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Remote work

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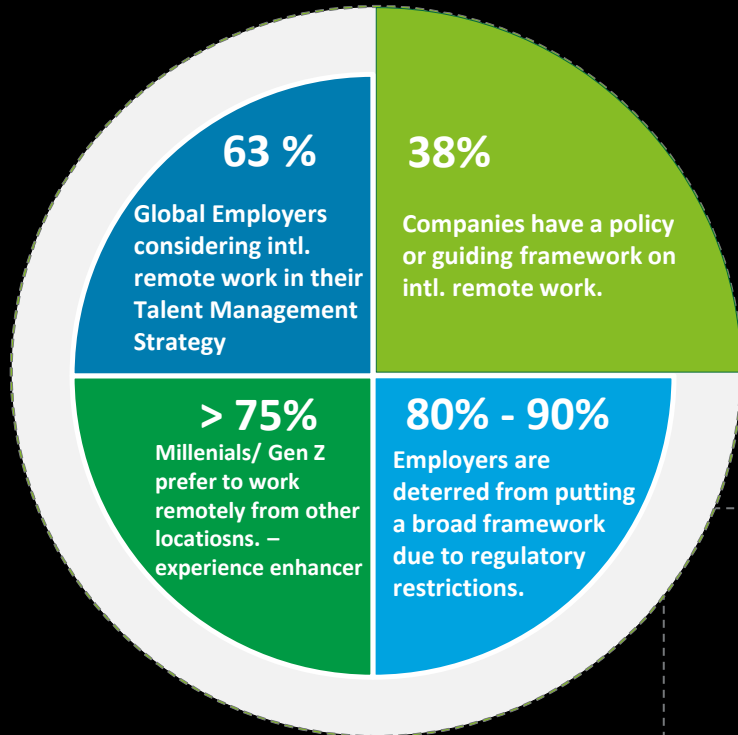
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# Remote Work

# Remote work - International

## Is Remote work still relevant post COVID?



Post COVID with travel restrictions being lifted, Remote Work is still an attractive proposition for employers to attract and retain talent

### Guard Rails for remote work

- 1 Tracking people
- 2 Limit the number of days
- 3 Restrict to locations where there is a presence
- 4 Approve countries where immigration norms are met
- 5 Work from home country
- 6 Approval for emergency situations only

### Other considerations

- Permit remote work only for certain roles (certain roles/duties excluded)
- Exclude countries with stringent regulations
- Exclude countries which are potentially unsafe
- Permit remote work for countries where the employee does not need a visa
- Case to case analysis

While regulations catch up, Remote Work is still possible with specific guard rails

<sup>2</sup>Source: Emsight and Deloitte, [Remote Work Practices Results](#), Public domain

# Remote work - Domestic

## ▼ Domestic Remote Work (outside of the state/province of employment)



**66%** of organizations surveyed **allow domestic remote work**

**45%** of organizations surveyed have **time restrictions** for domestic remote work.



**55%** of organizations surveyed **allow unlimited days** for domestic remote work.



### Current trend

- 12% employers are insisting on 100% office attendance
- Office occupancy hovers around 30% -50%
- Employee efficiency, innovativeness and knowledge transfer are some concerns employers have
- Data security, confidentiality also seems to be a worry

### Future considerations

- Harness use of technology
- Assess rate of attrition
- Monitor employee efficiency and effectiveness objectively.
- Evaluate and provide exceptions

# Remote work – considerations

## Corporate Tax

- Domestic and international corporate tax implications
- Permanent establishment risk
- Intercompany agreements & transfer pricing considerations
- Eligibility matrix : triage & exclusions

## Employment Tax

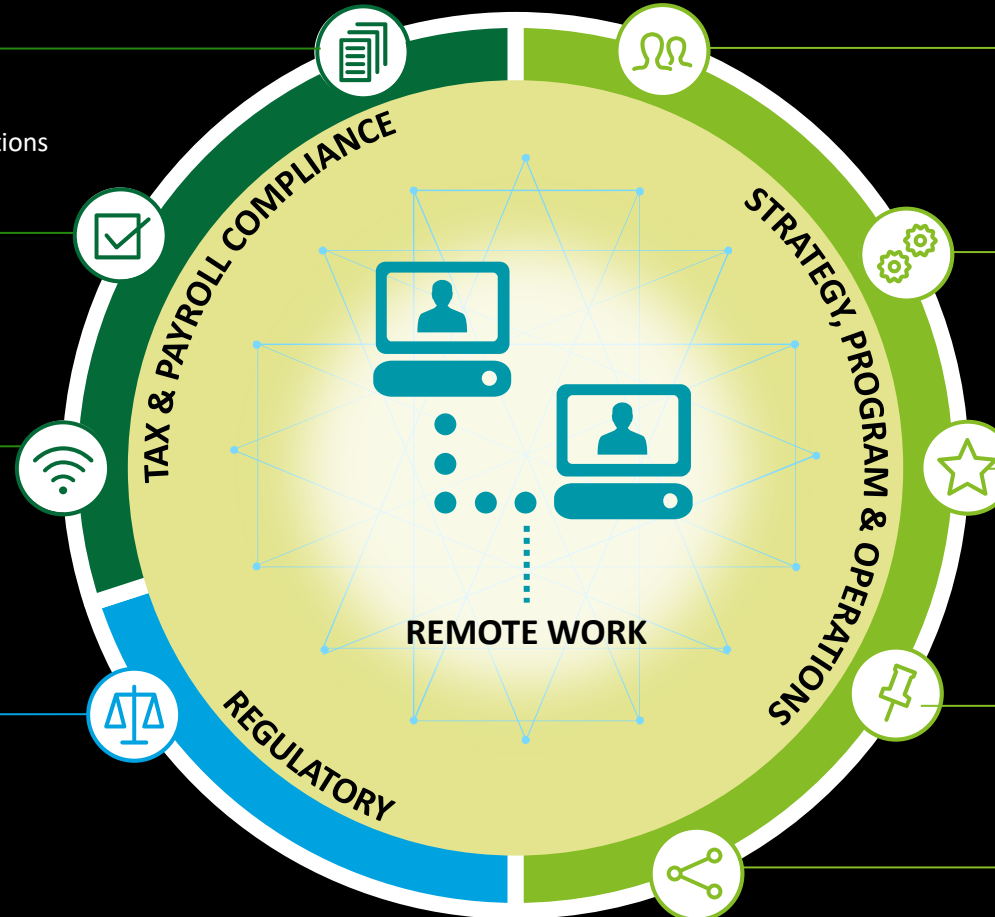
- Employment tax and social security analysis
- Income tax withholding and filing requirements
- Entity and payroll registration requirements
- Income and payroll tax reporting and cost projections

## Data / Technology

- Continuous data tracking and reporting
- Compliance analysis
- Flagging and quantification of risks
- Business travel tracking
- Approval process for remote working and tracking

## Regulatory / Workforce Considerations

- Communicate relevant policies to remote workers
- Remote workforce expenses
- NEW:



## Talent Workforce Strategies

- Enterprise philosophy and strategy
- Workforce segmentation and job profile analysis
- High-performance team in a virtual environment

## Program & Operations

- Remote Policies and guidelines
- Roles and responsibilities, processes, and tools
- Mapping key remote working scenarios
- Employee and stakeholder communications

## Rewards

- Compensation and benefits design and implementation
- Industry Benchmarking
- Pension considerations
- Cross-border equity considerations

## Employment Model

- Intercompany agreements & transfer pricing considerations

## IP & Data Security

- Network security risks
- Intellectual property safety

# Immigration

# Digital Nomad Visas

Digital nomads are remote workers who wish to spend short or extended periods of time abroad. They are based *outside* the country where their employer is located and/or where they are providing services. Many countries have now launched immigration programmes designed specifically to attract digital nomads who wish to work remotely full time and / or whilst traveling, as well as those who just wish to have an extended workcation in the sun.



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Countries currently offer DNVs –

- 23 in LATAM
- 19 in EMEA
- 3 in APAC (Thailand, Indonesia, Malaysia)

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New Digital Nomad Visas in the pipeline

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Countries offer Freelancer visas

Which countries offer digital nomad visas?

- Antigua & Barbuda
- Anguilla
- Aruba
- Argentina
- Bahamas
- Barbados
- Bermuda
- Brazil
- Cape Verde
- Cayman Islands
- Costa Rica
- Croatia
- Cyprus
- Colombia
- Curacao
- Dominica
- Ecuador
- Estonia
- Georgia
- Greece
- Hungary
- Iceland
- Indonesia
- Malaysia
- Malta
- Mauritius
- Montserrat
- Mexico
- Norway
- Portugal
- Panama
- Romania
- Spain
- Saint Lucia
- Seychelles
- Thailand
- UAE

Digital nomad visas in the pipeline.

- Belize
- Grenada
- Sri Lanka
- Italy
- Latvia
- Montenegro
- North Macedonia
- Serbia
- South Africa

Which countries offer freelancer/independent contractor visas?

Unlike digital nomad visas, freelancer visas usually require an individual to be self-employed and possibly hold a trade licence in the destination country.

- Bulgaria
- Czech Republic
- Germany
- Italy
- Norway
- Portugal
- Spain



# Digital Nomad Visas (DNV)



## Highlights

- Digital nomads are remote workers who wish to spend short or extended periods of time abroad.
- More appropriate for freelancers, gig workers and small businesses
- Variable policies and regulations
- Not company sponsored visa



## Some themes but highly variable

- Potential option for some senior executives
- Does not require a work contract in DNV country
- Untested
- Variable duration from 90 days to 5 years
- May not lead to permanent residency
- Unclear on the position of family members
- Employment law and tax implications



## Common eligibility criteria

- Confirmation of employment or self-employment outside of the remote work country
- Sufficient funds or sustainable income for the duration of stay
- Valid medical insurance
- Police/Criminal Record Clearance certificate
- Proof of travel arrangements and accommodation

# Travel Governance, Compliance & Risk

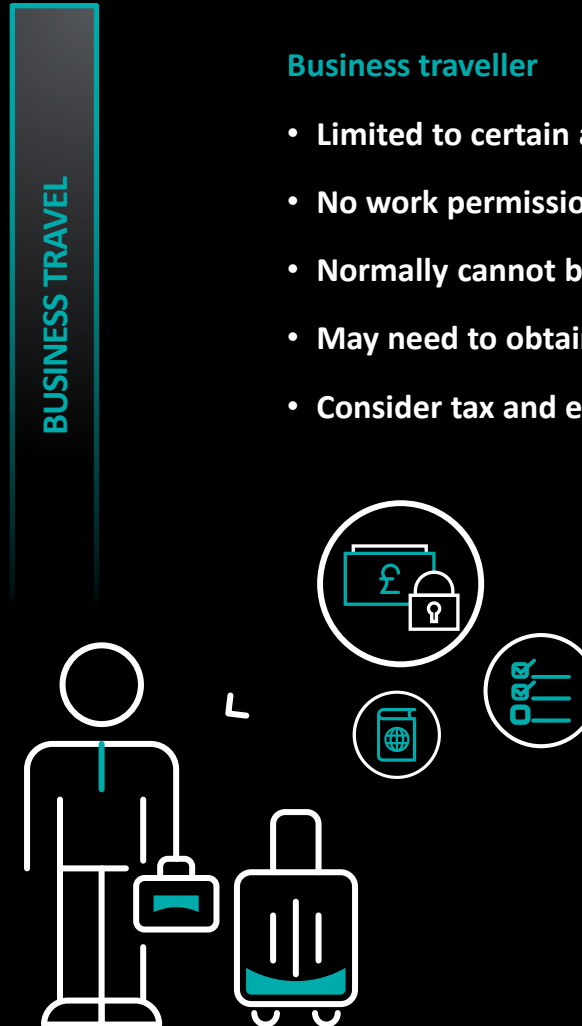
## Remote worker

- Consider employee's right to work in host country
- Consider length of time employee intends to work remotely overseas
- Consider tax and employment implications



## Business traveller

- Limited to certain activities – differs by country
- No work permission required
- Normally cannot be paid by host country source
- May need to obtain a visit visa
- Consider tax and employment implications



# Mitigating risks in remote work and travel

## Key considerations

- Activities that will be performed and the 'intention of travel'
- Can the activities be supported as a business visitor?
- Do the activities require a work authorisation?
- Does the host country support remote work?
- Time limits and knock on impacts

## Longer-term remote work

- **Longer period of remote work will likely require a work permit**
- **Certain work authorisation exemptions may be available**
- **Does work location support remote working?**
- **Digital Nomad visa locations as 'preferred' locations**
- **Internal policy on remote working outlining allowable parameters**

## Potential consequences



Employee considered to be working or intending to work illegally in host country



Fines and penalties to employer



Refusal of entry and travel bans for the employee



Poor employee experience



Reputational damage to the business

Remote Work is here to stay, especially with younger generations  
Employers will need to embrace and implement policies in  
compliance with applicable legislations



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