

A GLOBAL TRIUMPH

SHELL'S FIVE-SECOND APPROACH TO INTERNATIONAL TAX CALCULATIONS

CASE STUDY

FACTS

Global energy giants Royal Dutch Shell Plc have more than 15,000 employees in discretionary plans across 120 countries. They have around 8,000 ex-pats on international assignments of whom approximately 2,500 receive awards each year. Many of these individuals have multi-jurisdiction tax liabilities.

With two vesting events affecting participants in the first half of 2007, the development of a tax withholding solution capable of performing large numbers of simultaneous tax calculations, was a major priority.

CRITICAL ACTION

Working with Computershare and Deloitte, Shell has developed a compliant tax withholding solution. It provides a straight-through web platform with calculations made at point of exercise over multiple stock classes. This enables participants to receive net proceeds in most countries, and in most currencies, within three working days.

RESULTS

The initial response has been fantastic. In the first three months, 97% of all calculations were automated, with 5,000 calculations being performed across 2,000 exercises, involving 90 countries.



“Shell’s business is all about facing and conquering challenges. In Computershare, we have a partner with the people and the capability to share our approach.”

Pam Roffe, Manager, Global Stock Options Plans, Royal Dutch Shell Plc

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EXAMPLE OF HOW SHELL'S EMPLOYEES SAVE VALUABLE TIME



Janet Reed has worked for Shell as a senior IT Consultant for 15 years, in the UK, USA and currently the Netherlands.

Due to the new streamlined process offered by Shell, Janet has saved a substantial amount of time, with her tax calculation being provided almost instantly.

The new solution allows Shell to provide valued, higher level employees such as Janet, with an easy-to-use, faster service.*



Key:

- Janet's involvement
- Global tax calculator

* This example is hypothetical and is to illustrate the product benefits

Although Shell previously had a partly automated solution in place covering just 20 countries, the process for calculating tax across multi-jurisdictions was often time consuming, complex and sometimes involved the assignment of third parties. Additional information gathering was also carried out manually within Shell. This meant there could be inconsistencies in delivery times, where a participant could wait a considerable time for their tax calculation and hence their proceeds.

Now, the new global tax process enables the net proceeds to be paid to the participant quickly and efficiently, and also enables Shell to make the tax withholding payments to the various tax authorities within the required time frames.