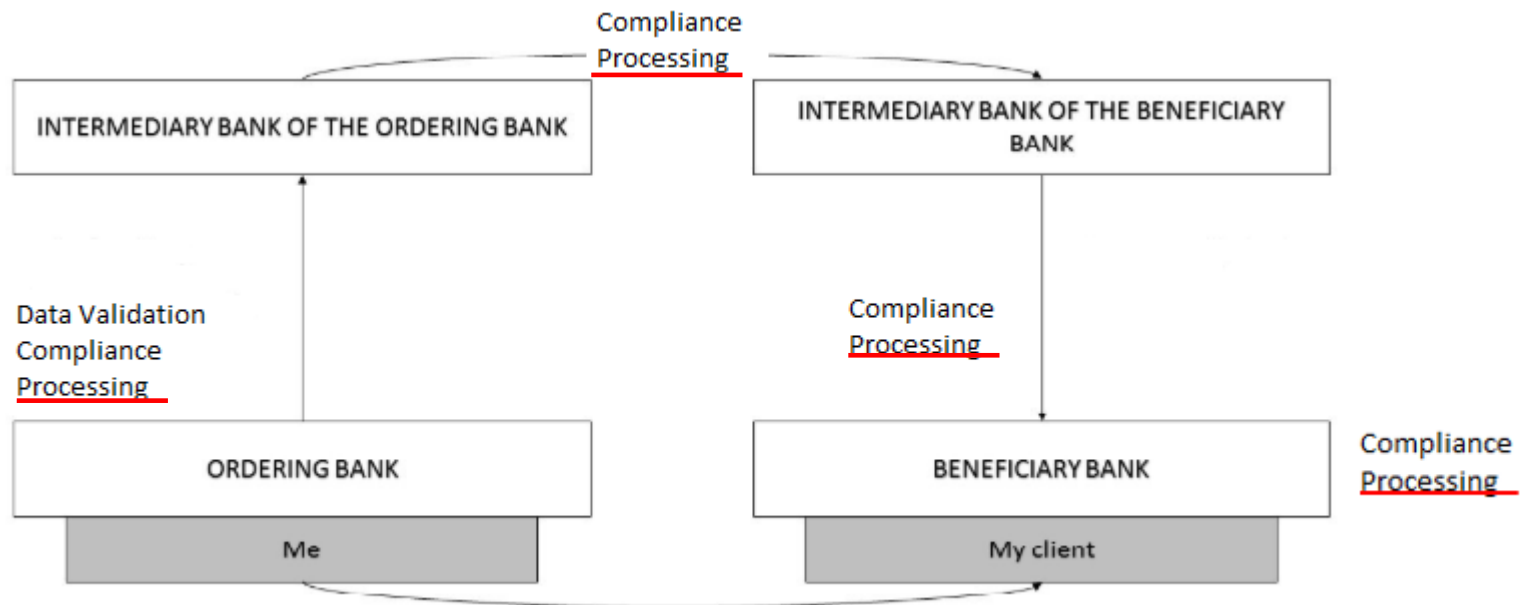


Owain Walters |  
International Payments

# Market Summary

- Payment systems overall managing quite well
- Markets with high degree of manual processing showing signs of more pressure
- Payment network closures appear to be short-lived but occur with little notice
- Payment problems tend to be more on cross-border. Domestic is more stable
- FX volatility is extreme, requiring increased collateralization for trading
- Payroll cost in base currency is cheaper for many, forward buying of exotics might be desirable
- Manual/physical payments and tax representations difficult

# Payment Life-Cycle

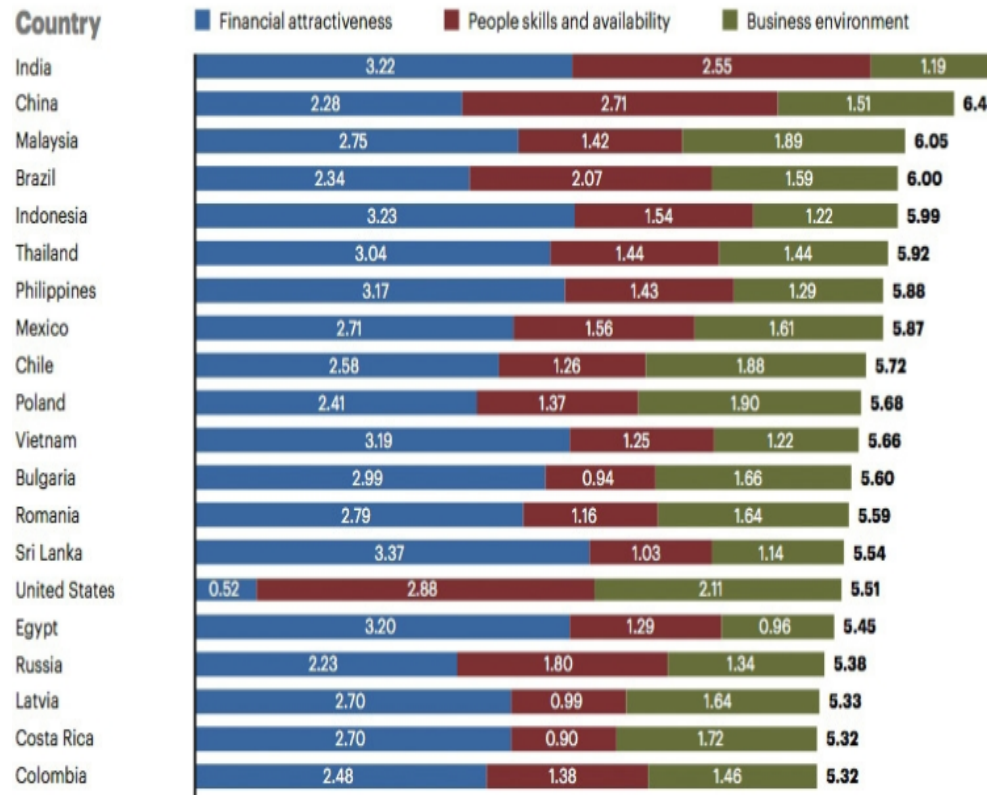


What are the considerations/risks in the COVID-19 situation:

- Exception management, manual processes and working from home; not all banks are well prepared.
- Bank closures or staff illnesses, do you need to bring forward processing?
- Do you need additional channels to diversify risk?

# Top Service Centres

## Kearney Global Services Location Index™



Country	High Degree of Manual Dependency	Lockdown (varying degrees)	Current Market Impact
India	Y	Yes	Revised Hours
China	Y	Yes	
Malaysia		Yes	
Brazil	Y	No	
Indonesia	Y	No	Reduced RTGS hours
Thailand	Y	Yes	
Philippines	Y	Yes	Earlier payment cut off times
Mexico	Y	Yes	
Chile	Y	Yes	
Poland		Yes	
Vietnam	Y	Yes	
Bulgaria		No	
Romania		Yes	
Sri Lanka	Y	Yes	
United States		Yes	
Egypt	Y	Yes	
Russia	Y	Yes	
Latvia		Yes	
Costa Rica		Yes	
Colombia	Y	Yes	



# Other known market impacts

Country	Known Impacts
Afganistan	Reduced banking hours
Algeria	Limited processing capacity, delays expected
Antigua	Some banks unable to process payments
Bangladesh	Was closed, now open. Situation seems unstable
Barbados	Limited processing capacity, delays expected
Belize	Limited processing capacity, delays expected
Dominica	Earlier processing problems now resolved
Eritrea	Limited processing capacity, delays expected
Ghana	Reduced hours
Grenada	Some banks unable to process payments
Iraq	Closed
Kenya	Reduced local FX trading hours
Kuwait	Limited processing capacity, delays expected
Montserrat	Some banks unable to process payments
Nepal	Reduced hours and caps of high value transfers
Nigeria	Lock down in commercial centres, reduced processing
Qatar	Limited processing capacity, delays expected
Saint Lucia	Earlier processing problems now resolved
St Kitts & Nevis	Some banks unable to process payments
Uganda	Limited processing capacity, delays expected
West African Franc	Reduced hours

# Final thoughts

- General rule of thumb; the more developed a country is, the more robust the payment network is
- Africa has yet to see major impacts from COVID-19 on its infrastructure – think ahead
- Do your banks and ICP's have adequate WFH provisions to process your payments? Do you have a plan B?
- Don't panic. There is help out there.



Josep Maria Elias |  
Lessons Learnt |

# Lessons learned

## ADJUSTING TO A WHOLE NEW ENVIRONMENT



### DON'T PANIC

Stay calm and plan your moves, don't over react.

01



### HERE AND NOW

Focus on fixing your immediate task, once established you will plan.

02



### PLAN FUTURE

Review if you need to adjust your process to adjust to the new norm.

03



### NO BELLS AND WHISTLES

Maecenas faucibus mollis interdum.

04

# Lessons learned

## ADJUSTING TO A WHOLE NEW ENVIRONMENT



### WAIT FOR UPDATES

Still manual until your software is safe to be updated.

05



### KEEP IN TOUCH

Schedule short frequent calls with your provider and/or team.

06



### DECISION MAKING

Have a clear decision making process and point of contact.

07



### FOCUS ON VARIANCE S

Keep variances separated in case all is lost.

08





Questions |