

## Worker classification and full vetting SaaS platform to engage talent anywhere

Engaging talent locally or overseas comes with its own set of risks and challenges.
Reduce risk with CXC COMPLY SaaS platform, built for full compliance checks.

PORTLAND, OREGON, UNITED STATES, September 16, 2021 / EINPresswire.com/ -- Throughout the world, companies have substantially accelerated the use of contingent contract workers as part of their overseas expansion plans or as an alternative or supplement to their fulltime internal workforce. Many economists are referring to this trend as the "Fourth Industrial Revolution" with some projecting that 30% to 50% of the average corporate workforce will be classified as "contingent or flexible" (independent contractor, corp. to corp, freelancer, temporary or robotics) by 2025.

Remote working has exploded in the last couple of years following the events of 2020. Companies have been forced to re-evaluate their workforce strategy and how they engage workers. Adapting to remote work models has also allowed companies to engage talent anywhere in the world. Global workforces have subsequently become



We enable companies to achieve a competitive advantage through managing contingent workforce quality, efficiency and risk, while reducing costs.



As companies look to engage independent and selfemployed contractors through sourcing channels and talent clouds, CXC Comply assists with the complex classification issues involved with engaging contractors.

a mix of different types of workers. Companies often classify these workers as independent or corp.-to-corp contractors, as it can mean internal cost savings. Governments around the world

are aware that many of their working citizens are now providing services for multi-national companies outside of their borders. While excited that their citizens are working and participating in international opportunities, there is also growing concern about how these contractors are being paid and whether taxes are accounted for.

In addition to contractor engagement, worker <u>classification</u> and structure are being examined for compliance with laws and policies. Without a compliance firewall, detailed knowledge of local employment, tax

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Engage talent quickly and compliantly anywhere, with CXC's SaaS technology platform and validation process, CXC COMPLY

and banking legislation, many of these engagements are potentially at risk. As companies continue to expand overseas and utilization of global talent expands, it is essential that correct worker classification is implemented.

Worker misclassification can have serious tax and business operations consequences on both the company and contractor. The misclassification of workers can lead to business interruptions and can effect the right to conduct business in a country or economic treaty zone. CXC is a leading global contractor management company and for the past 29 years has been providing compliant solutions to corporations, contingent workforce providers and recruitment firms.

CXC are proud to present to market our updated and digitally automated online platform CXC Comply. CXC Comply is a world class SaaS global contractor classification platform, built to assist corporations to minimize worker engagement risk.

## CXC COMPLY ENABLES:

- interactive contractor vetting
- validation classification for independent or corp.-to-corp. contractors
- assesses a contractor right to work in country
- compliance checks with required insurances and background screenings ALL IN ONE PLATFORM.

Governments globally are instituting new laws to ensure any worker who is engaged as an independent or corp.-to-corp. is compliantly classified and reporting income properly.

Below are a some of the recently enacted laws and government actions to prevent contractor misclassification.

AUSTRALIA — The Fair Work Ombudsman Act, 2019 "crackdown" levies penalties for "sham" contracting. Mitigating factors, control, super-Annuation, time reporting, tax and risk.

BRAZIL — Independent Contractors "Pessoa Juridica" (PJ's) should be used on a project basis only. Contractor must register for tax and no exclusivity in work or agreements

CANADA — Independent contractors assessment on control, economic reality, entrepreneur assessment required and held for documentation. Self-Employment set up of Sole Proprietorship, Partnership or Corporation with proper government forms and insurance.

CHINA — China's Labor Contract Law, employment relationship exists regardless of the party's agreement if the individual is subject to any of the company's internal rules and regulations.

FRANCE — Independent Contractors must be registered on the Commercial and Companies Registry or the Commercial Agents Register.

GERMANY — In differentiating between independent contractors and employees, the government and courts look at the parties' agreement and level of control, and if the contractor can freely determine how, when and where to perform its services.

INDIA — Independent contractor agreements must undergo a formal stamping process in order to be admissible as evidence in court in India.

JAPAN — Contractor relationships may not be exclusive or subject to any restrictive covenants. Contractors should not be subject to a company's internal rules or regulations.

KOREA — The Supreme Court of Korea has a list of 10 factors that are relevant to whether a contractor is improperly classified.

NETHERLANDS — To be treated as an independent contractor for tax purposes, any individual contractor needs first to obtain an exemption from the Netherlands tax authorities.

UNITED KINGDOM — IR35 targets contractual workers who operate through an intermediary, usually a limited company, to offer and provide services to an end business.

UNITED STATES — 1099 independent contractors must be validated as well as the company's operations to determine the level of control the contractor has over the project. Contractors right to accept other work and if any full-time company employees are doing similar roles.

The hybrid workforce model continues to be utilized by businesses around the world. Talent is sourced from a multitude of channels including: Talent acquisition platforms, Talent Pools: public/private and open talent pools. These channels are becoming the most prevalent ways to source talent. Contract workers / Contingent Talent / Independent Contractors have embraced

the new technology and talent platforms as a way to promote their services avail themselves with the multiple types of talent pools. We are seeing a gradual transition from or unbundling of the traditional MSP model and its vendors are recruiting candidates for open position requisitions.

The CXC COMPLY SaaS platform ensures your independent and corp.-to-corp. contractors are compliantly classified at the time of vetting and throughout the term of the project, wherever they are located. The technology is a salesforce-based service delivery platform that performs contractor vetting and validation, ensuring compliance in minutes and reporting with a comprehensive audit file for each contractor.

Contact our team to arrange a demo of CXC COMPLY.

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