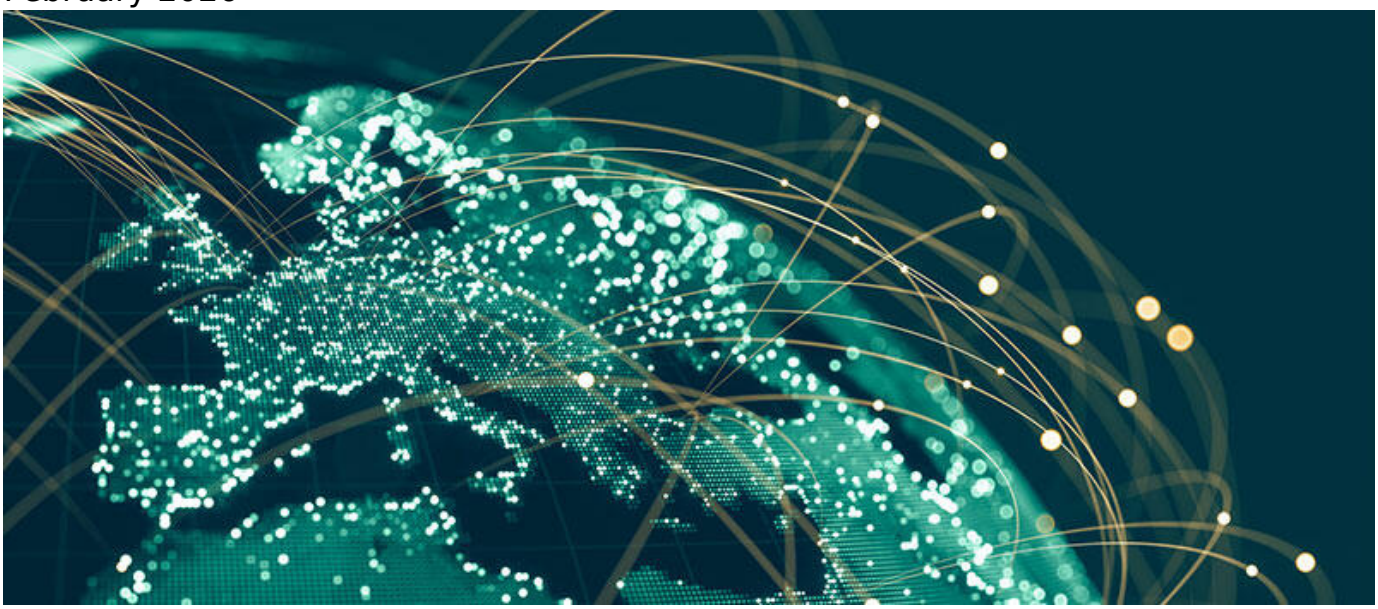
Global mobility of individuals: CIOT response to OECD consultation

International Tax | Employment Tax | Personal tax

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The CIOT responded to the OECD's public consultation on global mobility of individuals at the end of 2025, noting that this followed recent OECD work in the area, including revisions to the OECD Model Tax Treaty.

In the CIOT response, we welcomed the OECD's focus on the global mobility of individuals and its consideration of how increasing trends in this area create complexity and challenges for businesses, employees and tax authorities. We agree that this can negatively impact growth and investment. We suggested that the focus of this work should be on creating a simplified, streamlined and modernised international approach, where possible, which would, in turn, promote tax certainty. We said that, as a general principle, alignment across jurisdictions reduces the compliance work for businesses and the administrative burden for tax authorities, and that each incidence of countries doing things differently leads to complexity. We hope that this work will lead to a global consensus on what the rules should be and,

in due course, to international guidelines.

We noted that this consultation followed recent work by the OECD in this area that had resulted in revisions to the OECD Model Tax Treaty. These treaty revisions provide relevant background and illustrate how guidance can improve certainty for common mobility-related scenarios, as they clarify existing international tax rules in response to global mobility fact patterns. We also encouraged simplicity in output from the OECD, noting that the 2025 changes to the OECD Model Tax Treaty demonstrate that better administrability and proportionality are very helpful and that fundamental changes to treaty concepts may not be necessary.

Regarding the growing trends of global mobility, we noted that the possible scenarios and fact patterns are many and varied. Therefore, we said that consideration must be given to both short-term cross-border working and longer-term arrangements, across the full range of possible employee functions. We also noted that there is often a tension between tax rules and other business considerations, which vary from industry to industry but can include regulatory licensing requirements and data protection rules. In addition, from a human resources perspective, the employer must consider employee wellbeing and the potential conflict between the needs of the business and those of the employee.

Regarding personal income tax, we also noted that resolving questions around immigration and social security must be considered and can often be more challenging than income tax. We suggested that it would be very helpful if there were a generally agreed international arrangement under which home country social security continued to apply for a year, without the need to apply for clearances.

Regarding corporate income tax, we noted that concerns often arise around whether there is a permanent establishment in relation to more senior employees, or when an individual moves to another country on a permanent basis, depending on what they are doing. We highlighted that profit allocation to a permanent establishment for transfer pricing purposes is enormously complex, and that this is particularly relevant given the overlay of the global minimum tax rules.

The OECD’s consultation document focussed on personal income tax and corporate income tax. Our response urged the OECD not to lose sight of other taxes that are relevant to this area and have also been impacted by increased global mobility. We noted that there are particular complexities in relation to VAT (and similar

consumption taxes); for example, around establishing taxable presence as between an employer of record and a local employer agency, and in determining whether there is a local presence for excise purposes, such as local sales of alcohol where a business has remote workers in same territory.

The full CIOT response is available here: www.tax.org.uk/ref1612

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