22 December 2025

Ms. Manal Corwin
Director, Centre for Tax Policy and Administration
OECD
2, rue André Pascal
75016 Paris FRANCE

RE: Public Consultation Document – Global Mobility of Individuals, sent via email to taxpublicconsultation@oecd.org

Dear Ms. Corwin,

The Worldwide Employee Relocation Council (WERC), the industry trade association for global talent mobility, welcomes the opportunity to submit comments in response to the OECD's public consultation request of 26 November 2025 requesting input on the global mobility of individuals.

For your reference, WERC comprises over 5,000 corporate and service provider members around the world and represents the individuals and organizations that oversee and implement the movement of employees around the world for employment purposes, including for relocation programs occurring within their home country or to/from an international destination.

Based on the experience of our members, WERC believes that the tax laws and regulations associated with global mobility programs should minimize the tax-related barriers that deter employers and employees from moving across borders for employment purposes. Tax-related barriers impede workers' ability to maximize their potential while also hindering the ability of employers to optimize their productivity by engaging the talent they need either within their country or globally. These barriers can result from individuals and companies facing financial costs and/or tax burdens due to employment-related moves, as well as a complex and fragmented landscape of tax processes and requirements that creates a complicated environment for maintaining tax compliance.

This can be done by:

- Mitigating the risks and impacts of double taxation on individuals. This could be achieved by a variety of means most appropriate for a jurisdiction, including expanding the existence of double taxation treaties and totalization agreements between jurisdictions;

- Reducing the tax-related burdens on moving employees and their employers by either excluding employer-provided mobility-related benefits, such as, but not limited to,

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household goods shipments, temporary housing support, immigration and tax support, from being counted toward an individual's taxable income, or providing mechanisms for lowering or offsetting those items via deductions or credits.

- Ensuring that tax provisions factor in and balance the key variables around global mobility programs that may come into play in a given tax year, including varied mobility program duration lengths, multi-country locations of activity, and varied jurisdictional sources of taxable income (including salary and fringe benefits).

WERC is pleased to offer the additional information and recommendations below in support of the OECD's public consultation request around global mobility. These items were compiled and created in conjunction with members of WERC's global tax public policy forum. We, and our members, stand ready to provide additional applicable information as needed related to global mobility and its important role in supporting the talent strategies of employers around the world, and please reach out to me with any questions or requests for additional details.

Sincerely,

Michael T. Jackson
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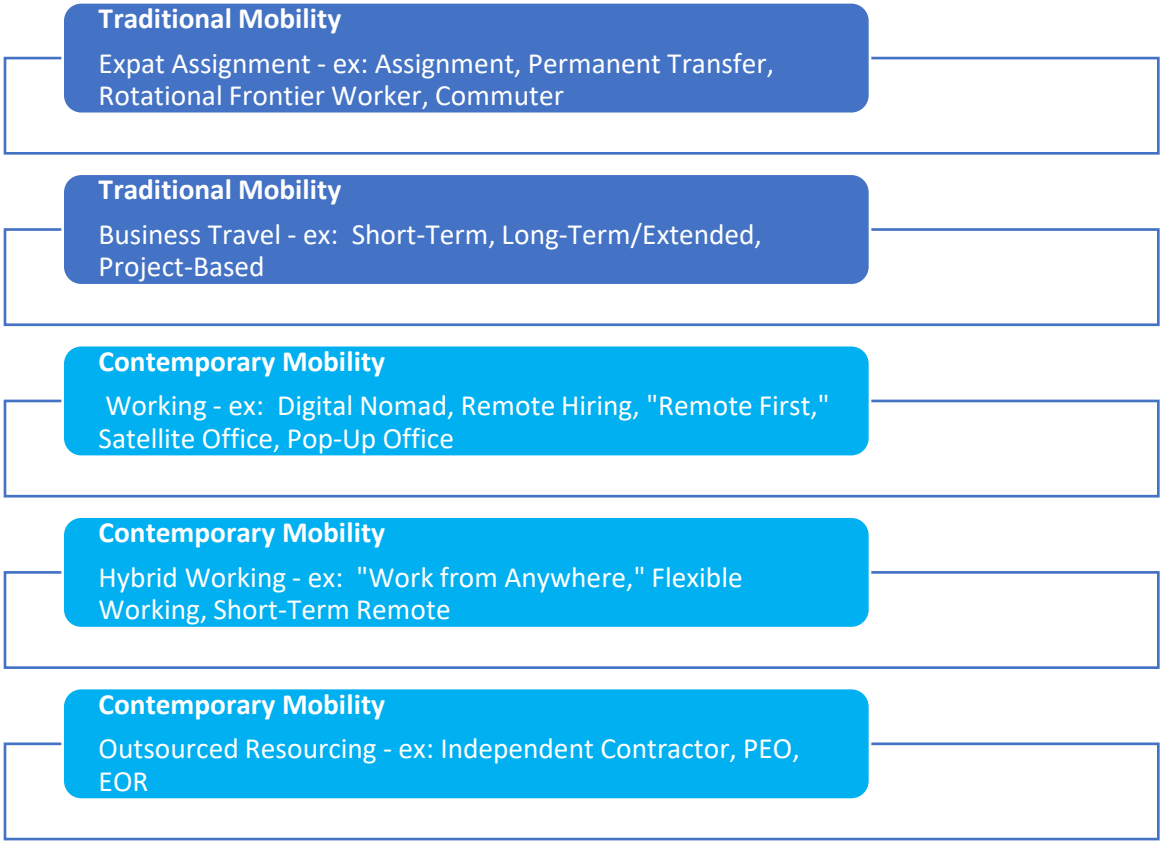
Additional Information and Recommendations

Part I: Overall Global Mobility Trends

Global Mobility Definitions

Types of Global Mobility



Source: Grant Thornton

With both global institutions and country-specific tax authorities, the term "global mobility" has lacked a clear definition and has been used variably to refer to encompass a wide spectrum of program types, ranging from traditional, binary forms of global mobility arrangements such as international assignments from Country A to Country B, to more contemporary remote working arrangements and digital nomads. Global mobility, global workforce, teleworking, remote working, and other terminology have been used interchangeably when referring to different working arrangements, corporate structures, and strategies, which generate their own unique, and often diverging, tax issues.

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While traditional binary arrangements remain an important part of an employer's global mobility program, the growing prevalence of companies and their employees utilizing newer contemporary models underscores the need for clearer and more diverse definitions. Global mobility of employees should be conceived of beyond unidirectional moves where an employee/individual physically moves from Country A to Country B. "Global mobility" has more diversity in cross-border working that could fall within the mobility of services from employment that employers are seeking to address.

By defining the scope and nature of global mobility, the scoping and understanding of issues arising from cross-border employee mobility will be more effectively enabled. The table above provides an overview of both traditional (in dark blue) and contemporary (in light blue) forms of global mobility that sees employees working and moving across borders. The employment structures can differ significantly between traditional binary forms of global mobility and contemporary forms of working. Therefore, it may not be possible to draft treaty articles and clauses that address all forms appropriately and that may lead to tax outcomes that challenge or impede businesses from operating effectively and without undue administrative burden and risk across borders.

The forms of contemporary global mobility and global workforce structures included in the above chart are summarized as follows:

- Pop-up office: a temporary physical working space created by a company to support a specific short-term business objective or project.
- Satellite office: small, sometimes temporary, offices, often in locations where a company has a limited presence.
- "Remote first": following the end of the COVID-19 pandemic, many companies chose to remain or moved towards working arrangements where physical office space was reduced or removed entirely. Some companies, particularly smaller employers and start-ups, are choosing not to have physical office space and operate on a fully remote basis. Employees therefore work from home on a full-time basis, which may be in countries other than those they are employed in.
- Remote hiring: during the COVID-19 pandemic, many companies sought to hire employees in countries other than where they would normally be employed. With no or limited ability to relocate employees to work in the country in which the employer was resident, companies prioritized recruiting the right talent to meet the needs of the business. With the continuing globalization of business, the trend of remote hiring has persisted post-pandemic as businesses continue to seek talent sources across borders. Employees may work on a full-time or part-time basis from home, at a company office in their country of residence, split time with the office in the company's country of residence, or other locations. Employees typically undertake some travel to the company's country of residence and may ultimately relocate.

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- Digital nomads: individuals who have no fixed home and work remotely from one or more countries, typically working remotely under specific digital nomad visa arrangements. In some countries, the visa may confer tax benefits such as an exemption from country taxation for employment income.
- "Work from Anywhere": a company policy allowing employees the ability to work from any country location. These locations are commonly permitted in countries where the company has a legal and/or physical presence.
- Flexible working: a company policy where an employee may combine in-office working with remote working from home. This may be across country borders. The split of time may be at the discretion of employee or mandated by the employer under a return-to-office policy.
- Short-term remote: the ability of an employee to work remotely from another location for a fixed period of time. Many companies' remote working policies developed following the COVID-19 pandemic allow for up to 30 days of remote working, but this duration can be shorter or longer depending on company guidelines.

Global Mobility Data:

Cross-Border Mobility Data:

With the broad and evolving spectrum of global mobility programs employed by employers, data around cross-border global mobility has traditionally been reported in a fragmented and non-comprehensive manner. To address this, WERC is working with its members and the global mobility industry to collate and report volumes and trends comprehensively, and data connected with recent research reports can be found below. Additionally, some government entities have released data that provides snapshots into cross-border mobility, an example of which is the case of the United States outlined below.

- **U.S. Census Bureau's Current Population Survey - Annual Social and Economic Supplement March 2025** The U.S. Government's Census Bureau estimated that, in 2024, over 156,000 individuals, including U.S. citizens, permanent residents, and/or foreign nationals possessing various U.S. nonimmigrant statuses, moved abroad due to a new job or job transfer. Additionally, approximately 132,000 family members were estimated to have moved abroad accompanying these individuals.

  However, cross-border moves only comprised a small portion of the 2024 moves reflected in the data. Nearly 89 percent of individuals moving for a new job or job transfer in 2024 did so within the United States, with approximately 1.3 million

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individuals doing so (and accompanied by an additional 1 million-plus family member on their move).

- **WERC Relocation Management Company Survey 2025:** A Fall 2025 WERC survey of 15 of its relocation management companies responsible for managing the domestic and cross-border global mobility programs for many employers estimated their 2025 volume to encompass over 455,000 mobility-related initiations for a moving employee and, if applicable, their family members, which reflected a 9 percent increase over 2023 levels. Of this total number, roughly 185,000 (approximately 40 percent) was non-U.S. domestic moves, which included cross-border mobility programs.

WERC has also commissioned an inaugural talent mobility market sizing and economic impact study that will include additional information related to cross-border global mobility. This report is currently in process and will be released in Spring 2026. Once the report is finalized and released, WERC can share a copy with the OECD for its use and reference.

Cross-Border Commuting/Frontier Working:

Cross-border commuting/frontier programs have been increasingly part of the global mobility portfolios of multinational employers, though its usage is often determined on a case-by-case basis with variables such as the countries and position levels involved factoring into a company's decision around these programs. Recent data from WERC members on these types of global mobility programs includes:

- **Vialto Partners Mobility Matters Survey 2025:** 51% of surveyed companies offered cross-border commuter opportunities to employees. Of those, 72% indicated their commuter population to be between 1 and 10% of their employee population, with most common utilization for mid-to senior level employees. Decisions around cross-border commuting most commonly a blend model of business requirements and employee preferences, with most common occurrences being between Western European countries (i.e. Germany, Switzerland, France, Austria) and from United States to Mexico and Canada.

Remote Work:

Despite domestic trends in many countries Cross-border remote work programs have continued to be part of the global mobility portfolios of employers, enabling both short-term have been increasingly part of the global mobility portfolios of multinational employers, though its usage is often determined on a case-by-case basis with variables such as the countries and position levels involved factoring into a company's decision around these programs. Recent data from WERC members on these types of global mobility programs includes:

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- **Vialto Partners Mobility Matters Survey 2025:** 38% of surveyed companies offered short-term international remote work opportunities to employees; 25% offered long-term international remote work opportunities. Only 17% of surveyed companies offered virtual assignments, but 66% offered domestic hybrid work with a home/office split.
- **Envoy Global U.S. Corporate Immigration Trends 2025**: 73% of surveyed U.S. employers indicated their companies allow, or plan to allow, employees to work abroad on remote work or digital nomad visas. Another 18% do so on a case-by-case basis.
- **AIRINC International Remote Work Study:** 63% of respondents permitted international remote work. 32% of respondents have a formal company policy around international remote work, while another 35% handle it on a case-by-case basis.

  83% of respondents set some sort of time limit on international remote work, typically number of cumulative days, number of consecutive days, a combination of the two, or some sort of varied approach handled on a case-by-case basis. For those with a cumulative day limit, 78% set the threshold between 10 and 30 days within a 12-month period. For those with a consecutive day limit, 67% set the threshold in the 10 to 30-day range.

  Employees undertaking international remote work are typically responsible for their own immigration and tax requirements, but the company may provide some guidance to the employee on immigration requirements and typically has guidelines in place with programs (e.g. time limits) to ensure no additional tax liabilities are triggered).

Part II: Personal Income Tax Considerations

Factors impacting tax residence(s)

Because of the role talent mobility plays in supporting the business operations and workforce needs of employers operating within an increasingly globalized and inter-connected business and economic landscape, a range of factors impact and ultimately shape the tax ramifications for both the employee and their employer.

The factors that can result in more than one tax residence include, but are not necessarily limited to:

- Locations – With global mobility, where activities occur can result in a myriad of situation types that ultimately feed into the tax situation of the employee. Common scenarios that could come up during the tax year include:

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- Multiple countries (two or more), including but not solely limited to their country of citizenship and/or primary residence
- Multiple countries (two or more), but not including their country of citizenship and/or primary residence
- Multiple countries (two or more), including but not solely limited to their country of citizenship and/or primary residence, plus multiple state/provincial/regional jurisdictions within one or more countries
- One country that is not their country of citizenship and/or primary residence
- Country of citizenship and/or primary residence only, but multiple state/provincial/regional jurisdictions within country

- Income sources – One of the most challenging components of cross-border global mobility that often complicates the tax-related considerations for both employers and employees is that the employee's salary, other financial benefits or compensation, and/or other mobility-related taxable non-monetary benefits can be provided by a range of entities, including the parent-company of a multinational corporation, a foreign affiliate of a multinational corporation, a third-party entity connected to the mobility program's implementation (e.g. relocation management company, staffing organization), a third-party entity not connected to the mobility program's implementation (e.g. government entity, foundation), and/or a combination of these entities. With these sources, they may or may not be located in the country of citizenship and/or primary residence, and often there is a split of benefits that can span entities across multiple countries.

  Article 15 of the model tax convention remains largely unchanged since it was originally drafted and published in 1963. However, the globalization of business has shifted the dynamics and models of the mobility of employees dramatically and in ways that could not have been conceived of when the article was originally drafted. The ability to travel internationally with convenience and speed, as well as instantaneous communications through digital platforms, means business is conducted across borders as a normal and standard means of operating. With this, certain groups of employees may trigger a liability to income tax outside their country of residence based on their employment arrangements that may be minimal while also triggering complex compliance challenges for the employer.

  These have been summarized below:

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- Employee of a foreign branch – an employee of a foreign branch entity is currently deemed employed by the parent company. For an employee working in State B and employed by a company in State A, employment income attributable to work undertaken in State A cannot be excluded from tax under article 15(2) of the model tax treaty on the basis the individual has an employer in State A. Taxation of income related to potentially only a few workdays in State A gives rise to complexity and administrative burden for the employee (and employer if payroll and other compliance obligations arise).
- Remote working employee employed outside their country of residence – the same complexities arise for an employee working remotely from State B but employed by an employer in State A. They will be subject to taxation in State A for income attributable to work duties undertaken there. This may be related to days attending meetings or periodic updates where they are required to travel to State A.
- Employees undertaking business travel – employees traveling for business purposes may create tax complexity for employing companies. This could arise where the employee's role, function and responsibilities could create a permanent establishment or where there is a recharge of an employee's costs into an entity in a different country. In both cases, the individual would not meet the criteria in Article 15(2) by reason of having a deemed employer in the host location, or employment costs being borne by a permanent establishment of the employing company resident in the destination country, respectively.
- Economic employer where there are limited costs borne by an entity in the destination country – an employee may travel to a country for business purposes to perform duties where the local entity bears a portion of their employment costs. This may be a direct allocation of employment costs or non-business expense costs attributable to their work travel. In these scenarios, costs being borne by a local entity resident in the country the employee travels to will result in Article 15(2) not being met. The income attributable to duties performed in the other country may be limited but will give rise to an individual tax liability and potentially employer compliance obligations that are burdensome to meet.
- Continental Shelf working – Some treaties contain offshore activities articles. Similar to Article 15, in many cases these have been drafted and agreed to many years ago and focus on exploration and exploitation of seabed activities. With the growth of the renewables industry and transitions in many countries away from fossil fuels, these articles should be reframed or expanded to encompass beyond oil and gas activities.

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Varying Definitions of "Residence": One of the most challenging tax elements for global mobility practitioners managing cross-border programs is navigating the operational and compliance considerations around the varied criteria set by countries around what is considered "residence." This is compounded by the fact that mobility programs within a company can take many different forms and span a range of durations. For example, business travel programs could be only a few days or weeks while cross-border assignments could cover most or all the tax year. Finding avenues to streamline these definitions to the extent possible while continuing to balance national sovereignty considerations for countries around their tax protocols would allow for better understanding and compliance by employers and workers.

Additionally, some elements within the model tax convention around dual residents do not fully align with shifting employee circumstances when undertaking a cross-border mobility program. Currently, article 4(2) of the model tax convention determines tax residency for dual resident individuals based on a series of "tie-breaker" tests, firstly where an individual has a permanent home available to them.

With shifting demographics, younger or lower paid employees may be unable to buy a home and also have to relinquish rental homes during periods of cross-border mobility. As a result, they will not have a permanent home in their home resident country. This could result in these employees establishing tax residency in the Other Contracting State where they cannot demonstrate having a permanent home in a Contracting State, despite having their Center of Vital Interests there. Resident taxation rights may therefore be given to States where an individual has fewer ties and only a temporary presence. It would also mean the individual could not benefit from tax reliefs elsewhere in the treaty, notably article 15(2) as they would not be a resident in the Contracting State.

Factors Creating Employer Challenges/Uncertainty

For employers that have talent working on cross-border mobility programs, the interplay of a complex and fragmented tax landscape and the evolving and nuanced portfolio of program types that can be found within a global mobility program can create numerous challenges and uncertainties that must be managed. These factors include:

- Compliance monitoring and tracking challenging in a cross-border tax framework, as variables at play are often varied by each situation to a point where most mobility cases are unique with their own distinct requirements to ensure compliance. This is complicated by the patchwork of bilateral agreements around double taxation and totalization, which form a complicated framework for employers and individuals to ensure they understand and comply with. For example, in the case of the United States, it has approximately 60 treaties covering income and 30 totalization agreements, with most of these treaties and agreements having nuanced frameworks contained within. This results in global mobility practitioners having to understand and navigate a wide

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range of requirements within their programs, which results in their operational and compliance challenges.

- Complicated frameworks and varied requirements typically require employer investment in and utilization of external service providers to support some or all of the tax-related processes, which incur financial and operational costs to the employer to facilitate.
- Many country-by-country-specific considerations around tax, immigration, and in-country implementation considerations require an employer to engage and utilize a network of multiple service providers in order to manage their operational and compliance needs. While multinational employers often engage a core group of service provider partners that have, either within their direct operations or via established interconnected partnerships, the ability to provide multifaceted support in numerous countries or on a global scale, those with a narrower cross-border footprint may have to build and manage their own networks of providers to support their employees and their business locations.
- Multiple tax filings raise costs for employers, not just due to service provider utilization (if applicable) but also in cases where employers provide tax assistance benefit to cover some or all the mobility-related tax burden for the employee.

Part III: Employer Tax Considerations

Permanent Establishment

It has become increasingly common for start-ups and high-growth companies pursuing international expansion to seek talent beyond the national borders of the country in which the company is resident. The rise of the digital labor "platform economy" has enabled companies seeking talent to pursue rapid growth by accessing talent in non-domestic jurisdictions. At the same time, governments have invested in the development of skilled labor in key industries, such as technology, to both stimulate domestic economic growth and attract foreign direct investment via foreign companies.

For companies hiring talent outside their domestic labor market, they may engage employees remotely working from home who are engaged in the core business of the enterprise (and not preparatory and auxiliary activities). The activities of the employees and company may have no economic integration into the country in which the employees are resident – there may be no commercial reason for them to be based in that country, have no market focus, no management decision making or signatory authority, no local customers, and no physical office space, with all productive activities exported to the country in which the employer is resident.

Even where the number of employees hired in a particular country increases, there may be little economic substance to the work they perform. While a home office permanent establishment (PE) may not arise per the 2025 updated commentary to Article 5, a services or fixed place of

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business PE may nonetheless be created at an early stage of the employing company's activity in engaging employees remotely.

As businesses scale across borders, this could be better facilitated by a de minimus level under which the presence of employees pursuing activities, unrelated and not integrated to the local economy, are not seen to create PE. Criteria could include factors such as global turnover, number of employees, expanding the nature of permissible activities beyond those that are preparatory and auxiliary,

As recognized in the update to the model tax convention commentary released earlier this year, global workforces, and in turn forms of global mobility, have undergone significant diversification since the publication of the 2017 commentary and prior updates addressing PE. The traditional office-first form of work has been supplemented by new modes of engaging employees across borders. The current drafting of Article 5 is predicated on a business establishing a long-term (understood as six months-plus) operational presence in a country. The formation of PE under Article 5 can, however, also be applied to new forms of global workforces, such as temporary business operations and businesses with a geographically distributed, decentralized workforce that operates in a digital-first state.

As summarized in the table below, different contemporary forms of employee mobility are exposed to the risk of PE:

Global Workforce Operating Model	**Type of PE**
Fully remote organizations	Services PE and/or Agency PE
"Remote-first" companies, limited or reduced office space	Fixed place of business
"Pop up" offices	Fixed place of business
Satellite office	Fixed place of business
Remote hiring	Services PE and/or Agency PE
Remote working policies	Services PE and/or Agency PE
"Work-from-anywhere" programs	Services PE and/or Agency PE
Digital nomad visa schemes	Services PE and/or Agency PE
Independent contractors and contingent labor	Services PE and/or Agency PE
Employers of Record (EORs) acting as local employers	Fixed place of business, Services PE and/or Agency PE

The profits attributable to such a PE may be limited to employee costs with a cost-plus mark-up therefore resulting in minimal tax exposure and a disproportionate compliance burden to the company (corporate tax registration, filing of corporate income tax returns, corporate tax liability, employer payroll and payroll taxes). Such "micro-PEs" increase operational costs through the compliance administration burden for businesses seeking growth.

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Potential ways of mitigating micro-PEs may include:

- Developing an expanded exemption for business activities that would not trigger a PE beyond those that are "preparatory and auxiliary activity" — for example, the activity of employees in non-market facing roles during a defined period of initial growth and operations.
- For countries that may assess PE and/or individual income tax based on 183 days of an employee's physical presence, the definition of "day" could be changed to a *working* day rather than simply a day of physical presence in a country.

Businesses may engage a very limited employee population in initial growth stages, with activity performed by an employee population up to a specified number excluded from creating PE. Alternatively, applying a cap on the company size defined by global turnover or industry, for example (the latter specified by a country tax authority), recognizes that high-growth to mid-sized businesses may need to deploy talent internationally differently to large corporates. An example of this is Australia's concept of a "significant global entity" for employment tax non-compliance penalty exposure purposes.

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