

As countries adapt to both the post-pandemic landscape and continued globalization, employers have seen a marked rise in requests for both domestic and international remote work.

During the COVID-19 pandemic, employees grew accustomed to working from home, and many began requesting temporary relocation to other countries – whether due to border closures, family needs, or the appeal of working from remote destinations.

In the succeeding years, these requests have not decreased and, in fact, they are becoming more prevalent. With employees increasingly expressing a desire – or even a demand – to work internationally for set periods. Employers now need to consider the potential risks and implications of such cross-border remote work.

### The New Landscape

Before the pandemic, very few companies received cross-border remote work requests, and most would either declined them or allow limited flexibility during business trips or vacations. Consequently, few employers had established policies covering remote work outside of standard travel scenarios.

In today's workforce, cross-border remote work requests have become routine in hiring and retention conversations. However, rapid growth in these requests has outpaced legislation, creating potential risks for employers in areas such as immigration, payroll tax, corporate income tax, employment law, and benefits.

Employees seek international remote work for various reasons, ranging from family obligations to personal preference in location.

### Establishing a Cross-border Remote Policy

For employers, developing a cross-border remote work policy helps balance talent needs with legal and practical concerns, such as whether employees can legally and practically perform their jobs abroad, as well as setting boundaries to manage demand.

Key considerations for establishing a policy on cross border remote work should be:

- What are the eligibility criteria for remote work?
- How long will remote work be allowed?
- Should employees be nationals of the remote location, or hold special remote work visas?

### Legal Considerations

Employers can benefit from creating remote work agreements that clarify terms, performance expectations, and employee responsibility for legal compliance.

When evaluating requests, employers should consider risks related to:

- Immigration: Can the employee legally work in the desired country?
- Payroll Tax: How is payroll tax managed?
- Employment Protections: Will local laws apply?

**Global: Continued Growth in Cross-Border Remote Work**

- Corporate Tax: Will this trigger tax liabilities?
- Benefits: How to manage employee benefits obligations.
- Duties towards the Employee: How to manage your duties to employees? This includes health & safety concerns, proper working conditions, and protection against harassment.

To navigate these, employers should adopt a clear strategy, consider each request's specifics, and make consistent decisions. When risks become excessive (e.g., extended duration or client interactions in the remote country), employers may need to deny or limit remote work or explore alternatives, such as establishing a legal presence, using a PEO/EOR, or where feasible, changing the role to consultant status.

**This is a high level general update only. Legal advice should be obtained on specific circumstances.**