



Workforce in motion:

Cross-border remote working —
Understanding the compliance risks

June 2026

Cross-border remote working is no longer an exception; it is an increasingly common feature of modern workforce arrangements. Across the Middle East, employees are working from jurisdictions other than the one in which they are formally employed, often without employer awareness and without any formal policy or compliance framework in place. What may appear to be a routine employee accommodation can quickly translate into a complex and layered set of tax and legal obligations for the organization.



The rise of remote and hybrid work models, accelerated by recent global and regional events, has normalized the expectation among employees that they can work from anywhere. However, the legal and regulatory frameworks governing employment, immigration, and tax have not kept pace with that expectation. Employers who fail to identify and manage cross-border remote working arrangements face exposure across several distinct and often simultaneous, risk areas:



Immigration: Working remotely from a jurisdiction in which the employee does not hold the appropriate work authorization, even temporarily, can constitute unauthorized work under local immigration law. This carries legal risk for both the individual and the employer and, in some jurisdictions, can jeopardize the employer's broader immigration standing.



Corporate Tax: An employee working remotely from a foreign jurisdiction may trigger a taxable presence for the employer in that jurisdiction, including the risk of creating a permanent establishment. At the individual level, cross-border working days can generate unexpected personal tax filing obligations and liability in more than one country.



Payroll and Social Security: Cross-border remote working arrangements can disrupt the applicable social security regime, potentially resulting in dual contributions or gaps in coverage, particularly where bilateral agreements between the relevant jurisdictions do not exist or are not properly applied.



Employment Law: Employees working from a foreign jurisdiction may inadvertently acquire rights under local employment law, including protections around termination, minimum entitlements, and dispute resolution, that the employer had not anticipated and is not prepared to manage.

For HR, legal, and mobility teams, the immediate priority is to establish clear visibility over where employees are actually working not simply where they are formally contracted to work. This requires proactive data collection, clear internal policies, and a consistent approach to assessing cross-border requests before they are approved.

Critically, managing these risks requires close coordination across functions - immigration, tax, legal, and HR, since the consequences of an unmanaged arrangement rarely fall within a single workstream.

To discuss how these issues apply to your organization, please reach out to the [Deloitte Middle East GES Response team](#).



In the next article in this series, we will explore how organizations can design and implement a structured cross-border workforce compliance framework — covering governance, policy design, and the role of technology — to manage these risks proactively and at scale.



This publication has been written in general terms and therefore cannot be relied on to cover specific situations; application of the principles set out will depend upon the particular circumstances involved and we recommend that you obtain professional advice before acting or refraining from acting on any of the contents of this publication.

Deloitte Middle East” or “DME” refers to Deloitte & Touche (M.E.) which is the affiliate for the territories of Bahrain, Cyprus, Egypt, Iraq, Jordan, Kuwait, Lebanon, Libya, Oman, Palestinian Territories, Qatar, Saudi Arabia, Republic of the Sudan, United Arab Emirates, Yemen

Deloitte EMEA BV, a limited liability company incorporated under the laws of Belgium (Deloitte EMEA), is a Member Firm of Deloitte Touche Tohmatsu Limited (DTTL). Deloitte Middle East, or their affiliates are shareholders in Deloitte EMEA. Deloitte EMEA and DTTL do not provide services to clients.

Deloitte refers to one or more of Deloitte Touche Tohmatsu Limited (“DTTL”), its global network of member firms, and their related entities (collectively, the “Deloitte organization”). DTTL (also referred to as “Deloitte Global”) and each of its member firms and related entities are legally separate and independent entities, which cannot obligate or bind each other in respect of third parties. DTTL and each DTTL member firm and related entity is liable only for its own acts and omissions, and not those of each other. DTTL does not provide services to clients. Please see www.deloitte.com/about to learn more.

This publication contains general information only, and none of Deloitte EMEA (EMEA), its shareholders and affiliates is, by means of this communication, rendering professional advice or services. Before making any decision or taking any action that may affect your finances or your business, you should consult a qualified professional adviser.

No representations, warranties, or undertakings (express or implied) are given as to the accuracy or completeness of the information in this publication, and none of EMEA, the EMEA shareholders, their respective affiliates, employees or agents shall be liable or responsible for any loss or damage whatsoever arising directly or indirectly in connection with any person relying on this communication. EMEA, the EMEA shareholders and their respective affiliates are legally separate and independent entities.

Deloitte provides leading professional services to nearly 90% of the Fortune Global 500® and thousands of private companies. Our people deliver measurable and lasting results that help reinforce public trust in capital markets and enable clients to transform and thrive. Building on its 180+ year history, Deloitte spans more than 150 countries and territories. Learn how Deloitte’s over 470,000 people worldwide work together every day to make an impact that matters at www.deloitte.com

DME would be pleased to advise readers on how to apply the principles set out in this publication to their specific circumstances. DME accepts no duty of care or liability for any loss occasioned to any person acting or refraining from action as a result of any material in this publication.

DME is a leading professional services organization established in the Middle East region with uninterrupted presence since 1926. DME’s presence in the Middle East region is established through its affiliated independent legal entities, which are licensed to operate and to provide services under the applicable laws and regulations of the relevant country. DME’s affiliates and related entities cannot oblige each other and/or DME, and when providing services, each affiliate and related entity engages directly and independently with its own clients and shall only be liable for its own acts or omissions and not those of any other affiliate.

DME provides services through 26 offices across 15 countries with more than 7,000 partners, directors and staff.