

Remote Working - Recommendations

To ensure that remote work from abroad does not entail any risks in the areas of tax, social security, labor law, immigration and data protections, it is critical to adhere to the do's and don'ts listed below.

Main risks that might be triggered include, but are not limited to:

- a) additional tax liability and insurance contribution abroad, risk of penalties, increased compliance costs,
- b) implications on side of employees such as lack of health insurance in case of an emergency, travel ban due to non-compliance with immigration rules,
- c) other impacts such as impact on reputation, cyber attacks and loss of data etc.

Dos



Ask questions regarding tax residency and center of vital interest of your employees. Know the country from where they perform work.



Ensure that you are aware of the local legislation in the country concerned and understand the impacts on taxes, insurance, labour law, immigration etc. (e.g. public holidays). Get A1 certificates prior to the stay abroad, if applicable.



Define the internal policy, rules and approvals needed. Train your employees.
Do not forget that the period abroad needs to be limited and communicated upfront and tracked during the whole period.



Secure VPN connection and ensure that no critical data is stored on mobile devices (clean desk policy).

Don'ts



DO NOT approve working period abroad from another country than agreed in employment contracts before knowing the implications.



DO NOT send employees to subsidiaries or permanent establishments before checking the consequences.



DO NOT send employees abroad without knowing their responsibilities and type of work- similar situation may lead to more complex issues.



DO NOT rely on oral agreements and employees' announcements. Document the agreed conditions in written and track the compliance during the whole period.



KPMG can help



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