

COVID-19 – Global mobility considerations

Travel-related restrictions triggered by COVID-19 pose significant challenges to businesses. While the decisions are being driven keeping in mind the emotional and physical well-being of employees, unplanned travel could trigger a series of compliance obligations and issues from an individual as well as corporate tax perspective. It is important for companies to look at cost optimisation opportunities keeping in mind the existing tax and social security treaties amongst countries. Companies need to track employee locations, assess compliance requirements, review mobility-related compensation, revisit related policies for agility, and strategise for the future.



Track employee location

- Establish a standard process to identify employees working remotely.
- Track the global remote workforce (who, where, and how long).
- Assess the validity of travel-related documents (passports, visas, etc.).
- Identify move back possibilities based on current travel advisories being issued by countries.
- Explore possibilities of moving towards real-time data and technology for strategic insights.



Assess compliance needs

- Identify individual tax and social security considerations and potential immigration violations/corrections required.
- Set up a process to meet compliance requirements including employer registrations, withholdings, tax filing requirements (for both employer and employee).
- Examine corporate tax risks (permanent establishment exposure and place of effective management) on account of remote working.
- Explore options to leverage on tax, social security agreements, and reliefs announced by regulatory authorities.



Review compensation

- Assess the need for shift in payroll location and the currency.
- Review compensation elements and benefit packages due to change in work location.
- Increase the variable components of salaries to minimise fixed costs.
- Introduce non-cash/equity compensation to optimise on cash flow.
- Draw cost estimates based on anticipated outflows—tax, social security, travel, subsistence, etc.



Realign policies

- Explore options of cross-border work from home.
- Realign business travellers policy to increase agility.
- Review mobility policies including benefit entitlement, leave encashment, emergency leave, and home leave travel.
- Review employee deployment models/secondment arrangements.
- Enable contingency support for future disruptions.



Strategise for the future

- Review the mobility programme for cost optimisation and process improvements.
- Explore the best employment structure for cross-border workforce.
- Optimise the global mobility operations with technology.

Communicating in the times of COVID-19

This is truly a crucial time for an organisation, its workforce, customers, and other stakeholders. Therefore, clear and consistent communication is required on the decisions taken and support available.



Employee communication

- on the requirements and reasoning for keeping calendar's updated in the company's tool for this purpose
- on the possible impact on assignment terms and conditions
- on changes in well-being policies
- on changes in the tax position impacting salary, personal income, and disclosures
- on the need to maintain documentation to substantiate the number of days of stay in a non-work base on account of COVID.

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