



International Tax Aspects of Employees' Global Mobility

International and domestic aspects of cross-border assignments

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Brief introduction

The course is designed to give introduction to the main aspects of the international assignments. Global Mobility, the cross-border move of workforce is an important part of the global economy, but also requires taking a lot of aspects into consideration. Labour law, immigration, tax, social security to mention few of them which will be consulted throughout the course.

The students who complete the course will have good grounds to understand the whole ecosystem of Global Mobility and could undertake employment more easily at companies in this field of this business, e.g. at Big4 companies.

During the course, a lot of real-life examples will be covered, in order to give a deep and practical insight to this interesting area of law.

The lecturer is practicing in the Global Mobility area for more than 16 years and worked for the major companies in this field such as EY, Deloitte and KPMG.

Course schedule (title of lectures per week)

1. Introduction: Economic background of international assignments. Forms of assignments and cross-border activities. Magnitude of Global Mobility.
2. Labour law specialities, agreements, policies. The rules and practical aspects of the EU Posting Directive.
3. Immigration regulations. Conditions of the lawful stay and work in Hungary and in the European Union.
4. Sources of international tax and social security legislation, collision principles.
5. Domestic tax and social security regulations and their application together with the international regulations.
6. Typical compensation items in case of cross-border work. Domestic and international tax and social security treatment of such compensation items.
7. Inbound workforce: registration, tax advance payment and tax return requirements.
8. Outbound workforce: administrative liabilities, payroll and tax return specialities.
9. The concept of tax equalization in case cross-border moves, reviewing the scheme in practice.
10. Real life practice -- How the multinational firms and international advisory firms operate and support international assignments.



Literature

1. OECD Model Tax Convention on Income and on Capital: Condensed Version, 2017
2. Directive 96/71/EC of the European Parliament and of the Council of 16 December 1996 concerning the posting of workers in the framework of the provision of services (and the related Enforcement Directive)
3. Regulation (EC) No 883/2004 of the European Parliament and of the Council of 29 April 2004 on the coordination of social security systems
4. Specific Double Taxation Agreements and Totalization Agreements – appointed by the Lecturer during the course
5. English excerpts of the Labour Code of Hungary, Immigration Laws of Hungary and the Hungarian Act on Personal Income Tax and Social Security Contributions and Social Tax – distributed by the Lecturer during the course
6. Sample Assignment Policy, Tax Equalization Policy, Assignment Agreement, Inter-company Agreement and Estimated Cost and Tax Equalization Calculations – to be distributed and consulted during the course.

Assessment/Examination

The course is closed by a written exam. The exam will contain 5 open questions covering the course material, where the required answers should be in the range of 5-10 sentences per question.

To pass the course, the result of the exam should pass 50% of the points can be scored by answering the 5 questions. The exams will be marked on a 1-5 mark scale, where mark 1 is not passed, marks 2-5 are passed.