

DEZAN SHIRA & ASSOCIATES
Your Partner for Growth in Asia

PAYROLL IN ASIA

2015

INTRODUCTION

Payroll covers all aspects of paying a company's employees. This includes making sure that salaries are paid in the correct amount and on time, that income tax is withheld, and that social security contributions are made. Underpaying a valued team member by accident can impact staff retention. Paying salary to an employee that has already left is equally problematic, though for different reasons. One would be surprised to learn how often these issues occur, or more shockingly, how often employees are involved in defrauding these funds.

With a region as fast-paced and dynamic as emerging Asia, regulations affecting payroll change quickly. If one does not closely follow these developments, it's easy to miss an update and suddenly fall out of compliance. In this way, a minor oversight can have major ramifications. Depending on the jurisdiction, strict fines may be imposed for incorrect or late payments of individual income tax withholdings, or social security contributions.

At the same time, payroll is a tedious task that can distract from the organization's main purpose. Especially when a company is quickly expanding its operations across different countries, it may not be the best use of time to have the local manager personally handle payroll transactions.

Outsourcing payroll then offers a solution. It takes valuable time off the hands of local managers to have these processes automated. Entrusting the matter to an experienced payroll outsourcer also reduces the risk of error and non-compliance. Additionally, when payroll is handled externally, reports can be sent directly to HQ, ensuring confidentiality of sensitive information. This is where a pan-Asian vendor becomes interesting as well. Instead of having separate reports from a host of different jurisdictions, these can be collated into a single report, making it easier for HQ to keep the overview.

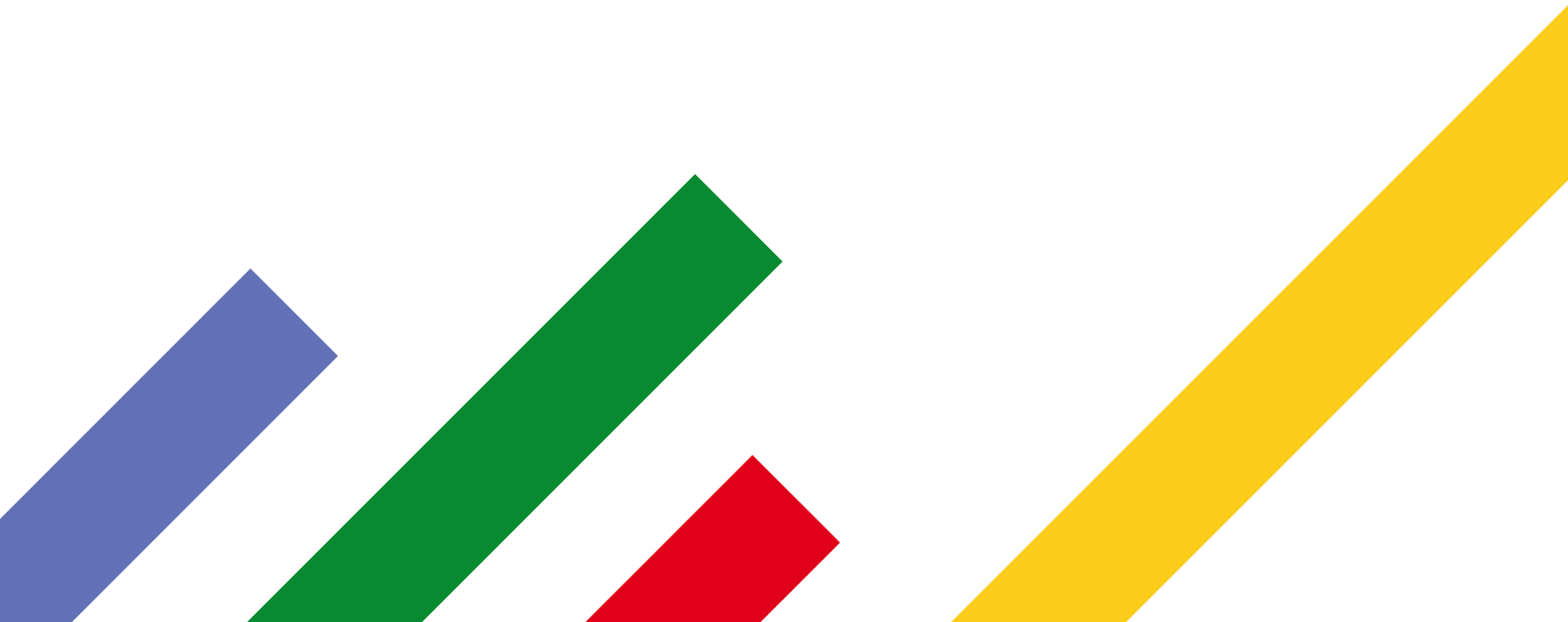


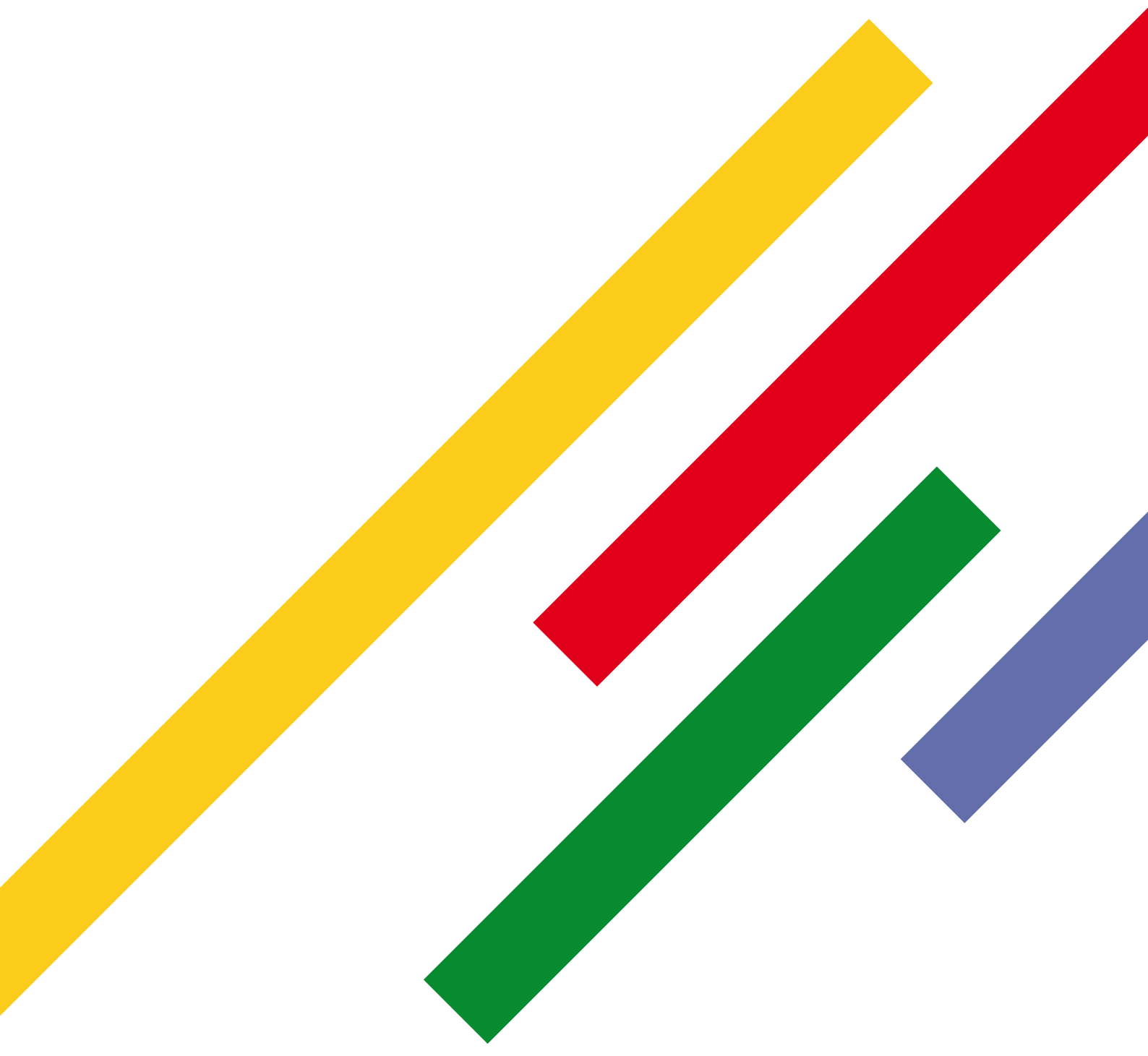
ALBERTO VETTORETTI

Partner

Dezan Shira & Associates

A handwritten signature in black ink, appearing to read 'Alberto Vettoretti', with a small superscript '1' to the right.





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