

Playroll in Hong Kong – a **Stepping-Stone** for Businesses to Tap Greater Bay Area

Hong Kong's proximity to the Guangdong-Hong Kong-Macao Greater Bay Area (GBA), combined with its unique international advantages, make it a perfect location for any business looking to test the waters there.

What does a global company specialising in claiming back tax for travelling business executives do to maximise opportunities when COVID-19 shuts all borders, putting a stop to business travel? That was the question facing VAT IT Reclaim, one of the world's largest cross-border B2B tax reclaim and compliance businesses. The answer it came up with was Playroll, a new business that sprang logically from VAT IT's compliance expertise and global network.

Playroll was a smart response to some real problems caused by the pandemic. First, business executives couldn't travel, making it impossible for them to oversee their companies' activities in other places. That meant more and more businesses needed local staff in place in those places to perform key functions. But that meant having a business entity there, bringing all sorts of administrative, compliance and budget headaches. Playroll addresses both these issues by acting as an Employer of Record (EoR); in other words, as a local employer. For one simple monthly fee, Playroll takes over all the work of handling local contracts, payroll, insurance, pensions and more. All this is handled through a sophisticated and powerful online platform.



“Today's world may be globalised, but the pandemic has made it hard to do business in multiple countries or jurisdictions. Hong Kong stands out as a place that facilitates cross-border business activity like almost nowhere else – very appealing to a company like Playroll, which is in the business of multi-jurisdiction employment.”

Kathy Man
Managing Director
Playroll

Playroll in Hong Kong

Managing Playroll's Hong Kong office is Kathy Man, a veteran of VAT IT who is now handling the new business too. “The Playroll platform was launched in 2021, but given the company's experience in hiring teams around the globe and its large existing client base, it has already generated significant interest,” she says. “Our role here is specifically to sign up employees in Hong Kong who are being employed by companies in other parts of the world without yet having a presence in Hong Kong. At the same time, we are assisting companies based in Hong Kong looking to employ people in other parts of the world without establishing overseas entities to do so.”

Playroll's Guangzhou office, in the heart of the Greater Bay Area (GBA) across the border from Hong Kong, is overseen by Kathy and her team at Playroll Hong Kong. It was set up to enable employers to tap into the enormous talent pool of the GBA. Says Kathy, “The GBA is particularly strong in IT talent as it establishes itself as a global tech powerhouse. Businesses in Hong Kong have the option of tapping into the additional tech pool in the GBA and then use Playroll to handle all the legal and financial matters. It's an excellent platform for any business wanting to test the waters in the GBA and tap into talent there easily and efficiently, without having to set up a business entity there themselves.”

First step for businesses wanting to explore GBA opportunities

Playroll's expansion from Hong Kong into the GBA is still on a modest scale, but the company sees it as just the beginning of big things to come. “Yes, it's a small first step”, says Kathy, “but one of the things about being here is that it's an easy move to make. Hong Kong really is the perfect place from which to expand over the border. In particular, we're so close to the GBA - you can hop on a high-speed train in Hong Kong and arrive in Guangzhou just 40 minutes later. And of course Hong Kong speaks Cantonese, widely spoken in the GBA, making communication that much easier. So we're really close to the GBA in a number of ways, but at the same time we have great access to international clients in Hong Kong, and all the advantages of Hong Kong's open, business friendly environment.”

According to Kathy, Playroll's move into the GBA is one that mirrors the expansion potential for other businesses. “By having our own office in the GBA, we're also making it much easier for businesses everywhere to themselves expand into the GBA - whether they are in Hong Kong or anywhere else in the world”, she says. “I see it as a kind of ‘virtuous circle’. Playroll's move into the GBA generates



more opportunities for other businesses wanting to have local staff there; and as more businesses see the possibilities of employing people in the GBA, Playroll's own business will further expand.”

When travel restrictions ease further between Hong Kong and the Mainland, Kathy believes the advantages of doing business in Hong Kong will further drive demand for Playroll's GBA services. “The Hong Kong SAR government must be one of the most business-friendly in the world,” says Kathy. “Everyone knows about the low and simple tax system here, the open economy, and the rule of law. For anyone looking to take advantage of the development of the GBA, Hong Kong is the obvious base.” She also points to the proactive stance of the HKSAR government on behalf of businesses - including her own. “Invest Hong Kong has reached out to us to tell the Playroll story, and provided us with valuable networking opportunities with stakeholders in our industry”, she notes. “It is helping us promote our brand and our services to a wide audience, for which we are very grateful.”

Playroll

- Playroll is an Employer of Record service that enables businesses to hire employees and contractors compliant to local labour laws, anywhere in the world without having to establish local entities
- Its automated platform offers ready-made compliance infrastructure, automated worldwide employee onboarding, and full handling of all monthly administration

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