

MORE COUNTRIES JOIN THE DIGITAL NOMAD VISA CLUB: A 4-STEP EMPLOYER'S GUIDE TO INTERNATIONAL REMOTE WORK REQUESTS

Insights

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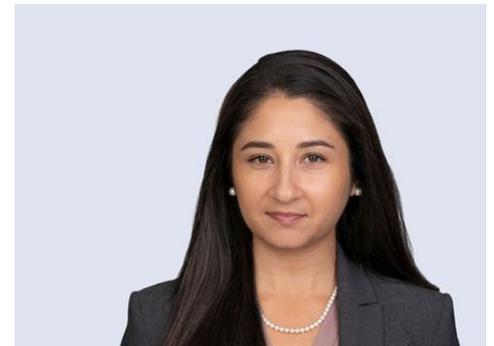
Digital nomad programs are increasingly popular visa schemes that your company may want to explore as a perk for employees. These programs give employees the opportunity to legally live and work remotely in a country for a set period while remaining employed by a company that is based outside of the host country. More countries are offering this type of program in the wake of the COVID-19 pandemic, which made remote work arrangements more prevalent than ever. Here's what you need to know as new programs pop up in places like South Korea and Japan — and your four-step guide for handling international remote work requests for these locations and beyond.

What's New?

Digital nomad programs are becoming commonplace as countries seek to boost their local economies and attract an influx of international talent. For example, South Korea's new digital nomad visa system — which is in effect for a trial period of indeterminate length — will allow foreign nationals to work remotely from South Korea for a foreign company for a term of one year, renewable for a maximum one-year extension. Upon completion of the trial period, South Korea authorities will decide whether to adopt the scheme permanently. Similarly, Japan plans to soon enact its own program allowing employees earning at least ¥10 million (about \$66,000 USD) per year to live and work in Japan for a period of six months.

These visa programs are undoubtedly intriguing, but it is important for employers to understand all the pros and cons

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of these schemes before permitting employees to become digital nomads.

What is a Digital Nomad Visa?

A digital nomad visa (also known as a temporary residency permit) gives the holder a right to temporarily stay in the issuing country and work remotely for a foreign-based employer or business, without owing any taxes to the issuing country. The main impetus behind these visas is to attract longer-term and/or wealthier tourists whose spending will boost tax revenue and local economies with little to no drain on government or public resources.

These visas usually have a duration of around one year and can be extended depending on the country issuing the visa. Applicants who receive the visa are permitted to bring a spouse and dependents who are under the age of 18, but in some cases, such as in Costa Rica, traveling with a family raises the threshold yearly income needed to qualify for the visa.

The current list of countries with some form of digital nomad visa program has reached 50+ nations and includes Croatia, Germany, Mexico, UAE, Sri Lanka, and Malaysia. Spain, Argentina, Romania, and the UAE were recently named the most popular destinations for U.S.-based digital nomads. It has recently been estimated that with the recent rise in popularity, there are currently over 35 million digital nomads accounting for over \$780 billion in contributions to the global economy.

It is not surprising that South Korea and Japan are the latest countries to launch their own visa programs, as Asia has been a particularly popular and growing destination for tourist travel. Several major cities in Asia offer affordable cost of living, tech-savvy destinations, and popular tourist attractions. But prior to 2024, only Malaysia and the Philippines had low-barrier digital nomad visas. South Korea's and Japan's decision to establish these programs may signal that change is on the horizon in this region of the world.

What Are the General Guidelines to Apply for a Digital Nomad Visa?

Eligibility and other rules governing digital nomad visas vary by country, but there are some commonalities:



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- Applicant employees must be over age 18.
- The applicant must be employed and be able to work from anywhere in the world for a company that is registered in another country but does not have a location in the intended host country.
- The applicant must prove their income is at least the host country's monthly or yearly salary threshold. The threshold amount varies by country, but generally it is two to three times the host country's minimum wage. In some cases, a digital nomad who travels with family may be subject to a higher salary threshold.
- Digital nomad visa applicants must also generally prove that they do not have any criminal record, verify their employment, submit proof of having purchased travel health insurance, and refrain from local employment or any local profit-making activity during their stay.

What Are the Advantages and Disadvantages to Digital Nomad Programs?

Digital nomad visas are typically viewed as benefitting the employee participating in the program, but that is not always the case. Consider the following:

Advantages	Disadvantages
<ul style="list-style-type: none"> ■ Alternative and flexible work programs make employers more attractive to younger, talented, and diverse candidates who are interested in traveling and exploring other countries without leaving their careers behind and while maintaining a stable source of income. ■ Employers can maintain stability in the workforce while employees gain new experiences, take advantage of rest and relaxation opportunities, and make global connections. 	<ul style="list-style-type: none"> ■ Extended remote work feasible for certain em certain industries. The many jobs eliminates th spend extended time a ■ Depending on the cour visa itself can be exper an employee is working hours or at reduced pa their ability to maintain workload while abroad of the visa can deter ce workers. ■ Most employees seekir become digital nomads for the purpose of exper and exploring a new cc

- Most countries offering digital nomad programs have the infrastructure in place to support and accommodate digital work. Employees may require little more equipment from the employer beyond what is already provided to them (such as a laptop, relevant software, etc.).

However, it can be difficult for employees to split time between work responsibilities and tourism-related activities.

- Digital nomad visas are non-renewable, and the application process can be unpredictable. When employees decide to re-apply, it can result in a hasty return to their home country if the application is not successful.

A 4-Step Employer's Guide to International Remote Work Requests

1. Determine Your Company's Ability to Participate:

Employers have varying needs and expectations regarding in-office work, communication, availability, and time off. Leadership should determine what the organization is able to accommodate and is comfortable offering. In fact, not all remote work requests are the same. Some employees may have the ability to work remotely without a digital nomad visa through, for example, dual citizenship or a spouse's citizenship. Moreover, they may want to work in a location that doesn't have a digital nomad visa program. So, you should ensure you're considering all relevant factors anytime an employee asks to work remotely, regardless of the location. [Click here to learn more about the issues you should consider when an employee is expected to work temporarily from another state or country.](#)

2. Analyze Local Immigration, Employment, and Tax Laws:

Make sure you and the employee are well aware of your respective duties and obligations and whether there are any restrictions you'll need to follow. The point of the digital nomad visa is to allow employees to work from another location without burdening their employer with navigating the laws or tax codes of the new jurisdiction. But not all visa programs are the same, so you should look closely at the rules regulating the visa program in the place your employee intends to work. It is also important to note that the visa may not cover employee benefits.

such as pensions or insurance. Travel insurance is often required, so you should determine your responsibility and decide whether you are willing to provide insurance abroad.

3. **Negotiate and Formalize an Agreement:** We highly recommend memorializing the terms of any digital nomad or remote work agreement in writing, signed by the employee and an authorized agent of the employer. Make sure these agreements contain all necessary terms, especially any terms pertaining to hours of work, expectations, performance metrics, and parameters for recalling the employee back to the home jurisdiction.
4. **Maintain Employee Monitoring:** During the program, employers should monitor employees to ensure they do not overstay the time permitted by the visa and continue to meet their employment expectations. Set deadlines and reminders to discuss performance and the employee's plan to return in accordance with their visa.

Conclusion

We will monitor these developments and provide updates as warranted, so make sure you are subscribed to [Fisher Phillips' Insight System](#) to get the most up-to-date information directly to your inbox. Please contact your Fisher Phillips attorney, the authors of this Insight, or any attorney in our [International Practice Group](#) to learn more about the implications of the new digital nomad visa programs.