

Deloitte.



New Frontiers
Going Global In a Complex World

**MAKING AN
IMPACT THAT
MATTERS**
Since 1845

Expanding into new markets continues to be an ambition for many organisations. Global expansion offers organisations the opportunity to diversify their operations, reach new customers, and tap into new sources of talent and other resources.¹ But how can organisations do this in a sustainable, scalable, and compliant way? We'll focus on this question from a talent and mobility compliance perspective, outlining practical considerations for employers undergoing international expansion.

The Challenge of Global Expansion

Traditionally, there have been **three main pathways to support global expansion**:

1. Acquisition or merger with pre-existing business in a target location
2. Setting up a new branch and/or corporate entity in a target location
3. 'Testing the water' of a target location, potentially supported through the use of non-traditional/ alternative engagement models (e.g., Employer of Record)

Amongst the myriad strategic and corporate challenges that need to be addressed, the **need to successfully enable and manage talent can sometimes be lost**. However, this is arguably one of the most important issues to address. Without people to deliver your business, it is

impossible to achieve your business objectives. Additionally, without adequately addressing the personal, logistical, and regulatory requirements associated with the movement of talent, the risk of failure can be high.

In a worst-case scenario, there may be wide-reaching implications for the organisation: reputational damage, financial charges by country authorities, talent attrition, potentially even legal sanctions in some extreme cases. Organisations looking to expand internationally need to typically address three key areas from a talent perspective:

- Business need and corporate objectives
- Compliance requirements; and
- Logistics, rewards & incentives, and employee wellbeing

¹ [International expansion: A passport to growth?](#), Deloitte



The three key considerations

1

Business Need and Corporate Objectives

In essence, this can be summarised as the challenges associated with clearly defining the business case for talent in the new location, understanding exactly what is needed from a talent perspective and evaluating the potential benefits this talent will deliver.

Questions an organisation should consider, include:

- *What is the business need and what roles/skills are required to meet the need and deliver on objectives?*

A seemingly simple question but often overlooked. Without a clear purpose and understanding of the business requirements, often individuals with inappropriate skill-sets can be selected thus failing to deliver desired objectives and leading to discontented and dissatisfied employees.

- *What are the timescales involved? How soon are the roles and/or skills required?*

Setting up entities, obtaining work authorisation, arranging logistics, etc. can take considerable time. A clear understanding of how soon the business is aiming to begin operations in the new location is required to determine the appropriate approach. Realistic timeframes are also needed to help manage employee and business expectations, particularly in complex receiving jurisdictions.

- *For what duration are the roles/skills required?*

What work is required, when? Differing roles will be needed in the respective maturity phases of an overseas expansion. E.g. sales staff and strategic leadership will likely be needed in the earlier phases, before back-end functions such as Finance and HR are built to deliver steady state or BAU.

- *How can roles and/or skills be delivered? Can it be virtual or onsite?*

In the post-pandemic era, there is increased potential to deliver key tasks and roles via remote means. For example, does project management need to be delivered in person? Due consideration should be given to whether talent needs to be physically present in the host location.

- *Have environmental, social, and governance considerations been contemplated?*

As well as the environmental impact associated with global expansion, organisations need to consider their social and governance objectives and how they could be impacted/enhanced through entry into new markets (e.g. the need to hire locally, transition of skills, tax policy, etc.).



2 Compliance Requirements

Expanding into a new location also brings an array of compliance requirements which will differ depending on where and how talent is deployed. Determining and understanding the route by which an organisation plans to expand into a new location (e.g., via new entity set up, etc.) will help to plan effectively and minimise workforce-related compliance risks. Some key questions for organisations include:

- *What entity, if any, will employ the individual in the new location?*

Many organisations consider setting up or acquiring an entity in the new location, particularly when the activities carried out by the employee cannot be deemed to be preparatory or auxiliary to the work of the company (impacting the corporate tax position). However, the rise of Employers of Record and similar arrangements provides a new potential pathway for employers to explore. Organisations should carefully consider the structure/approach they propose to use for employment and have a clear answer to the question of what entity, if any, will employ the individual in the new location. As well as helping to address the corporate tax and permanent establishment challenges, it will also support set up and ongoing compliance with local employment law regulations, corporate immigration, and individual taxation regimes in the new location.

- *Who is responsible for bearing the costs of the employee whilst they are in the new location?*

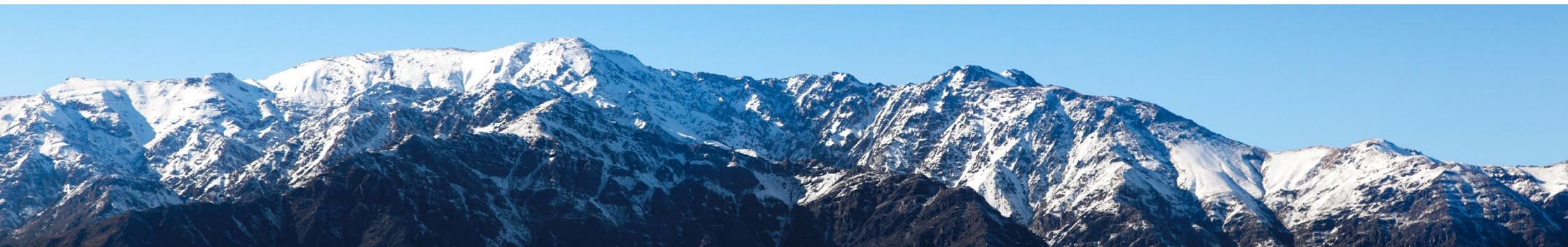
Who bears responsibility for the cost of the employee can be an indication of which entity is benefiting from the activities conducted by the employee. When this happens across international borders, it brings Transfer Pricing considerations into play, requiring employers to understand which entity is benefiting from the activity of the employee, and where and if deductions can be made for tax purposes against profits. These issues can be compounded when considering the value that a senior leader may provide if seconded into a new location versus a regular employee. The answer to this question may also have an impact on whether any exemptions can be applied under any potential tax treaties or whether withholding taxes need to be applied.

- *What immigration requirements might there be? Are there resident labour market tests that need to be completed or minimum language levels? What compensation de minimis needs to be met?*

Corporate immigration is one of the biggest potential risks to any organisation, with legal penalties, criminal charges, and reputational damage all at stake if mismanaged. In extreme circumstances, it can also lead to the curtailment of business activities in a target market. Organisations need to make sure they are fully aware of any immigration requirements in their target location and, if utilising alternative engagements models, understand how these may support immigration compliance.

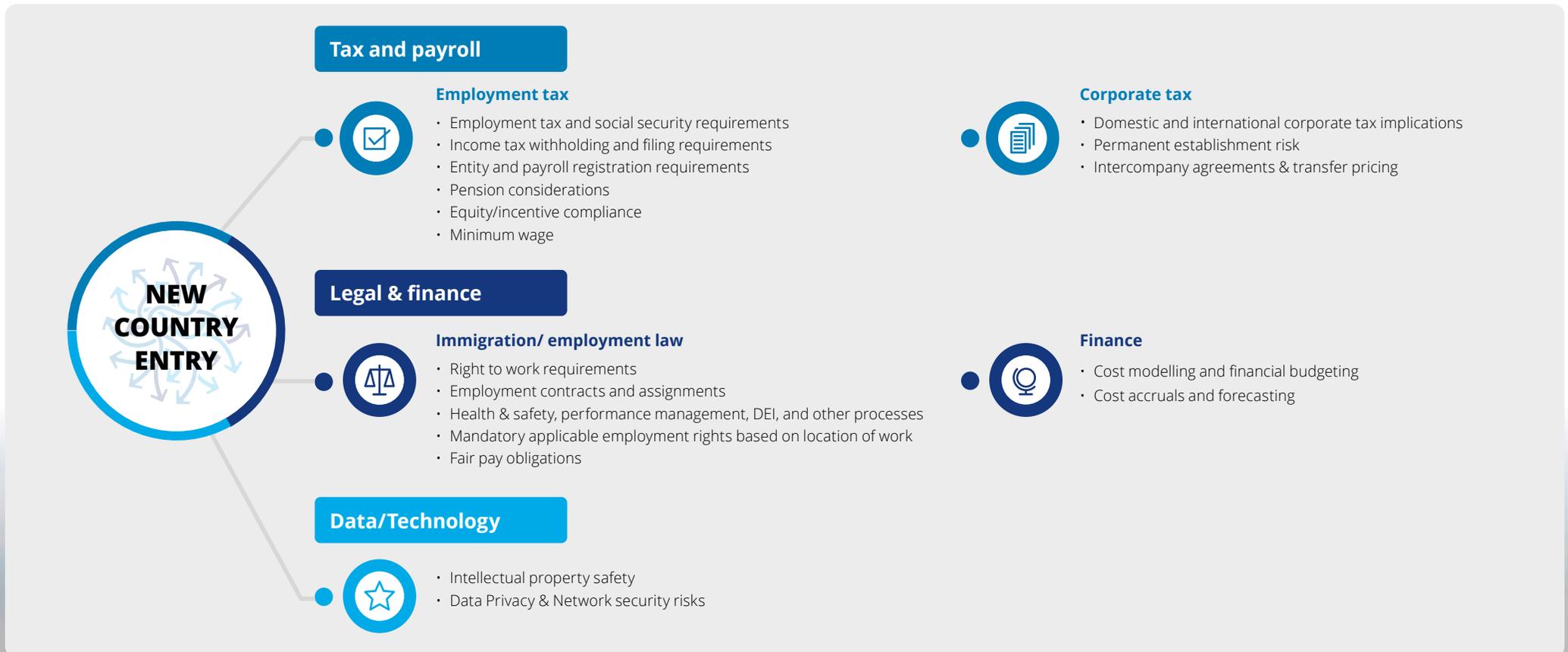
- *How will the individual be paid and in which location? Where and what taxes might be due? Are social security payments required and, if so, where?*

These questions are often connected, not just because of understanding any payrolling requirements but also to clearly set and manage an employee's expectations.



2 Compliance Requirements - *continued*

Even with these questions in mind, it can be hard to navigate the maze of compliance requirements and areas of potential risk. The following diagram highlights just some of the distinct areas an organisation may wish to consider as they review the questions outlined on the page prior:



3 Logistics, Reward & Incentives, and Employee Wellbeing Challenges

The act of moving an employee to a new location has never been as simple as putting them on a plane. To move a person's life is both logistically complicated and can have a profound and longstanding effect on them. As the business agenda rightly shifts to consideration of employee needs holistically, employees moving into new markets should not feel left behind. Plans need to be put in place to support them prior to a move, whilst they are in the new location, as well as afterwards (repatriation, localisation, or other).

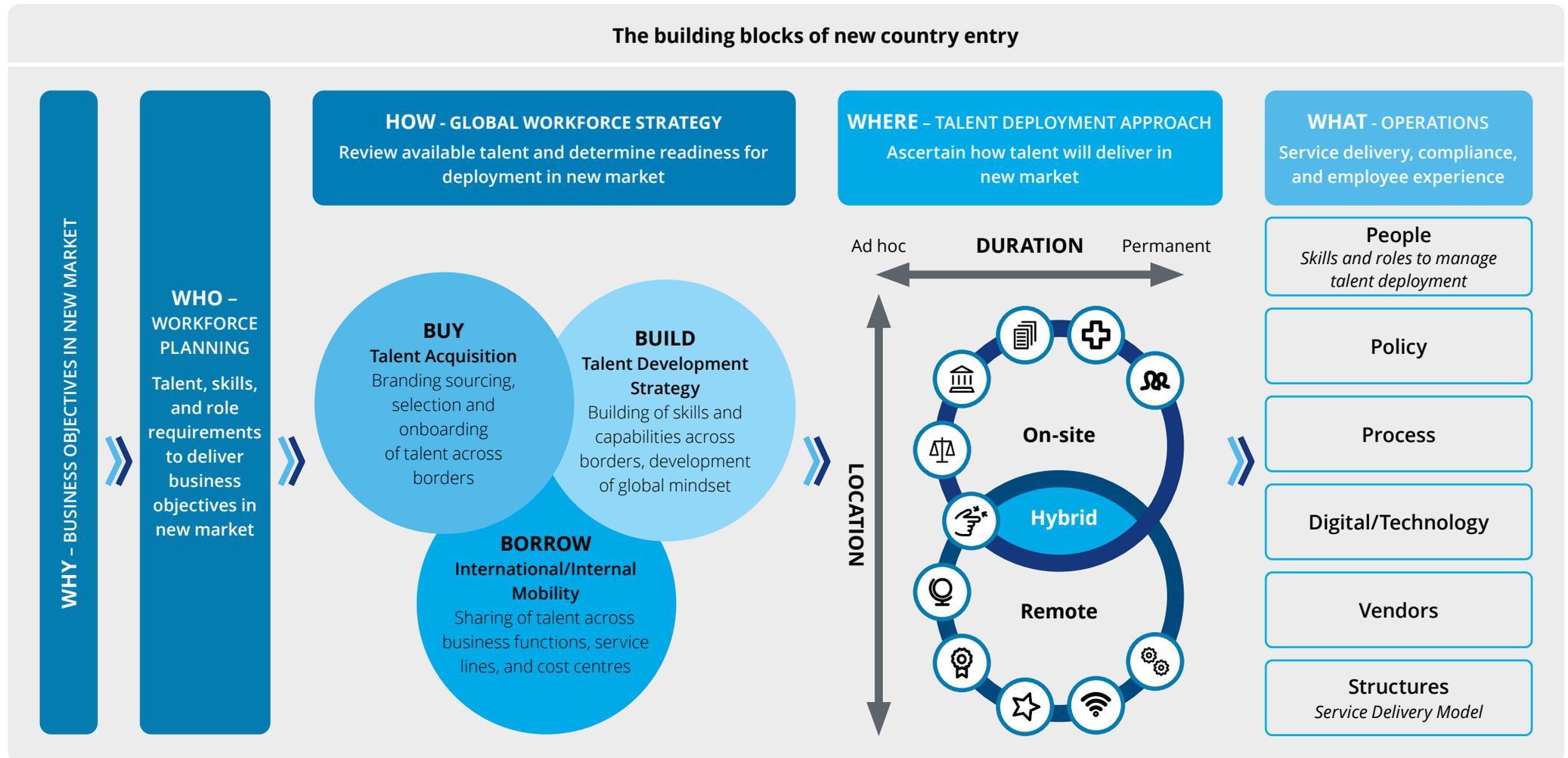
To get started with this planning, organisations looking to expand into new markets may wish to consider:

- How will the employee travel to the new location?
- Is support with housing required? What should happen in case of a medical emergency?
- Does employee have a spouse/spousal equivalent and/or dependants that need to be considered?
- Do any personal items need to be shipped to new location?
- Are any arrangements required due to diverse needs?
- Have clear goals been set and is line management in place?
- How will the employee be incentivised? Will they share in the success of the new venture and, if so, how?
- How will employees adapt to local cultures, traditions, and ways of working? Will they be required to learn a language?



A Potential Framework

Given the areas we have explored, it can feel like a never-ending list of challenges that need resolutions. These challenges can often be exacerbated by tight timelines involved in expansion into new markets. When supporting organisations, we typically propose a phased methodology shown below. The intent is to clearly define the requirements from a talent perspective, explore the options available, and build a robust approach that delivers on organisational objectives.



Next Steps

Expansion into new markets will always be a high priority for ambitious organisations looking for global growth. The upsides can be huge for both the business and for the individuals involved but given the corporate and logistical complexities, there will always be a risk that talent considerations may fall down of the list of priorities. We hope this article has helped address the key questions associated with the initial wave of expansion, but any action should be balanced by a longer-term view and a detailed plan for the location.

Organisations in this situation should therefore always ask themselves:



1

What do I expect of talent in the new location?



2

What are my compliance responsibilities?



3

How do I effectively support my talent?



4

What is the long-term plan for talent in the new location and how should it be managed?

Answering these four questions alone will help organisations to positively plan for success and help ensure that any expansion is sustainable, scalable, and compliant.



How can Deloitte help?

As part of Deloitte's Global Talent & Mobility practice, our **dedicated New Country Entry team** supports organisations right from the very **outset of global expansion planning** through to the **management and delivery of everyday compliance and operations**. It brings together experts from across the entire spectrum of people strategy and compliance and our services can include **location research, move strategy, process design, risk and compliance management**, covering the breadth and depth of people-related matters. With our support across payroll, immigration, tax, employment law and regulatory, clients can streamline their approach and achieve their business objectives when entering new geographies. Example areas of support include:



PLANNING

- Business requirements and talent strategy to support new location
- Talent acquisition opportunities in local markets
- Tax, legal, immigration and compliance implications



DESIGN

- Building policies and processes enabling moves/acquisition and ensuring global compliance
- Selecting and engaging vendors required to support new location
- Developing relocation packages for key talent
- Data security advisory



DELIVER

- Practicalities associated with relocation and employee wellbeing
- Project management
- Change management to operationalise and manage downstream requirements
- Tracking regulatory changes which can create new risk

Case Study 1 - APAC Expansion

A growing UK based technology organisation was looking to expand business into APAC for the first time. In an eagerness to set up operations quickly, the company deployed individuals on business visas, despite the substantive and productive nature of their work. The company was at risk of being banned from sponsoring migrants to the country, falling foul of payroll and taxation regulations, and seeing their employees being subject to future immigration complications and scrutiny or, in the worst case, a ban from entering the country.

We worked with the organisation to (i) review the deployment options available for the country, (ii) agree on an approach going forward, and (iii) support new applications whilst minimising the risk for pre-existing arrangements.

Case Study 2 - Saudization and Nitaqat Compliance

As part of their expansion plans, one organisation aimed to set up a KSA branch through the Ministry of Investment, Saudi Arabia (MISA). However, complying with Saudization regulations, particularly the Nitaqat system, was a significant hurdle. Nitaqat mandates companies to hire a specific number / percentage of Saudi nationals based on their business activity and workforce size. Additionally, "enhanced Saudization" requires companies to only hire Saudi nationals for specific job titles .

We assisted the organisation with decisions on main activities and workforce needs to determine the applicable Nitaqat category and Saudization quota. We also helped them to develop a strategy to recruit qualified Saudi legal professionals to meet Nitaqat requirements and by navigating the Nitaqat system and ensuring adherence to enhanced Saudization regulations.

Authors



James Hobley

Director, Global Workforce Consulting,
Deloitte LLP
+44 118 322 2509
jhobley@deloitte.co.uk

Deloitte Global Talent & Mobility

In order to support the most challenging business demands, organisations need to define their global workforce footprint and enable global talent deployment efficiently and compliantly. Deloitte's dedicated Global Talent & Mobility Advisory practice is a multi-disciplinary consulting group of tax, immigration, talent, HR, and technology experts supporting our clients to navigate their most complex global workforce challenges, developing focused strategies and delivering operations.

Find out more here www.deloitte.co.uk/globalworkforce

EMEA



Rumi Das

Partner
+44 20 7007 0433
rudas@deloitte.co.uk



Andy Cowen

Partner
+44 20 7007 0984
acowen@deloitte.co.uk

US



Michelle Fertig

Tax Principal
+1 212 492 4025
mfertig@deloitte.com

APAC



Will Posey

Partner
+65 6800 2890
wilposey@deloitte.com

Deloitte.

This publication has been written in general terms and we recommend that you obtain professional advice before acting or refraining from action on any of the contents of this publication. Deloitte LLP accepts no liability for any loss occasioned to any person acting or refraining from action as a result of any material in this publication.

Deloitte LLP is a limited liability partnership registered in England and Wales with registered number OC303675 and its registered office at 1 New Street Square, London EC4A 3HQ, United Kingdom.

Deloitte LLP is the United Kingdom affiliate of Deloitte NSE LLP, a member firm of Deloitte Touche Tohmatsu Limited, a UK private company limited by guarantee ("DTTL"). DTTL and each of its member firms are legally separate and independent entities. DTTL and Deloitte NSE LLP do not provide services to clients. Please click here to learn more about our global network of member firms.

© 2026 Deloitte LLP. All rights reserved.

Created by CoRe Creative Services. RITM2398928