

Business Traveller Tracking – Why Should It Keep You Awake At Night?

What's It All About?

Short-term business travel is becoming one of the biggest hot potatoes. It is high on the agenda for governments who are placing increasing focus on compliance. Current trends suggest that organisations are increasing their reliance on business travellers, with a number of factors leading to this, such as the cost of alternative options and the increasing need to keep up with the pace of globalisation whilst balancing or managing a mobile workforce to focus on and reduce costs. These pressures endorse the view that business travellers are a necessity in the business world today.

Short-term assignments and international business travel are rising, and many employers leave it up to the traveller to make all their own arrangements. Often, employers and employees make assumptions about the immigration requirements or overlook them completely. This can place both the individual and company at risk of penalties and fines, coupled with serious consequences which can place the organisation's ability to conduct business at risk in certain countries.

Recent research has shown that HR departments expect a 73% rise in business travel, whilst only 30% believe that they have the right tooling and programme in place to manage their business traveller population and associated risks efficiently and appropriately. In essence, there is no surprise that it is all about risk and compliance.

So, What's The Risk Associated With Business Travel?

Immigration non-compliance is rising for employees who are taking extended business trips and short-term assignments. In many countries, the authorities and enforcement agencies use sophisticated technology to track business travel and take a hard stand on employers who are not conforming to the rules and regulations. There is an example where a company recorded 40,000 business travellers but circa fifteen percent of them were found to be non-compliant with border regulations!

It is vital that companies have a robust business travel policy and process in place to protect themselves from potential risk and be aware of business travel rules and regulations to avoid consequential penalties and fines. Authorities do not accept ignorance as a defence.



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The risks associated with employees who travel without correct immigration and tax planning along with the conflicts that this can create, sometimes can result in companies suffering reputational damage incurring significant costs. In extreme cases, this can lead to prosecution. In one instance, a large multinational technology company lacked the ability to know where its employees were at any time, with no process in place to ensure compliance

to this requirement from the company or employee perspective. The possible penalty for this breach was \$1million, a significant sum which demonstrates the importance placed on compliance by authorities.

Business travel is not necessarily straight forward. Some business travel can be allowed without any immigration requirement, whilst some travel may require a business visa or even a work permit. A further consideration is tax regulations around short-term assignments which can be missed by employers. It may be that there is a taxation liability in the destination country but, regardless as to whether this is the case or not, there may be immigration requirements.

To complicate matters further, there are no hard and fast rules about what tasks and activities each country considers to constitute as 'business' travel. Each country has its own interpretation and legislation to cover it. When entering a destination country, the local border agencies do not take the seniority of an individual into account, even if barring entry. For some countries, the business travel legislation is unclear and poorly documented, meaning immigration attorneys and consultants need to rely on their own experience and discretion to advise clients. It is not possible to apply one country's rules to determine another. It is important to understand the rules specifically for the destination country to ensure full compliance. As the legislation



can vary significantly from one country to another, activities that are considered exempt in one country may mean a business visa or work permit is necessary in another, which can take time to obtain.

The negative consequences can include (but are not limited to) the following:

- **Business Reputation Risk**

The press coverage alone for breaches or litigation can be sufficient to tarnish the standing and reputation of a company.

- **Employee Dissatisfaction**

There can be an impact on the individual from both an immigration and tax perspective if the requirements are not handled appropriately. As a result, employees can seek to blame their employer and may lead to the individual leaving the company. If the individual faces an entry ban to the destination, it could have repercussions elsewhere as a result.

- **Budgetary Risk**

If any costs are incurred for unexpected tax or penalty costs, these can be high, which can hit the bottom line and are almost never included in any financial planning. The impact will be negative and, if sufficiently high, require explanation to investors.

- **Risk of Prosecution**

Failure to adhere to immigration or tax regulations consistently can lead to authorities prosecuting the organisation, which may include specific officers of the company.

- **Employment Law Risk**

Understanding the location of employees can help to ensure that the employment laws are adhered to in the destination jurisdiction for these individuals.

- **Duty of Care**

In the current climate with increasing incidences of terrorism, knowing the whereabouts of the business traveller population in real time means that, if there is an incident, individuals in the area can be identified quickly so steps can be taken to locate them to provide the necessary support.

What Can You Do?

Doing nothing if you do not understand your business travel activity could be a significant risk and issue in terms of compliance and can cause significant expense in penalties and fines. Often the business travel population is not on a formal assignment programme in a different work location or seconded to another host entity. As such, these individuals can be overlooked and may not be included in immigration policies and procedures within an organisation. There are two main solutions:

1) An in-house process – Internal resources may permit the development of a tool built in-house to track and manage the business traveller population specifically tailored to the business. This may have proactive capabilities to cover both the immigration and tax angles. Some companies rely on a retrospective view by using travel or expense claim reports which may help to track number of days abroad, but is retrospective and, therefore, does not ensure that the appropriate immigration steps have been taken. The information captured would offer management reporting and the ability to monitor the programme.

2) Outsource – There are immigration providers who can offer a solution to track the business traveller population for you. This would allow travellers to input information about themselves and this, coupled with the logic included in the solution, would allow for a pre-travel assessment to determine the appropriate immigration path for the activities intended and access to immigration professionals. The tooling promotes compliance, tracking each occurrence of use to provide detailed and summary reporting for the company. Provided the information entered into the tool by the individual is accurate, the appropriate immigration route will be ensured.

Santa Fe is launching a compliant solution called the Business Travel Tracker, which is an innovative risk and compliance management

system, allowing organisations to track their business travel globally:

a) Immigration – Immediate online assessment of the travel requests and technical advice from our immigration team of experts. Full work authorisation and visa application support.

b) Tax and Social Security – The tool contains basic tax treaty logic and the traveller is provided an assessment for guidance as part of their travel request.

c) Review and Reporting – In-depth reviews of all travel requests and tailored reporting on a regular basis.

D) Business Traveller Policies – Santa Fe is able to support organisations with developing and maintaining their business traveller policies.

Having considered your current programme, do take time to evaluate the best way forward for you and your company to ensure immigration compliance proactively so that you can rest easy in the knowledge that you have a robust policy and programme in place to mitigate your risk around the business traveller population.

Are you confident that you know who is travelling, where they are and if they have the appropriate visa or permit? Santa Fe Relocation is launching a tool which can help organisations with various aspects of their business traveller requirements so they can address many of the concerns mentioned in this article.



ROBERT DAY

Robert Day is the acting Head of Global Immigration at Santa Fe Relocation Services. He has had a long career in large multinational companies, having a background in finance and operations prior to taking a mobility focus. He has managed the end to end mobility programme in the UK for a large blue chip company, lead an immigration practice in the Nordics, managed the global coordination for a large global pharmaceutical company along with leading the coordination of European immigration in a Big 4 environment. At present, he is leading all aspects of the global immigration capability for Santa Fe.

If you have any thoughts or questions you can contact Bob on Robert.Day@SantaFeRelo.com