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May 2026

## Stronger governance for a mobile workforce

A meeting abroad or a week of remote work outside the office can look routine. What seems simple to people can create complex obligations for organizations.

The opportunity: Align Mobility, Tax, Payroll, Immigration\*, and HR so cross-border activity stays business-ready and employee-friendly as rules and expectations evolve.

The common challenge isn't intent; it's ownership. When responsibility spans functions, approvals can vary by team, day counts can live in different systems, and reviews can occur too late. Clear decision rights and shared visibility can make cross-border movement easier to manage at scale, especially as operations grow into new markets and new ways of working.

Technology is changing the conversation. Tax and immigration\* authorities increasingly use AI-driven tools to identify potential noncompliance issues for business travelers, often with larger data sets and faster matching than traditional approaches. In response, companies are demanding more from their systems, travel vendors, and other third parties to support the proactive tracking and reporting for business travelers. This scale of data requires robust governance and controls for data quality and privacy, and for translating insights into compliance actions to protect the business and its employees.

Risk consideration and assessments are also moving earlier in the life cycle. A growing number of organizations are assessing compliance obligations before travel occurs, driven in part by immigration\* requirements and, in certain cases, Europe's mandates such as Posted Workers Directive registrations. That shift favors programs that connect pre-trip approvals, in-trip tracking, and post-trip follow-through. As geopolitical conditions shift—and rules, enforcement, and traveler behavior evolve—programs tend to work more effectively when thresholds and workflows are reviewed regularly and tailored to business needs.

A key aspect that remains on the rise is employee appetite for increased flexibility. In response, many organizations are reassessing how flexibility fits within their employee value proposition. Return-to-office hasn't erased demand to work from other locations. As a result, many companies are adding manager approval steps and clarifying guidelines through more coordinated policy development. Many are moving from reactive policies to formal programs that connect approvals, tracking, and downstream compliance actions.

So, what does this look like inside organizations today?

### About our research: Deloitte's Business Travel and Remote Work Survey 2025

**Survey base:** 344 participants

**Respondent profile:** Primarily from Global Mobility, HR, and Tax, spanning a range of industries and company sizes

**Location:** Global representation from North America, Europe, and Asia Pacific

**Time frame:** Fielded in late 2025

**Definitions:**

- *Business travel:* Work-related trips in which a company sends an employee to another location for business purposes (international or domestic).
- *Cross border remote work:* An employee initiated work request to perform work from a location other than their primary work location (international or across states/provinces).

# Key insights and trends

## Business travel

Business travel compliance is trending toward more formal policy adoption and process design.

### 1. Policy adoption is rising, and the scope is usually broad

Among all participants, 34.6% have a business travel compliance policy, 9.5% are developing one, and 55.9% has none. Where guidelines exist, they typically apply broadly: 91% covers all employees, 5% excludes executives, and 4% targets only select groups, such as top earners or frequent travelers.

### 2. Ownership stays lean with outsourcing as a supplement

Business travel compliance typically involves small teams: 45.9% of respondents assign just one to two people to handle policy oversight. The majority use a blended operating model (part in-house, part outsourced), while 27% keeps everything internal and 8% fully outsources.

“The survey suggests many organizations manage business travel compliance with small internal teams. Technology, defined processes, and selective vendor support can make that model workable even with large traveler populations.”

—Sarah Vun, Partner, Deloitte Services Pty Ltd, Australia

When companies fail to address business travel compliance, the survey suggests this is often due to recurring obstacles:

- Unclear ownership of the risk
- Risk not perceived as large enough
- Difficulty quantifying risk exposure
- Low organizational priority
- Data and budget constraints

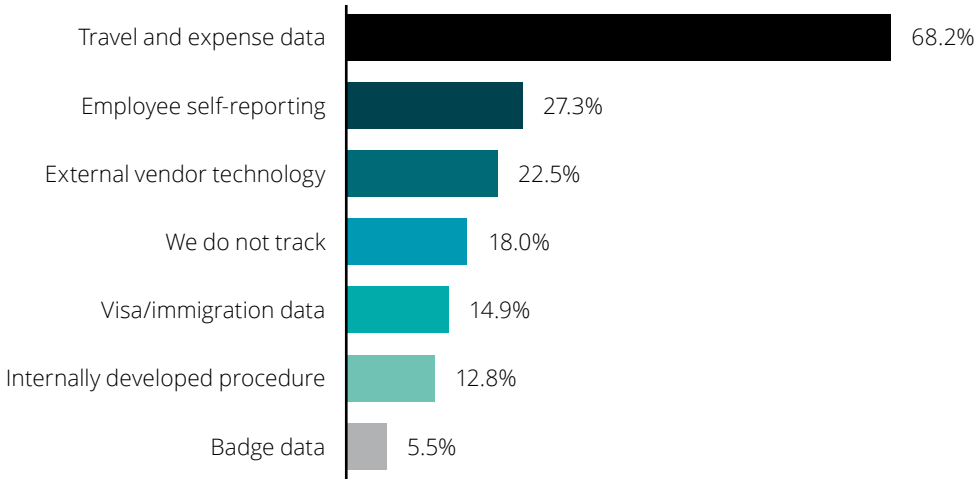
This lack of clear ownership and limited data can keep efforts in a holding pattern until an audit, employee issue, or operational trigger forces the topic back onto the agenda.

### 3. Tracking still relies on available data, with early geolocation signals emerging

Employers are seeking more reliable methods than self-reporting, but adoption often depends on data access, privacy considerations, and how easily they fit into existing workflows.

To track traveler days and assess risk, most organizations lean on existing data sources, primarily using travel and expense data, employee self-reporting, and external vendor technology.

**How does your organization track domestic and international business travelers?**

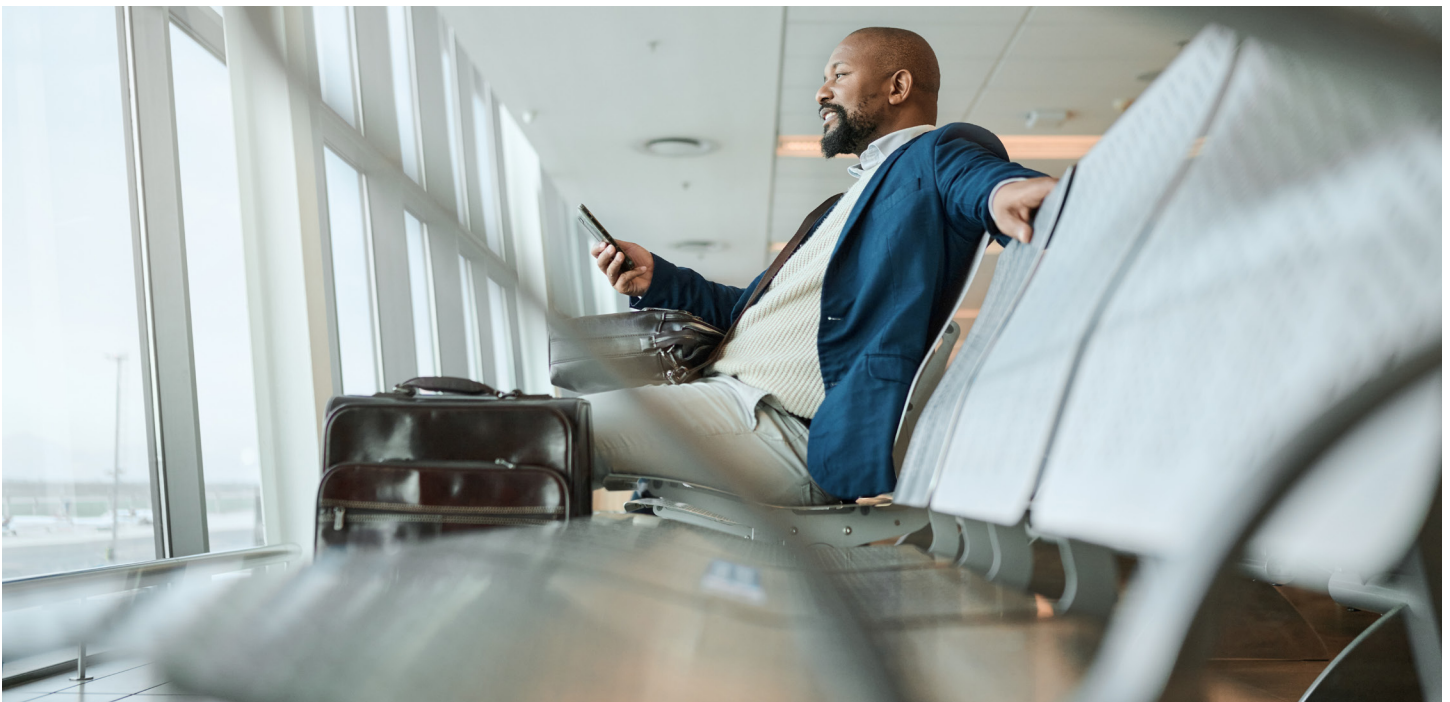


Source: Deloitte’s Business Travel and Remote Work Survey, 2025

Among respondents, the use of geolocation-related signals is emerging: 25% said they use VPN, IP address, or GPS data to support compliance, while 75% said they do not.

“Where broader tools are utilized, it’s essential for organizations to review them with cyber and privacy teams and communicate transparently as to how these are used for tracking purposes.”

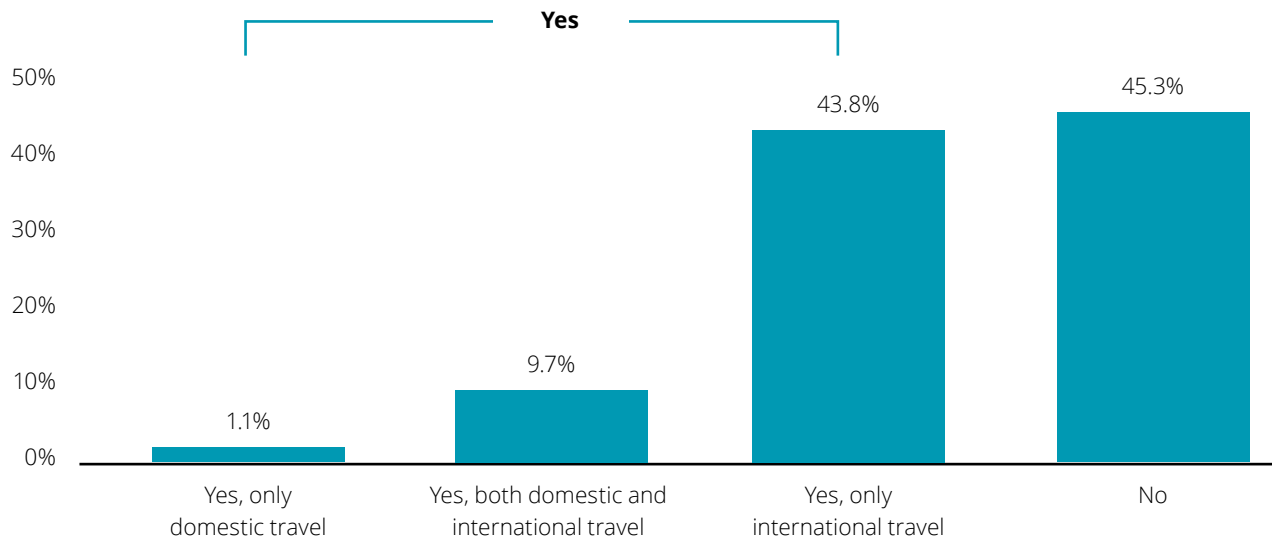
—Noel Ryan, Managing Director, Deloitte Tax LLP, United States



**4. Many provide traveler support—but coverage often differs by travel type**

More than half of respondents provide tax preparation assistance for business travelers. However, the support offered for domestic versus international travelers differs significantly.

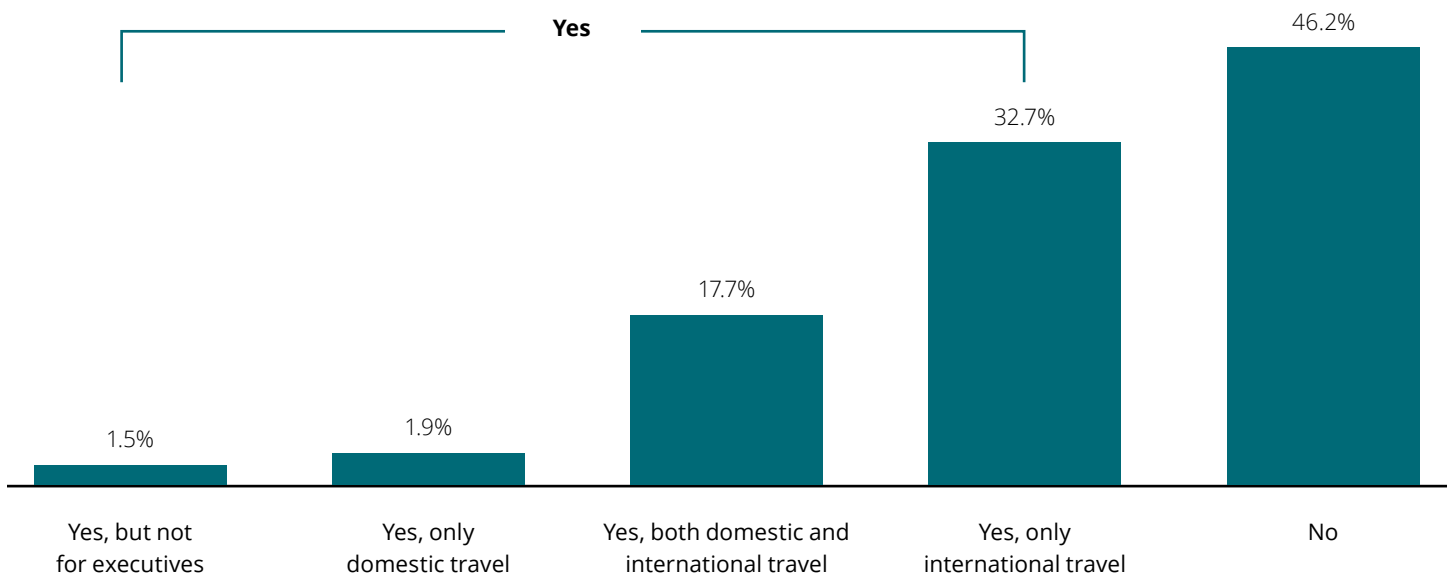
**Organizations providing tax preparation support to business travelers**



Source: Deloitte’s Business Travel and Remote Work Survey, 2025

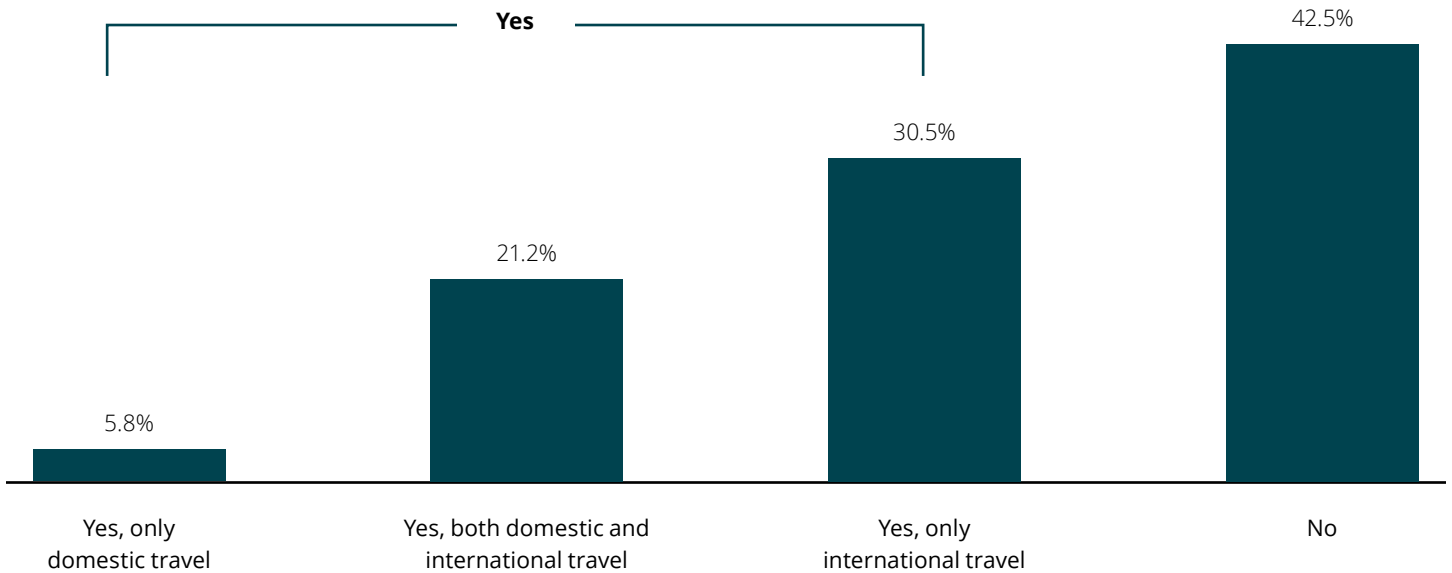
Most participants cover incremental income tax obligations for their business travelers, with a similar number also handling the necessary payroll reporting and withholding.

**Does your organization pay the incremental income tax, if any, resulting from employee business travel?**



Source: Deloitte’s Business Travel and Remote Work Survey, 2025

Do you perform payroll reporting and withholding for your taxable business travelers?



Source: Deloitte’s Business Travel and Remote Work Survey, 2025

International travel often leads to more structured coverage because it can be harder for employees and payroll teams to manage obligations without formal processes or tooling. Many organizations are focused on enabling their workforce to travel internationally for business while meeting entry requirements, including immigration\* clearance and other pre-travel steps such as Posted Workers Directive (PWD) registrations in the European Union. Providing immigration-related\* clearances, such as visa assistance, is seen as a non-negotiable part of their business travel approach.

“For many of my clients, managing immigration\* and PWD risk in relation to their international business travel populations is the key driver for change.”

—Fatima Johnston, Director, Deloitte UK, United Kingdom



## Remote work

Remote work remains high on the corporate agenda as a way to offer greater flexibility. Recent Organisation for Economic Co-operation and Development (OECD) announcements are also keeping international remote work on the radar for fiscal authorities worldwide.

**Recent OECD guidance** provides a welcome update on fixed-place-of-business permanent establishment (PE) where an individual works from their 'home office' in a country other than their employment country. New 'temporal' and 'commercial reason' tests apply and, when they are met, the arrangement may not create a fixed-place-of-business PE. This makes tracking employee presence in remote-work locations an important consideration for organizations.

Remote and hybrid work arrangements are now standard practice in many workforce models. Our recent survey found that most companies (83%) permit some form of remote work. Within that group, 31% allow it on an exception basis, and 7% accept informal arrangements outside formal policy.

### 1. Program ownership often sits with HR and Mobility, with manager approval as the norm

Governance tends to concentrate within HR and Global Mobility. Respondents most often identified these teams as policy owners, with a smaller number pointing to Tax and senior leadership. Approvals typically run through a line manager or business unit leader.

“When the right stakeholders come together to make the policy decisions collectively, it helps remote work program set up for success. This approach incorporates different perspectives, builds internal buy-in, and creates champions across the organization who reinforce the policy, and that often leads to stronger compliance outcomes.”

—Upasna Kaul, Senior Manager, Deloitte Tax LLP, United States

### 2. Return-to-office momentum is rising, but Cross Border Compliance remains key

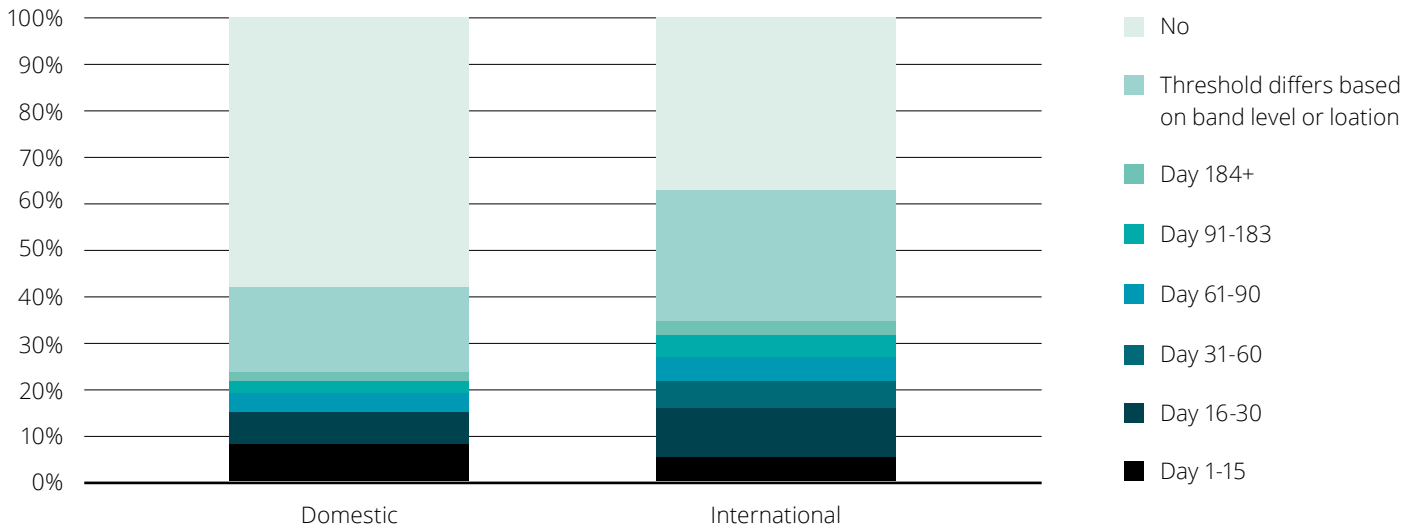
Return to office pressure is rising alongside continued employee demand for flexibility. Where flexibility is extended internationally, i.e. when employees are permitted to work from a country other than their country of employment, risk and complexity will often increase. Even well-intentioned policies can result in compliance questions and challenges that are easy to miss without clear guardrails and day tracking systems.

For international remote work, many organizations apply compliance risk guardrails, often stacking multiple restrictions to fit their risk appetite and operating model. The common guardrails reported include:

- *Time limits.* Organizations typically allow fewer remote working days internationally than domestically, and unlimited arrangements are more common within a country than across borders.
- *Immigration\* right-to-work checks.*
- *Location restrictions for certain countries.*
- *Eligibility criteria,* such as tenure or performance expectations.
- *Role restrictions.*

For survey respondents, the most common domestic threshold is 1–15 days, whereas the most common international threshold is 16–30 days. Oftentimes, thresholds differ based on band level or location—this applies to both domestic and international business travel.

**Have you established a threshold that triggers a downstream compliance action?**



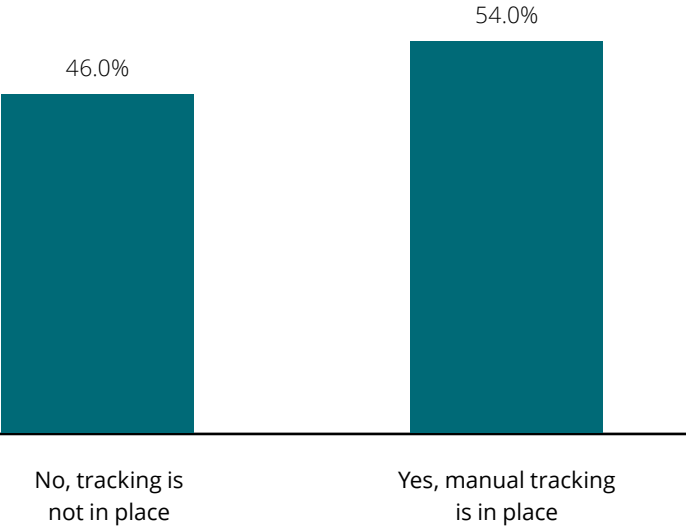
Source: Deloitte’s Business Travel and Remote Work Survey, 2025

Time limits are often the first lever employers reach for because they can be easier to communicate and enforce than more nuanced rules. Also, they serve dual purposes: managing compliance exposure while aligning with return-to-office expectations.

**3. Tracking is becoming more common, but gaps can create unanticipated exposure**

Companies are increasingly implementing tracking and controls for cross-border remote work.

Tracking of remote working days



International remote work without tracking can create silent issues that only surface later:

- Tax exposure for the employee and employer
- Payroll withholding and reporting gaps

*The practical takeaway:* Organizations that define guardrails, clarify owners and approvers, and improve tracking approaches are typically better positioned to act consistently when requests for international remote work arise.

Source: Deloitte's Business Travel and Remote Work Survey, 2025



## Practical steps: A pragmatic operating model

The survey points to an encouraging reality: Companies are extending cross-border activity without building large new teams, using a practical mix of internal resources, vendors, processes, and technology. When owners, data, and decisions align across functions, that foundation can scale and maintain flexibility.

### Accountability and governance

Assign owners for the end-to-end program, with formal input from HR, Mobility, Tax, and Payroll. In many organizations, ownership often sits in HR and Mobility, while approvals frequently rest with the line manager or business leader, so governance should connect policy, approvals, and the resulting compliance actions. Document decision rights and set escalation paths for time-sensitive travel decisions. Resource realistically: Small teams are common for business travel compliance (often one to two dedicated people), and many employers combine internal resources with external vendors.

### Policy architecture

Define separate business travel and international remote-work policies and be explicit about where they intersect. Business travel is typically employer-directed and often linked to centralized booking and traveler processes, while international remote work is more often employee-initiated and managed through request-and-approval guardrails. Employees may extend a trip or combine travel with “work from elsewhere,” which can create overlapping compliance considerations. In response, align principles, governance, approvals, and day-tracking across both policies, and explain the differences clearly through communications, including how tax reimbursement may differ by scenario.

### Data model

Build your data approach in phases. A common starting point is travel and expense data and employee self-reporting; add vendor tools as controls mature. If you expand to tools like VPN, IP address, or GPS data, establish clear privacy expectations, communicate transparently with employees, and document access controls.

### Thresholds and triggers

Use tracked day counts to set clear thresholds and automate what happens next. Research results show organizations commonly set limits (1–15 days domestically, 16–30 days internationally) that vary by location or role. When these parameters are exceeded, trigger defined workflows: right-to-work screening, tax review, payroll withholding, and reporting assessment, where applicable.

### Guardrails for remote work

Layer controls aligned to your organization’s risk approach to streamline and standardize approvals. For international remote work, combine time limits, right-to-work checks, and location constraints—particularly where the employer has limited or no local presence—with additional eligibility or role-based restrictions as needed.

### Operating rhythm

Keep the cadence simple and repeatable. Our survey indicates there is a clear shift toward assessing risk at multiple points in time, which typically aligns well with a two-step approach—before and after:

#### *Before business travel or remote work starts*

- Review request, location, duration, and role
- Confirm approvals and document exceptions
- Flag threshold risk and route to reviewers

#### *After the event*

- Confirm actual days and locations periodically
- Reconcile exceptions identified versus approved, and consider any action you will take for noncompliance/unapproved cases
- Close the loop with consistent follow-up

## Flexibility with foresight

Many leading organizations are shifting from informal flexibility to defined governance by aligning ownership, guardrails, and tracking to practical thresholds and downstream actions across Tax, Payroll, HR, and Mobility. In plain terms, they are treating business travel and remote work as one workforce reality that requires clear decisions up front and consistent follow-through after people move.

The payoff typically includes momentum without guesswork. Employees know what is permitted. Managers know what they can approve. Program managers know when a request becomes a workflow. With pragmatic limits, clean inputs, and a simple before-and-after cadence of review, companies can keep flexibility available while strengthening documentation in the event of internal or external audit, exception discipline, and downstream compliance actions.

Deloitte's multidisciplinary team brings together HR, mobility, tax, payroll, immigration\*, legal+, data privacy, and technology perspectives to advise on operating models built for today's travel and remote-work patterns. We can guide you through translating policy intent into practical governance, workflows, and reporting, then refine the approach as your workforce needs and regulatory expectations evolve.



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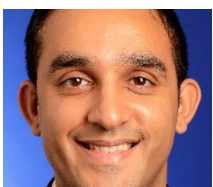


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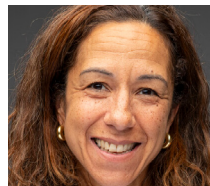
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