
THE GLOBAL REGULATORY DEVELOPMENTS JOURNAL

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Volume 1, No. 4

July–August 2024

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Publisher: Leanne Battle

Production Editor: Sharon D. Ray

Cover Art Design: Morgan Morrisette Wright and Sharon D. Ray

The photo on this journal's cover is by Gaël Gaborel—A Picture of the Earth on a Wall—on Unsplash

Cite this publication as:

The Global Regulatory Developments Journal (Fastcase)

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A Full Court Press, Fastcase, Inc., Publication

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729 15th Street, NW, Suite 500, Washington, D.C. 20005

<https://www.fastcase.com/>

POSTMASTER: Send address changes to THE GLOBAL REGULATORY DEVELOPMENTS JOURNAL, 729 15th Street, NW, Suite 500, Washington, D.C. 20005.

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ISSN 2995-7486

More Countries Join the Digital Nomad Visa Club: A Four-Step Employer's Guide to International Remote Work Requests

Nazanin Afshar, Jack O'Connor, and Nan Sato*

In this article, the authors discuss what employers need to know as new digital nomad programs pop up in places like South Korea and Japan—and they provide a four-step guide for handling international remote work requests for these locations and beyond.

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. This article discusses what employers need to know as new programs pop up in places like South Korea and Japan, and it provides a 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 that will allow employees who earn at least ¥10 million (about US\$66,000) 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 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-plus nations, and includes Croatia, Germany, Mexico, United Arab Emirates, Sri Lanka, and Malaysia. Spain, Argentina, Romania, and the United Arab Emirates 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:

- 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 advantages and disadvantages set forth in Table 1.

Table 1	
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 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.• 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.).	<ul style="list-style-type: none">• Extended remote work is only feasible for certain employees in certain industries. The nature of many jobs eliminates the ability spend extended time abroad.• Depending on the country, the visa can be expensive. If an employee is working reduced hours or at reduced pay due to their ability to maintain a full workload while abroad, the cost of the visa can deter certain workers.• Most employees seeking to become digital nomads do so for the purpose of experiencing and exploring a new country. However, it can be difficult for employees to split time between work responsibilities and tourism-related activities.• Digital nomad visas are often nonrenewable, and the reapplication process can be unpredictable. When employees decide to reapply, it can result in a hasty return to their home country if the application is not successful.

A Four-Step Employer’s Guide to International Remote Work Requests

1. *Determine the 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

does not have a digital nomad visa program. So, the employer should consider all relevant factors anytime an employee asks to work remotely, regardless of the location.

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 the employer will 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 the employer 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 the employer should determine its responsibility and decide whether it is 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

Employers should continue to monitor these developments and contact their attorneys to learn more about the implications of the new digital nomad visa programs.

Note

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