

INTERNATIONAL MOBILITY IN CHALLENGING TIMES

Talent on the move

In times of crisis the barometer is set to economise, often putting international mobility programmes on the backburner. Nevertheless some companies still need international talent to realise their company goals. After all, certain required employee profiles are not always readily available on the Belgian market. That is where optimal mobility management comes into play.

Belgium based UCB has over 10,000 employees in 40 countries. The company focuses on innovation and new medication for patients with a serious illness. UCB cherishes the ambition to play a leading role in the biopharmaceutical niche. To realise this ambition, UCB is working with employees with very different educations and professional backgrounds. 'Our employees represent over 70 nationalities', says Fabrice Enderlin, Executive Vice President Corporate Human Resources. 'Employee diversity is one of our biggest assets, turning mobility management into a crucial challenge.'

Over the past few decades UCB has grown from a classic pharmaceutical into a worldwide biopharmaceutical company. That specialisation has only increased the need for international talent and adequate mobility management. Deloitte has been assisting UCB with this challenge for years.

'To attract the best international talent and guarantee an optimal mobility requires a structural approach', says Donald Niesten at Deloitte. 'We are working with a global approach, enabling a fair treatment of UCB employees whether they are in Japan, the United States or Belgium. Of course our global solution can be modulated on a country by country basis to meet the local requirements.'

A crucial element in this story is offering an attractive package for new or migrating employees. With its

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towering labour costs and complicated system Belgium is not a walk in the park. Given the important position our country occupies in the UCB organisation, a well-considered planning is often required.

'Another challenge is cost management', explains Donald Niesten at Deloitte. 'To this end we have developed a procedure to carefully monitor all expenses related to mobility and international talent. This enables UCB to mobilise its resources for those projects and programmes which create the most added value.'

Main advantages for UCB in the global programme for expat salaries:

1. A clear and preceding overview of all costs linked to international assignments – *management of approval procedures*
2. Salary follow-up during international assignments in cooperation with local payroll management – *accurate payment corresponding to the agreement*
3. Management of global costs resulting from the expat programme – *cost management*
4. Follow-up on return on investment generated by international mobile employees – *Resource planning*

'One of our central values is a passion for the patient', says Enderlin. 'Working for UCB gives our employees the feeling that their efforts serve a purpose, which in turn is crucial to us. But at the same time you must make sure your best people have enough time on their hands to exert themselves for that passion. That is why we rely on Deloitte's services for our international talent. Deloitte provides



Fabrice Enderlin and Donald Niesten

Photo: Sofie Via Hoof

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Fabrice Enderlin, Executive Vice President Corporate Human Resources, UCB

practical assistance to our expats and their families when meeting fiscal, social and legal requirements from the very start of any assignment to the actual termination of that assignment in any given country.'

Fabrice Enderlin has firsthand experience when it comes to living the life of an expatriate. The French executive has been living and working in Belgium for the past seven years.

'When you receive an international job opportunity, the first thing you consider is the job content and the work climate', says Enderlin. 'But then when you come home to your spouse at night, you start considering all the additional challenges. Will we be able to find a good school for our children in the host country? What is the tax regime? How about social security? Without proper guidance, these things can take up an enormous amount of time, which would be better spent on the job itself.' Not everyone is cut out for an international career. According to Enderlin, a future expatriate must possess specific skills. 'Language skills are of course a

prerequisite, but tolerance is an important aspect as well. As is openness: when working abroad, you will be confronted with differences. Those who accept a job in Belgium must learn to deal with cultural differences between language groups and would do well to brush up on the country's history.'

RESEARCH AND DEVELOPMENT

But does Belgium even qualify for setting up large scale activities in research and development (R&D)? Donald Niesten is convinced it does: 'Companies often associate Belgium with high taxes and high employer's contributions for social security, sometimes even deciding not to invest here based on those reasons. But once you take a closer look, you will find that the government has taken several commendable initiatives to make our country more attractive (see frame). And it works. Belgium is one of Europe's most interesting regions to invest in R&D based on the favourable fiscal climate created by the government, which is further reinforced by the presence of highly trained employees and an agreeable quality of life. That shows great promise for the future.' ■

TOP FIVE TAX ADVANTAGES FOR R&D ORGANISATIONS

1. Deduction for patent revenues

Revenues generated through certain patents are exempted from corporation tax (80%). This could reduce the burden of taxation with up to 6.8%.

2. Investment deduction for research and development

Investments in R&D may entitle the company to an investment deduction (13.5% in case of a one-off deduction and 20.5% in case of a distributed deduction) for the purchase or investment value of those investments. Unlike the tax credit for R&D, this deduction is non refundable.

3. Tax credit for research and development

The tax credit for R&D is a tax reduction with a right to a similar fiscal advantage as the investment deduction (see point 2), with the additional advantage of an actual reimbursement after 5 years if the credit has not actually been exhausted. A choice between one of both systems is mandatory.

4. Reduction in passing on advance tax payment for R&D employees

Exemption from passing on withheld corporation tax for employers (75%) if the personnel concerned is employed in R&D and holds the required degrees. The exemption is not linked to an investment obligation.

5. Foreign executives and increased limit of tax-free amount for R&D

If certain conditions are met, employees employed under the special tax regime for foreign executives and active in R&D can enjoy an annual tax exemption of €29,750 instead of €11,250.