

International Tax Challenges in Mobile Work

Navigating the complex landscape of cross-border employment and multinational enterprise operations in today's remote-first world.



Case 1: Home Office / Remote Work Scenarios

Primary remote work

A works for company AB which is headquartered in country X. A mainly works remote in his house in country Y where A lives with his/her family.

- Regular visits at HQ (4-6- times a year)
- 2-3 days each time)

Szenario 2: Executive Scenario

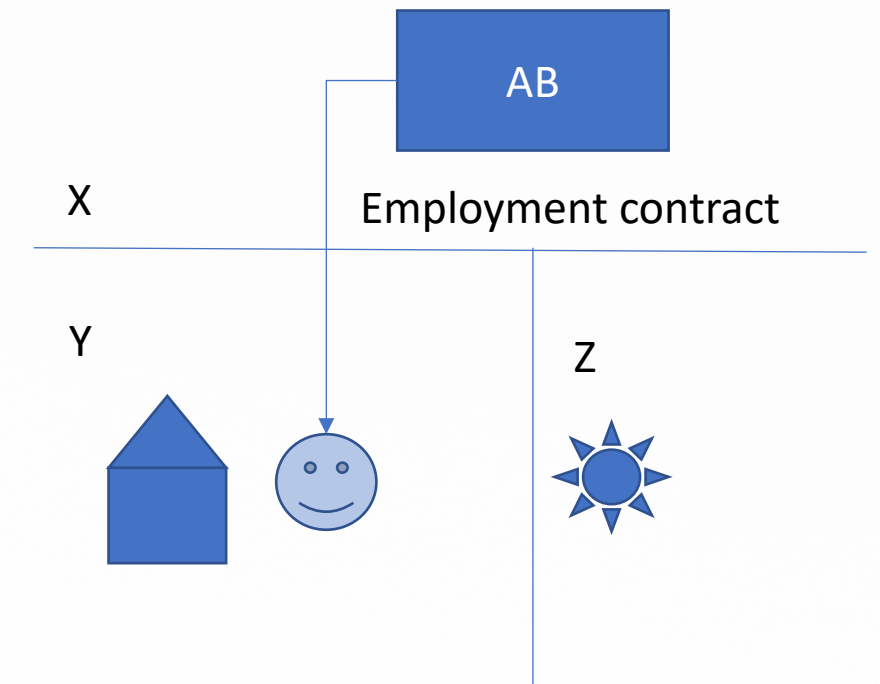
Alternatively, employee A acts as CEO of company AB

- Extensive decision-making authority

Saisonal work location change

During the summer months, employee A temporarily relocates their workplace to a vacation home in Country Z and continues remote work from this third jurisdiction. Temporary relocation for one season

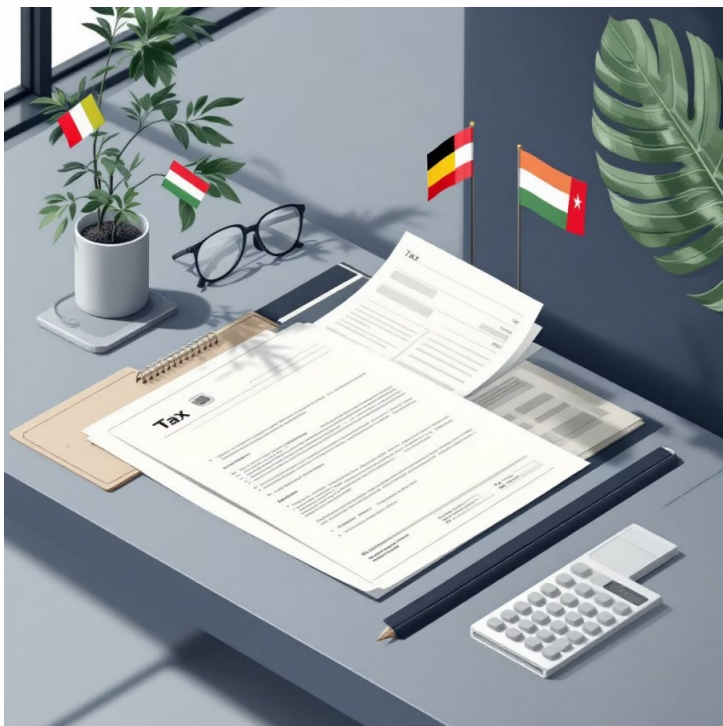
- No change in work responsibilities



Tax Implications for Remote Work

Employee

Article 15



Employer

PE

Withholding Tax Requirements

CEO: Residence State

Case 2: International Cooperation in MNE

02

Corporate Structure

AB is a multinational enterprise headquartered in country X with subsidiary A resident in country Y and subsidiary B resident in country Z.

03

Global Talent Strategy

AB, A, and B employ people across countries X, Y, and Z based on availability of best talents, creating a truly international workforce.

04

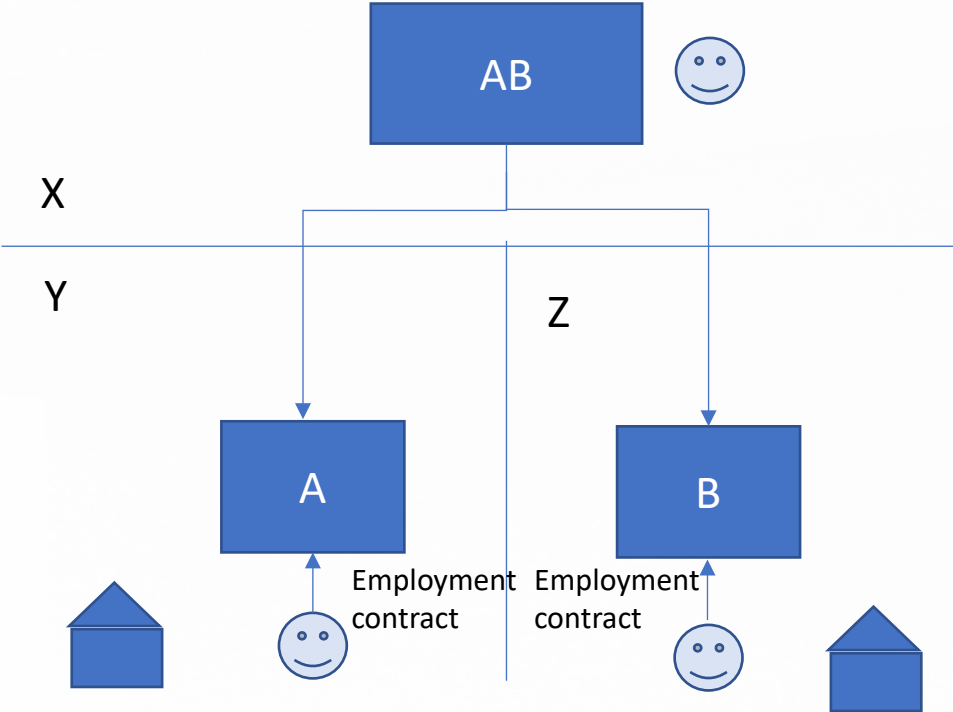
Project Integration

For orders acquired by AB, employees from subsidiary A join meetings at AB's premises, using dedicated office space for specific projects.

05

Team Collaboration

Teams from subsidiary B participate in projects as integral team members under supervision of AB's project manager, creating seamless international collaboration.



Tax Implications for International Project Cooperation

Employee

Article 15

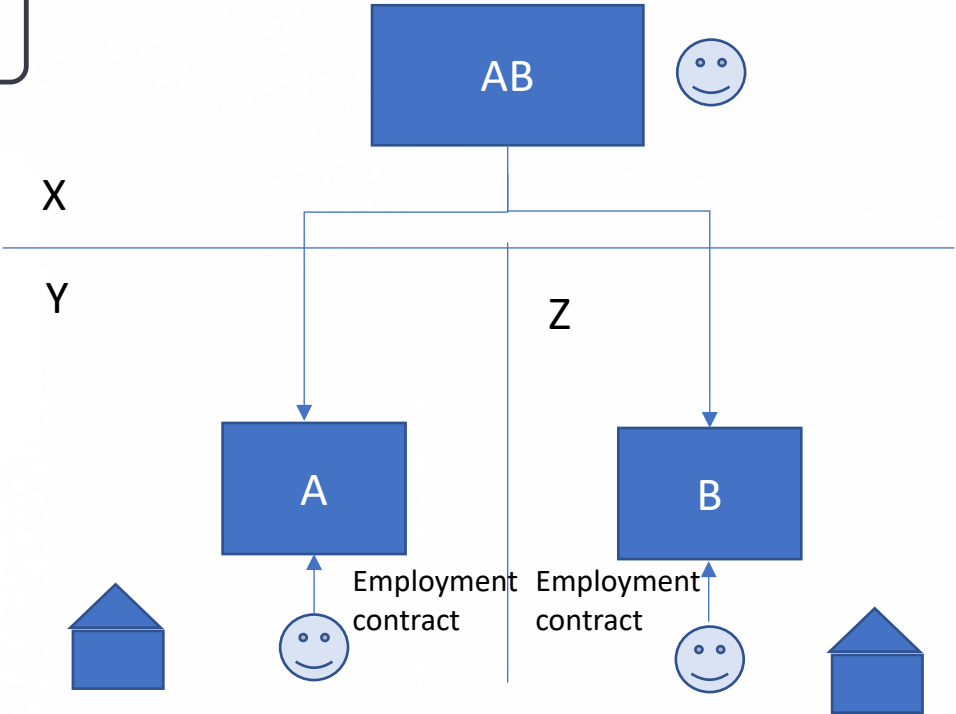
Employer

PE

Withholding Tax Requirements

Transfer Pricing

Function and IP Transfers



IFA Event - Mobility of Work

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WU
VIENNA





Sabrina (28) is an IT specialist. She is a **national of State A**. After receiving her IT degree, she started **working remotely for a company in State B**, as an IT expert (*Alternatively – she could be a free-lancer working simultaneously independently for several companies from different countries.*) For the last 2 years she has been travelling around the world, staying up to **90 days in a different country C** (Thailand, Greece, Croatia, Austria, Indonesia). She works on the laptop provided by the company on some days from the beach, some days from home and some days from co-working spaces.

She does not own an apartment anywhere but instead **rents**.

She is **single** – her parents live in state A, and she visits them for Christmas (but does not have a room there anymore).

In **every country**, Sabrina **joins the gym, finds some friends** and leads a quite **active social life**. Her company pays for a private medical insurance so she can visit a private doctor in any of the countries where she lives.

Where is her tax residency?

Can S-State tax?

**Income from employment
Art. 15 OECD MC**

15.1. R-State of employee (exclusive rights), unless work carried out in S-State (shared rights)

15.2. R-State of employee (exclusive rights), even if work is carried out in S-State, if:

- a) physical presence in S-State for period(s) not exceeding **183 days** in a 12-month period
+
- b) \$ paid by, or on behalf of **employer** who is **not an S-State resident**
+
- c) \$ is **not** borne by a **PE of the employer in S-State**

**Business profits
Art. 7 OECD MC**

If Sabrina works as an independent service provider

7.1. Business profits are taxable only in R-State, unless PE (*of Sabrina*) in S-State.

Does Sabrina create PEs in countries C?

Suggestions from academia :

- Create one article that encompasses employment and independent personal services („Labour income”) - Beretta
- Lower the 183-day threshold to 90 days in Art. 15.2 (Beretta / EESC)
- Delete points b) and c) of 15.2. or retain point c) Pignatari (because the remote worker might create a PE for the employer)
- OSS like redistribution system for the residence state of the employer to use to redistribute the income to S-States / extend this obligation also to independent service providers (contractors)

Digital nomad regimes – race to the bottom?



Digital nomad regime in
Croatia



Digital nomad regime
in Spain



Digital nomad regime
in Greece

Common features: highly-skilled individuals - proof of qualifications, proof of min. net income, ring-fenced to non-nationals, must have clients or be employed by a company located outside the country, cannot register a business in the country, clean criminal record, health coverage, short-term (1, 1,5 Y, but could be longer, e.g. Spain – 5Y – extensions are possible)

Benefits: revenue from consumption taxes and other levies, revitalization of certain regions, activation of the housing market, ultimately possibility of digital nomad staying and becoming a tax resident

Digital nomad regimes – race to the bottom?



Digital nomad regime in Croatia

Tax residency rules unchanged – no taxation if stay beneath 6 months, digital nomad will become tax resident if ownership or possession of apartment more than 183 days, but income from „digital nomadship” is exempt (but not passive income, capital gains etc.)



Digital nomad regime in Spain

DNV 1 Y but extendable up to 5 Y, preferential tax regime („Beckham law”) – Spanish income and assets up to €600,000 will be taxed at a rate of 24%, the excess at 47%, no PIT or wealth tax on foreign income and assets



Digital nomad regime in Greece

Tax residency rules unchanged – no taxation if stay beneath 6 months
If longer then DN has a 50% reduction in tax rates for as long as the DN stay lasts

Peter is a delivery person. He is driving his bike around Vienna for 5 hours a day making deliveries of food and small supplies. On Mondays, Tuesdays and Wednesdays he makes deliveries for *Foodmore*, on Thursdays he drives for *Ham Ham* and on Fridays he drives for *DeliveryGiant*.



Self-employed ?

Employed ?

43 million workers
in the EU by 2025

Contractual terms – platform considers only to provide technology that connects drivers, restaurants and customers, while retaining a service fee. Self-employed persons – no minimum wage, no WHT of payroll taxes, no paid holiday, no paid sick leave or other employment rights.



Economic reality - Peter can log on the app whenever he wants to work.

Once logged-on – the platform:

- offers work,
- does not set the price but instead allows Peter to set the price himself,
- no special work clothes or logo,
- determines the contractual terms under which the delivery is made,
- the delivery is the sole responsibility of Peter,
- uses a rating system.



Economic reality - Peter can log on the app whenever he wants to work.

Once logged-on – the platform:

- offers work,
- suggests Peter a price for the delivery but enables him to deviate from it,
- no special work clothes or logo,
- determines the contractual terms under which the delivery is made,
- will reimburse the customer the price of the delivery if the service is unsatisfactory, and will not recharge it to Peter,
- can exclude Peter from the platform,
- uses a rating system.



Economic reality - Peter can log on the app whenever he wants to work.

Once logged-on – the platform:

- offers work,
- determines the fixed price per delivery,
- special work clothes and logo, but own vehicle and phone,
- determines the contractual terms under which the delivery is made,
- will reimburse the customer the price of the delivery if the service is unsatisfactory, but will recharge it to Peter,
- can penalize Peter if he cancels or does not accept delivery orders by logging him off the app,
- can exclude Peter from the platform,
- uses a rating system.

Labour law courts and tribunals have a widely divergent approach to the issue.

Heavily factual, case-by-case analysis

*Hungarian Supreme Court, Dec.
2023 – food delivery driver is a **self-
employed person** - Curia
Mfv.VIII.10.091/2023/7*



*Uber BV and others v Aslam and
others – UK Supreme court decision
2021 – Uber drivers have a status as
“workers”*

Platform worker directive, Directive (EU) 2024/2831

Article 4

Determination of correct employment status

1. Member States shall have appropriate and effective procedures in place to verify and ensure the determination of the correct employment status of persons performing platform work, with a view to ascertaining the existence of an employment relationship as defined by the **law, collective agreements** or practice in force in the Member States, with consideration to the **case-law of the Court of Justice**, including through the application of the **legal presumption of an employment relationship pursuant to Article 5**.



DIRECTIVE OF THE EUROPEAN UNION

Article 1

Subject matter

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Article 2

Definitions

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Article 3

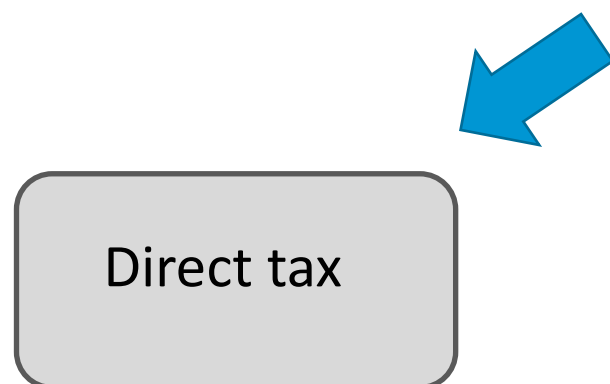
Obligations of Member States

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Article 5

Legal presumption

1. The contractual relationship between a digital labour platform and a person performing platform work through that platform shall be **legally presumed to be an employment relationship** where **facts indicating direction and control**, in accordance with national law, collective agreements or practice in force in the Member States and with consideration to the case-law of the Court of Justice, **are found**. Where **the digital labour platform seeks to rebut** the legal presumption, it shall be for the digital labour platform to prove that the contractual relationship in question **is not an employment relationship** as defined by the law, collective agreements or practice in force in the Member States, with consideration to the case-law of the Court of Justice.



Personal income tax – income of the driver taxed as income from dependent work, not independent work (WHT for payroll taxes, social contributions by the “platform-employer”) – better compliance?

Corporate income tax – would these employees constitute a PE of the non-established platform?

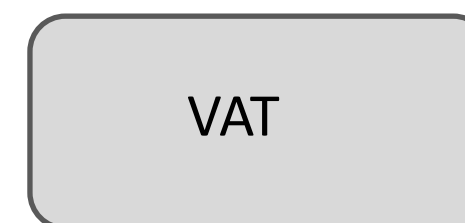
Interpretation of the word “fixed” in Art. 5.1. OECD MC

No own vehicles, or phones, only clothes with logo?

What if the platform provides the vehicles (fixed?) ?

No agency PE in Art. 5.5. OECD MC

Without a PE – profits of the platform are taxable only in the R-State



Taxable person - anyone who independently carries out an **economic activity**, even if that person is not registered for VAT purposes (incl. SME)

Independency Art. 10 VATD – own criteria, “*working conditions, remuneration and the employer’s liability*” (*van der Steen, IO, TP (board members)*)

If, according to the criteria laid down in the Platform Worker Directive, the platform worker were to become the employee of the platform – this might “tilt the balance” also for VAT purposes – platform would become the actual supplier of the delivery service.

September 2025

Mobility Matters

2025 Survey

Key insights into mobility practices and policies

We're pleased to present the findings from our 2025 global mobility market survey

[Mobility Matters: Key insights into mobility policies and practices](#).

2024 Survey

Mobility agility - Remote working and non-traditional mobility

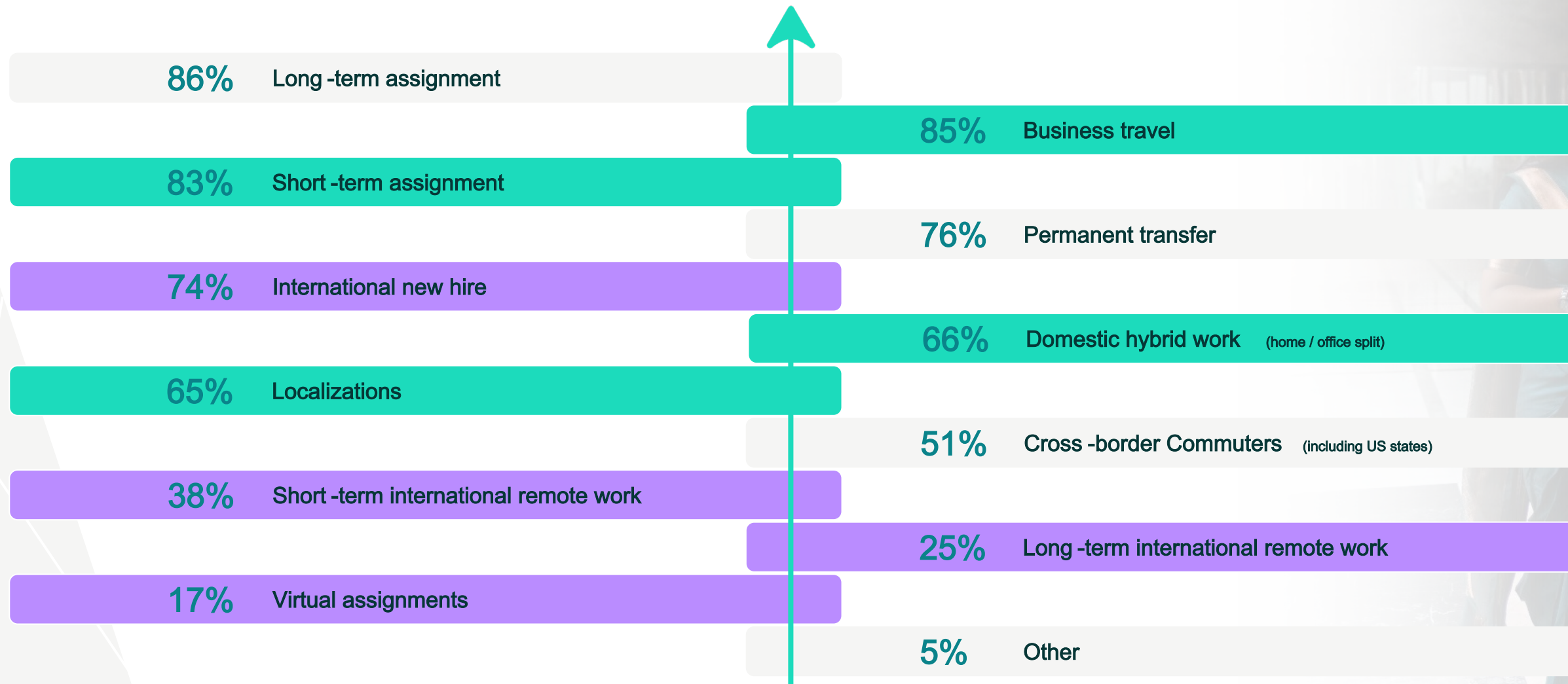
We're pleased to present the findings from our 2024 global mobility market survey

[Mobility agility: Remote work and non-traditional mobility](#).

A spotlight on mobility types (2025)

While traditional mobility types continue to be made widely available to employees, participation remains limited. The majority of a company's mobile population is within 0% to 5% of their total employee population when it comes to traditional mobility types such as long and short-term assignments.

Global mobility opportunities available to employees



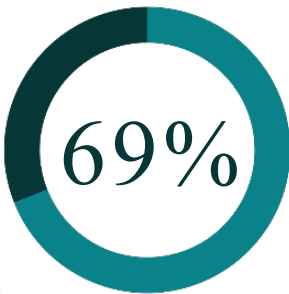
Temporary international remote work assignments (2024)

International remote work assignments have become established, and with them the necessary policies.



of large employers (100,000+ employees)

and



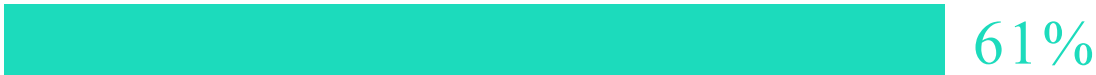
of all companies **have a formal policy or framework** in place to support short-term international remote work assignments.

Twice

as many companies now support temporary international remote work assignments (compared to the Vialto survey from December 2022).

International remote work assignments have become established, and with them the necessary policies.

Support employee enquiries



Retain talent



Improve employee experience



Attract talent



Manage existing risks using a framework



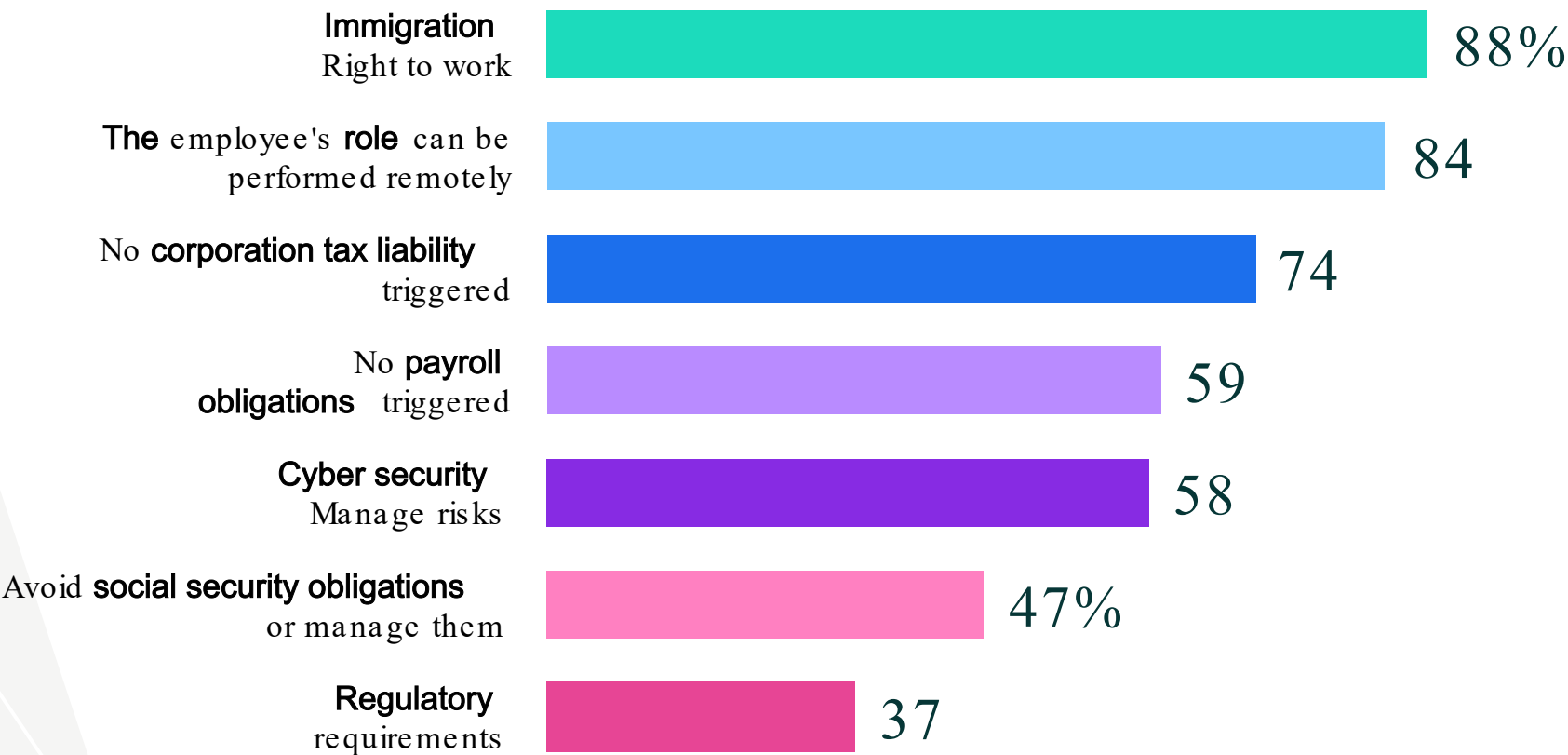
Other



Temporary international remote work assignments (2024)

In addition to limiting the maximum number of days that employees are allowed to work abroad, employers manage risk through their policies.

The most important requirements for approving temporary international remote work:



*The results were filtered to show organisations that have a formal policy or framework for short-term international remote work.

Employers are increasingly focusing on their **duty of care** to ensure the safety of their employees during major political events or natural disasters.

59%
excluded certain destination countries due to concerns about **personal safety or geopolitical stability**

For the same reasons, monitoring of employees' remote work has increased so that swift action can be taken in an emergency.

Virtual work assignments (2024)

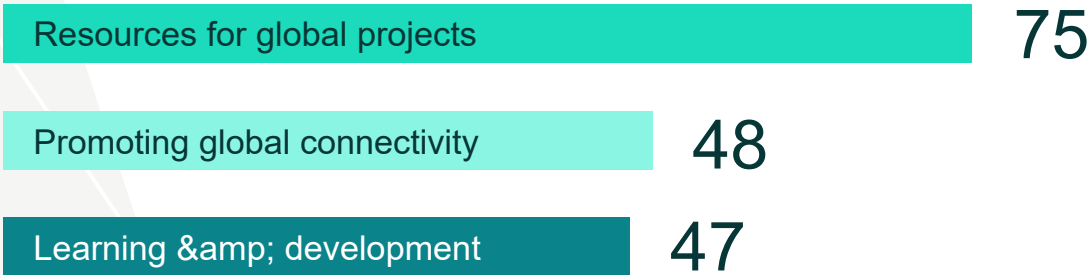
"Non -mobile" mobility is becoming increasingly popular

Percentage of companies that expect an increase in the volume of virtual assignments over the next two years:

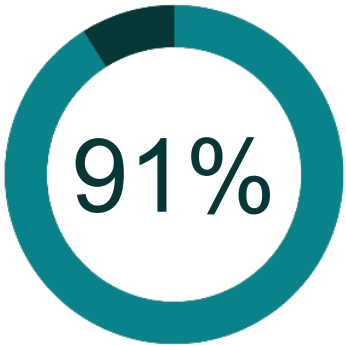


A new way to build a global culture

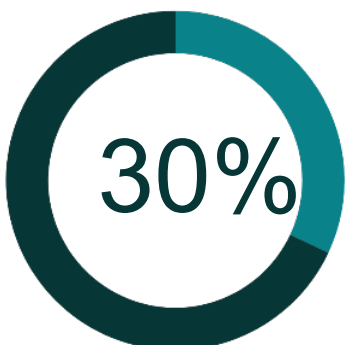
The top 3 reasons for supporting virtual assignments cited in this survey:



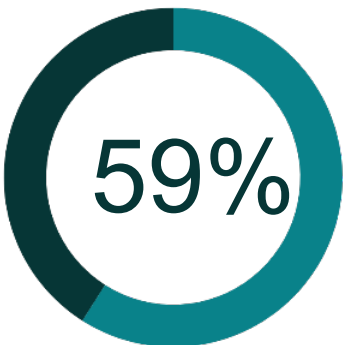
Employees are not relocating, but there are still compliance considerations:



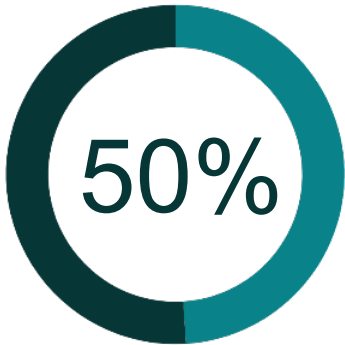
require approval for virtual assignments (manager, HR, tax team, etc.)



apply internal cost allocation based on a standardised methodology



document the virtual assignment with an assignment letter or policy document



apply internal cost allocation based on a case-by-case assessment

The importance of a centralised approval and tracking system is growing