

Working Remotely Overseas During The Covid-19 Pandemic

The last 12 months have been especially challenging for the Global Mobility industry considering the cumulative effect of Covid-19 and Brexit. From in-house global mobility professionals to relocation partners and the professional services companies supporting immigration and tax compliance, the effect of Covid-19 and Brexit has been felt across the board.

Our lives were and continue to be affected in many ways by Covid-19 and choices are being made (often at a short notice) on where and how we do our jobs and how we do business. Remote working overseas and employee displacement happened quickly at the start of the pandemic and the trend to work remotely was accelerated. Many businesses have proved that remote working can be as productive as working in an office environment and it appears that remote working is here to stay.

Although remote working overseas can be accidental in some cases, the usual global mobility considerations apply as they do to the more structured global moves such as short-term and long-term assignments. In some cases, they present added challenges especially if the business has a limited legal presence overseas. Employee and family wellbeing, talent management and engagement, and the overall expatriate compliance relating to immigration, corporation tax (permanent establishment) and expatriate taxation remain valid.

Employee requests to work remotely overseas due to Covid-19, at home or following on from a period on vacation, have added a new dimension to global mobility management. Naturally global mobility has become a key source of knowledge and support to the wider business relating to remote working overseas and it has increased the profile of the function.

A key focus during the pandemic has been ensuring that both the employees and the business remain compliant whilst working from home overseas. Conversations with key HR and Finance stakeholders and sharing key mobility data has continued to be as important as ever. Working closely together has meant that information is shared, and that the relevant compliance risk assessment is done as early in the process as practically possible.

As a business we decided early in the pandemic that remote working overseas would fall within the scope of the global mobility team. This ensured that we adopted a joined up approach to reviewing remote working requests and that they were managed in a similar fashion to our business travel population. As business travel at Unipart is ordinarily managed by the global mobility function, we were able to replicate the existing processes to our remote working overseas population. In parallel we reviewed our working from home policy and ensured that it specifically addressed working from home overseas.

Another key area for us has been communicating regularly with our management population and raising awareness of the risks associated with approving working from home overseas requests without consulting global mobility and tax and compliance. Educating the management population across the Group has been a key step in highlighting and ultimately actively reducing those risks and ensuring that line managers feel supported.

From an employee point of view, having a written agreement with employees and having an awareness of the potential employment tax obligations in the home and host locations has been essential. This has ensured that employees understand the implications of working from home overseas and it has improved the business visibility of costs associated with working overseas.

Covid-19 has led to an increased cooperation between tax authorities around the world and the pandemic is accelerating the making tax digital agenda globally. As the pandemic has created a sizable gap in tax revenues around the world, it is largely expected that as travel starts to resume, tax authorities will increase compliance checks and audit activity relating to international travel. We are likely to see an increased activity in the UK in relation to UK Inbound and Outbound international travel such as short-term business visitors (STBVs) and other existing schemes (e.g. Appendix 6, Appendix 7b).

Where applicable the updated OECD guidelines provided relief at the beginning of the pandemic. However, in some instances it has been difficult to determine whether businesses can access the available tax relief.

Therefore, it is essential that global mobility data is kept up-to-date and we have continued to focus on consolidating existing global mobility data sources.

In addition, we have managed, proactively, communication relating to travel and work in the EU post 1st January 2021. New Immigration compliance requirements have added an additional layer of complexity to managing remote working requests in the EU in the context of Covid-19. A good example is the Posted Workers Directive (PWD) regulations which continues to apply after Brexit and are interpreted differently by each EU state. There are strict regulations relating to notifying the authorities that an individual is working in country, and remote work overseas can fall within the scope of PWD. We have therefore kept close to updates relating to the Brexit deal including specific guidance relating to Social Security and the application of existing and new A1 certificates.

Ultimately Covid-19 has accelerated developing a group-wide approach to global mobility and a consistent application of processes and global mobility data management. In reality the reduced number of business trips and global assignments due to the pandemic has created the space to connect with key stakeholders from across the business and has increased awareness of the existing global mobility policies and processes. This ensures that we can future proof our approach to global mobility and that the function can support business development projects effectively during the pandemic and beyond.

Business travel is anticipated to resume somewhat during the second half of 2021 and having a robust business travel management structure will be essential. Continuous improvement is an essential part of how we do business at Unipart and it's reflected in our approach to global mobility and overseas travel compliance.



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