



Connexions #34

Foreign employees :
opportunity or challenge ?

WELCOMING A FOREIGN EMPLOYEE INTO THE COMPANY

Key points to consider

INPATRIATION

A tax and social advantage ?

MANAGING CROSS-BORDER ACTIVITIES

What is the boundary with a permanent establishment ?

Talents on the move



Marshall McLuhan announced as early as the 1960s the advent of the “global village,” an interconnected world where technology abolishes distances and accelerates exchanges.

The shrinking of distances and the acceleration of human mobility have become part of our daily lives. The arrival of talented individuals from elsewhere in our teams, as well as the departure of our employees to other horizons, have shaped a mobile, diverse, and resolutely multicultural working environment.

When properly supported, these movements are a tremendous source of collective enrichment. They transform organizations, stimulate innovation, and open up new perspectives on the world. But they also generate challenges: administrative complexity, cultural differences.

A foreign employee is much more than just a skill; they also have a history, a family, and a plan.

Our profession carries a unique responsibility: balancing mobility and compliance. We are in a prime position to support the international movement of talented individuals, while ensuring the compliance and consistency of the systems put in place.

In this global village, the expertise of our firms and the strength of the Crowe network are assets for companies that want to explore the world with boldness and confidence.

Romuald COLAS
Managing Director and Partner, Crowe Avvens

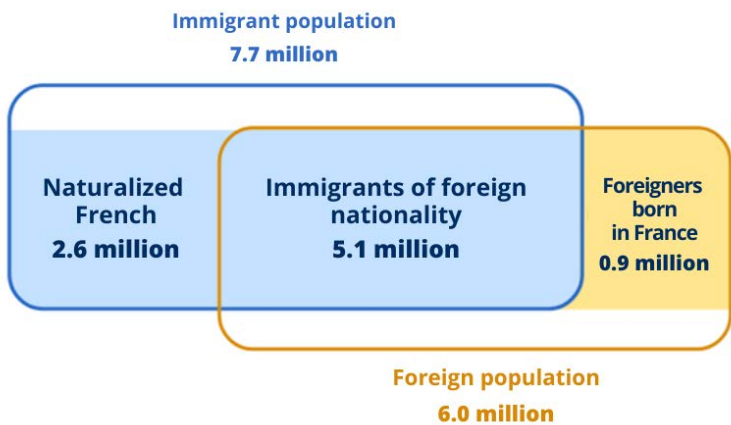
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Foreign employment in France

Foreign workers make a significant contribution to the French economy. These pages present the main indicators needed to understand their importance, distribution, and profiles. The data collected provides a factual overview without interpretation or bias.

In 2024, 7.7 million immigrants lived in France, representing 11.3% of the total population (compared to 7.4% in 1975). The foreign population living in France amounted to 6.0 million people, or 8.8% of the total population (6.5% in 1975 and 4.4% in 1946).



Source : French economy dashboard, INSEE

12% of the workforce are immigrants

In 2023, the immigrant population aged 15 to 64 represented 11.8% of the working population in France, i.e., people who are employed or unemployed. 70.4% of immigrants were economically active in 2023, compared to 74.4% of non-immigrants.

Geographic origins	in %			
	Employed	Unemployed	Inactive	Total
Total non-immigrants	69,3	5,1	25,6	100,0
Total immigrants	62,5	7,9	29,6	100,0
EU immigrants	69,8	4,3	25,9	100,0
Non-EU immigrants	60,9	8,7	30,4	100,0
Other European countries	60,9	7,7	31,4	100,0
Maghreb	57,7	9,5	32,8	100,0
Africa excluding Maghreb	63,9	9,1	27,0	100,0
Asia	61,2	8,2	30,7	100,0
America and Oceania	58,9	8,9	32,2	100,0
Total population aged 15 to 64 years old	68,4	5,5	26,1	100,0

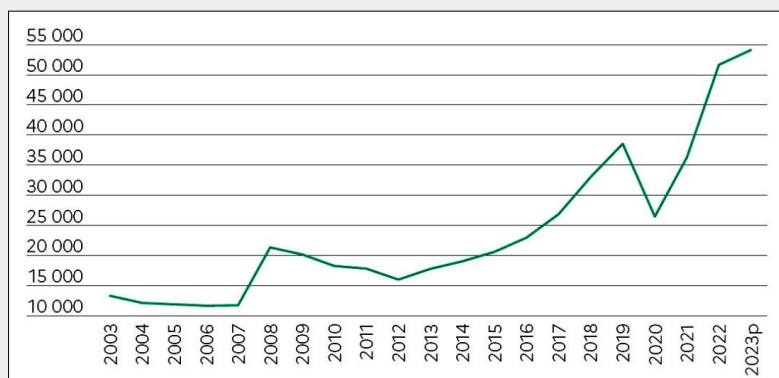
INSEE* defines as inactive any person not engaged in professional activity and who are not actively seeking employment. In other words, they do not belong to the labor force, which includes persons who are employed or unemployed. The inactive population mainly includes students, retirees, homemakers, and those unable to work for health or other personal reasons.

*The INSEE (National Institute of Statistics and Economic Studies) is the French public agency that collects and publishes data on France's population, economy, and society.

Scope: France excluding Mayotte, persons aged 15–64 living in ordinary housing.
Reading: 69.3% of non-immigrant persons aged 15 to 64 are in employment.
Source : Insee – Continuous Labour Force Survey, DSED (see page 5)*

The momentum of economic immigration is growing stronger

A total of 54,572 first permits for economic reasons were issued in 2023, representing 16.7% of migration flows from third countries to the EU27.



Scope: France, third-country nationals (excluding UK nationals).
Source : Agdref-DSED

Trend in the issuance of initial permits for economic reasons

Issuance of first residence permits for economic reasons, top ten nationalities

	2021		2022		2023	Change 2023/2022
Morocco	7 239	Morocco	12 540	Morocco	10 801	-13,9 %
Tunisia	4 109	Tunisia	7 809	Tunisia	8 576	+9,8 %
Mali	2 052	USA	2 408	India	2 573	+8,4 %
USA	2 034	India	2 373	Algeria	2 501	+28,9 %
Guinea	1 795	Algeria	1 940	Turkey	2 473	+41,5 %
Ivory Coast	1 472	Turkey	1 748	USA	2 352	-2,3 %
India	1 389	Lebanon	1 521	China	1 672	+40,6 %
Algeria	1 286	Guinea	1 506	Brazil	1 669	+17,8 %
Senegal	1 265	Mali	1 504	Mali	1 591	+5,8 %
China	1 111	Brazil	1 417	Senegal	1 512	+20,5 %
Share of Top 10 nationalities	65 %	Share of Top 10 nationalities	67 %	Share of Top 10 nationalities	65 %	-1,3 pt
TOTAL ALL NATIONALITIES	36 685	TOTAL ALL NATIONALITIES	52 045	TOTAL ALL NATIONALITIES	54 572	+4,9%

Scope: France, third-country nationals (excluding UK nationals).
Source : Agdref-DSED

Talent passports at an all-time high

		2019	2020	2021	2022	2023	2023/2022
Economic	Employee	4 059	2 606	3 521	6 962	6 459	-7,2 %
	Scientist	5 145	3 179	3 986	4 968	5 438	+9,5 %
	Self-employed	289	213	289	514	585	+13,8 %
	Artist	109	107	117	231	346	+49,8 %
Economic total		9 602	6 105	7 913	12 675	12 828	+1,2 %
Family		3 976	3 334	4 347	6 225	6 725	+8,0 %
OVERALL TOTAL		13 578	9 439	12 260	18 900	19 553	+3.5%

Scope: France, third-country nationals (excluding UK nationals).
Source : Agdref-DSED (see page 5)*

Creation of talent passports by category of reason

The distribution of jobs by socio-professional category varies according to the link to migration. Regardless of gender, immigrants work more in accommodation and catering and in business services, and less often in public administration.

The distribution of descendants of immigrants, both men and women, by sector of activity is similar to that of people without a migrant background.

in %.

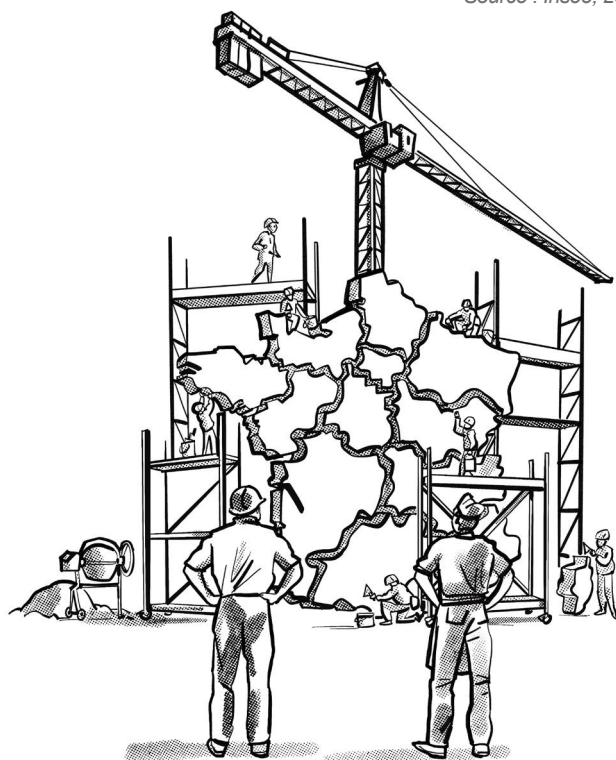
	Women				Men			
	Immigrants born		Descendants of immigrants	Neither immigrants nor descendants of immigrants	Immigrants born		Descendants of immigrants	Neither immigrants nor descendants of immigrants
	in the EU27	outside the EU27			in the EU27	outside the EU27		
Socio-professionnal category								
Farmers	1	0	0	1	2	0	0	3
Craftsmen, traders and bussiness owners	5	5	4	4	13	11	9	8
Managers	20	16	19	19	19	20	22	25
Intermediate professions	16	16	27	29	17	15	23	23
Employees	47	49	44	40	10	15	15	11
Skilled employees	19	18	27	24	4	5	8	7
Low-skilled employees	28	31	17	16	6	10	6	5
Manual workers	11	14	6	7	39	39	31	29
Skilled workers	3	3	3	3	29	26	23	21
Low-skilled workers	8	11	4	4	10	13	8	8
Not specified	0	0	1	1	0	0	1	1
Sector of activity								
Agriculture, forestry and fishing	1	1	0	2	3	1	1	4
Industry	8	7	8	8	12	12	16	18
Construction	2	2	2	2	28	17	11	10
Tertiary sector	87	87	88	87	53	66	70	66
Trade	10	10	13	12	13	11	14	13
Transport	2	2	4	3	5	10	11	7
Accommodation and catering	6	8	4	3	4	8	4	3
Information and communication	1	3	3	2	3	6	6	5
Finance, insurance, real estate	7	5	7	6	3	4	4	4
Services mainly to businesses	14	16	10	10	10	14	11	10
Public administration	5	5	10	10	4	3	7	8
Education	8	8	12	11	2	3	4	5
Healthcare	10	6	10	11	3	2	3	3
Medical and social care, social services	10	14	10	12	3	2	3	2
Household services	16	10	7	7	3	4	4	4
Undetermined activity	2	4	3	2	4	5	3	2
All	100	100	100	100	100	100	100	100

¹ Temporary workers are classified under the user sector.

Reading: In 2021, 19% of female descendants of immigrants in employment were managers; among men in employment, 53% of immigrants born in the European Union (EU27) worked in the tertiary sector.

Scope: France excluding Mayotte, persons aged 15–64 living in ordinary housing, in employment.

Source : Insee, 2021 Labour Force Survey



*DSED: The Department of Statistics, Studies, and Documentation is the ministerial statistical service for immigration. The DSED is attached to the Directorate-General for Foreigners in France (DGEF) of the Ministry of the Interior.

Welcoming a foreign employee: guidelines, precautions, and taxation

While talent knows no borders, hiring a foreign employee requires knowledge of administrative, social, and tax regulations. How should you go about it? What are the employer's obligations? And what should you do in the event of an irregular situation?



Caroline Dubray
Crowe Cogefis

WHAT ARE THE FIRST CHECKS TO BE MADE BEFORE HIRING?

Before signing any contract, the company must ensure that the candidate is authorized to work in France. Citizens of the European Union, the European Economic Area, and Switzerland enjoy freedom of movement and do not need any authorization. However, citizens of third countries must hold a residence permit authorizing them to work: an "employee" card, "temporary worker" card, or "European Blue Card." The employer must verify the authenticity of the permit with the prefecture at least two working days before hiring, in accordance with Article L. 5221-8 of the Labor Code.

WHAT IF THE FUTURE EMPLOYEE DOES NOT YET HAVE A WORK PERMIT?

In this case, it is up to the company to submit a work permit application via the official platform of the Ministry of the Interior (administration-etrangers-en-france.interieur.gouv.fr). The application must include the contract, a job description, qualifications, and, in some cases, proof that no local candidates were available. Once the application has been approved, the employee receives an appropriate permit and is summoned by the French Office for Immigration and Integration (OFII) for a mandatory medical examination.

DOES THE COMPANY HAVE TO PAY A TAX?

Yes. Note that since January 1, 2023, the well-known "OFII tax" is now managed and collected by the DGFIP (Directorate General of Public Finances) and no longer by the OFII (French Immigration and Integration Office). This tax applies when the company hires a foreign national subject to a work permit. The amount depends on the length of the contract and the remuneration. For a contract of at least 12 months, the tax corresponds to 55% of the gross monthly salary, up to a limit of 2.5 times the minimum wage (SMIC). For a contract of 3 to 12 months, it is a flat rate (from €50 to €300 depending on the salary). The tax is declared and paid via the VAT return, using form 3310 A-SD, in the month following the hire or annually, depending on the company's tax regime. Certain situations are exempt, in particular European Union nationals, holders of a "Talent Passport" visa, seasonal agricultural workers, and visa renewals for the same employer.

AND THE OTHER HIRING FORMALITIES ?

They remain standard: prior declaration of hiring (DPAE), registration in the staff register, contract in accordance with French law with mention of the residence permit. Certain statuses require a minimum salary, for example 1.5 times the average gross annual salary for a European Blue Card.

Caroline Dubray is head of the Social/Payroll/HR department at Crowe Cogefis Associés. At the heart of employee-employer relations, the social department supports companies in job creation, personnel management, legal aspects of labor law, and payroll processing.



HOW TO ENSURE A SUCCESSFUL INTEGRATION?

Welcoming a foreign employee also means supporting them as they settle into their new job and daily life. Finding accommodation, opening a bank account, understanding French work culture... These steps can be unsettling. Successful companies often assign an HR representative or mentor and organize an integration program. These measures promote loyalty and reduce the risk of premature departure.

WHAT TO DO IF AN EMPLOYEE BECOMES IN AN IRREGULAR SITUATION?

This is a delicate but not uncommon situation. If the residence permit expires or if the employee loses their right to work, the company must

immediately suspend the contract and inform the prefecture. Keeping a foreigner without a permit in employment is illegal – the company is liable to a fine of up to €15,000 per employee and criminal penalties. However, it can assist the employee in the process of regularizing their status: providing employment certificates or promises of a contract can support a work-based application (Article L. 435-1 of the Code on the Entry and Stay of Foreigners). But until the situation is regularized, the employee cannot be kept in their position.

HOW CAN YOU PROTECT YOURSELF FROM RISKS?

The key is traceability. The company must keep a copy of the residence permit, proof of verification from the prefecture, and set up a system for tracking deadlines (table, HR alerts, HRIS tool). In the event of an inspection, these documents prove the employer's good faith.

Focus on two measures

Talent Passport: simplifying the hiring of qualified profiles

The Talent Passport is a multi-year residence permit designed to attract highly qualified employees, researchers, artists, and entrepreneurs to France. It allows its holder to work freely without a separate work permit and offers stability over several years, with extended rights for the family. For companies, it is a simple way to recruit international talent while reducing administrative procedures. **See page 4.**

High-demand occupations: accelerating recruitment

The [list of high-demand occupations](#)*, defined by decree on May 21, 2025, identifies professions for which companies have difficulty recruiting. Foreign candidates for these positions can obtain a work permit more easily, without the administration checking the offer with local workers. It covers sectors such as construction, healthcare, hospitality and catering, digital technology, and industry, and can be adapted by region. It is a practical tool for quickly filling hard-to-fill positions. **See page 10.**

* <https://www.immigration.interieur.gouv.fr/Immigration/L-immigration-professionnelle/Liste-des-metiers-en-tension-pour-les-travailleurs-etrangers>

Recruitment of foreign talent within the Crowe network



WHAT IS THE SITUATION ON THE REUNION ISLAND?

Our firm is experiencing recruitment difficulties: the island's isolation and lack of a large labor pool prevent the mobility of young people trained locally. Many Réunion residents who have gone to study in mainland France prefer to stay there, attracted by larger organizations or more interesting projects. In this context, recruiting foreign talent is a necessity, particularly in Madagascar: French-speaking and trained according to the French model, these employees integrate quickly and become operational after just a few weeks. On the other hand, Mauritian candidates, educated in the English-speaking system, often need to be "brought up to French standards": only those who have received a predominantly French education meet the expectations of our firm and, more broadly, French firms.

ARE RECRUITMENT DIFFICULTIES SPECIFIC TO THE REUNION ISLAND?

No, they reflect a national, even structural phenomenon. The CEG's 2025 Barometer shows that although accounting firms have encountered fewer difficulties in recruiting than last year, this is only a slight improvement: the profession is facing major recruitment challenges and is turning more readily to foreign talent. Furthermore, the profession is undergoing a transformation: the rise of AI and digitalization means that firms are recruiting fewer people for repetitive tasks—now automated—and more for roles involving consulting, data analysis, and management. This dual logic (reduction of certain functions + rise of more qualified profiles) makes recruitment more difficult for accounting firms.

WHAT ARE THE ESSENTIAL CRITERIA FOR RECRUITING A FOREIGN EMPLOYEE IN THIS CONTEXT OF TENSIONS?

Two criteria are non-negotiable: proficiency in French and a high level of internationally recognized education. Firms are looking for employees who bring additional skills to the table. If a foreign degree is of a similar level (e.g., master's in accounting or finance) and issued by a recognized institution in its country, it can be highly valued when applying for a job in France. Accounting firms evaluate skills and level of education (e.g., five years of higher education, accounting/finance). In a market where automation is eating away at certain functions, these "internationally qualified" profiles are becoming a lever for differentiation and added value. Some courses offered abroad are directly aligned with French requirements, such as those offered by the Institut national des techniques économiques et comptables (INTEC), which offers degrees such as the DGC (diploma in management and accounting) as well as preparation for French state diplomas such as the diploma in accounting and management (DCG) and the higher diploma in accounting and management (DSCG). The school operates teaching centers in around 20 countries, both French-speaking and others. This model paves the way for recognition and rapid integration in France.

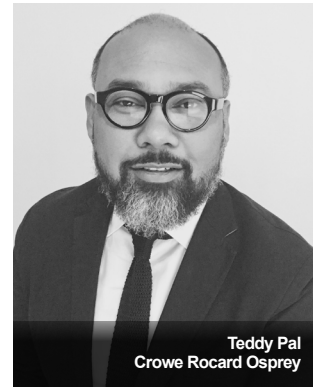
Focus on recruitment in accounting firms

The CEG* 2025 Barometer confirms that 42% of respondents consider recruitment to be difficult or very difficult. This is a significant number, but it is an improvement from 54% in 2024. The resilience of the profession is therefore accompanied by persistent tension: 70% of respondents consider recruitment to be difficult or very difficult (compared to 80% in 2024). The CEG's 2025 Barometer confirms that 42% of firms still have vacancies, although this is slightly less than in 2024 (54%).

* CEG, Club experts en gestion, think tank for the accounting profession - <https://experts-en-gestion.fr/ceg/>

Inpatriation: a tax and social paradise?

Since its adoption in the 2004 Finance Act, the inpatriation tax regime has undergone numerous reforms and adjustments. Is it truly effective in attracting talent to France and strengthening the competitiveness of French companies?



HOW THE EFFECTIVENESS OF THIS ACTION CAN BE MEASURED?

The inpatriation scheme is a preferential tax measure for employees and executives coming to work in France. In particular, it allows for income tax exemption on the inpatriation bonus, corresponding to the portion of remuneration linked to coming to France. This bonus may be exempted for its actual amount—if it is clearly identified in the employment contract or addendum—or, failing that, assessed on a flat-rate basis up to a limit of 30% of the total net taxable remuneration (Article 155 B of the French General Tax Code).

An additional exemption (up to a limit of 20%) is applicable to the portion of net taxable remuneration corresponding to professional activity carried out outside France. Finally, “inpatriates” may also benefit from a partial exemption (50%) on certain foreign-source income (interest, dividends, royalties, capital gains, etc.) received during the inpatriation period. The legislator’s objective is clear: to attract international talent and strengthen France’s competitiveness against its economic competitors. The scheme aims to curb the brain drain and make France more attractive. While it remains difficult to obtain precise figures, the budgetary cost of the measure is estimated at €375 million for the public finances*. According to the DGFIP, the scheme will benefit 15,000 people in 2025. There were 11,040 in 2013.

SO LITTLE?

Yes, because although the measure represents a real advantage in terms of net pay for employees, its cost to companies remains high due to significant employer social security contributions (around 40% of gross salary on average).

This level of social security contributions, which is higher than that observed in several competing countries (United States, United Kingdom, Netherlands, etc.), is a real obstacle to the wider use of the inpatriation scheme.

WHAT ARE ITS OTHER LIMITATIONS?

The inpatriation scheme has evolved since 2004. For example, it is no longer reserved for seconded employees, but also applies to direct recruitments. The tax authorities’ restrictive interpretation of the provisions of the scheme gave rise to numerous disputes, which ultimately secured the scheme. The administration now recognizes that applying from abroad no longer excludes the benefit of the scheme. Similarly, intra-group mobility in France (changing jobs between companies within the same group) no longer interrupts the period of benefit from the scheme, which remains limited to eight years. However, the scheme mainly benefits international groups that have appropriate tax and HR engineering, even though it could be a lever for international development for SMEs and mid-cap companies by facilitating the recruitment of qualified and multicultural profiles.

** Assessment of ways and means - volume II - Appendix to the draft finance bill for 2025*

Conditions for benefiting from the tax regime for inpatriates:

- Become a French tax resident when taking up employment.
- Must not have been a French tax resident during the previous five calendar years.
- Be called from abroad to carry out a professional activity in France.
- The regime applies for a maximum of eight years from the date of taking up employment in France.

Jobs in high demand

The French government released its new 2025 list of occupations in high demand on May 22, 2025. This list of 80 occupations in high demand is used to determine whether or not to grant residence permits in the sectors concerned (2024 immigration law). It is different in each region.

Several sectors are experiencing shortages across the entire country, while others are only experiencing shortages in certain regions.

Among the occupations experiencing shortages across the entire country are:

- Salaried farmers;
- Home helpers and domestic workers;
- Kitchen assistants;
- Cooks;
- Domestic workers and cleaning staff;
- Salaried market gardeners/horticulturists.

And across a significant part of the country:

- Bricklayers (except in Île-de-France);
- Welders (except in four regions);
- Seven out of 13 regions are short of butchers.

Finally, the three regions with the most occupations in high demand are:

- Île-de-France (41 occupations);
- Provence-Alpes-Côte-d'Azur (39 occupations);
- Auvergne-Rhône-Alpes (37 occupations).

RECRUITMENT PROCESS FOR FOREIGN EMPLOYEES VIA HIGH-DEMAND OCCUPATIONS

Step 1: Verification of occupation and area

- The company identifies the occupation on the official list of high-demand occupations (ministerial decree) in the relevant geographical area.

Step 2: Publication of the job offer

- The company publishes the position with Pôle Emploi and other local recruitment channels to show that no local candidates have been found.

Step 3: Preparation of the application

- Gather supporting documents: job description, local search efforts, required qualifications, and identify the potential foreign candidate (resume, degrees, experience).

Step 4: Application for work authorization

- Submit the application to the DIRECCTE / prefecture (position, candidate, justification of the local shortage, contract duration). Occupations in short supply are given priority consideration (often within a few weeks).

Step 5: Administrative decision

- The administration issues the work permit for the non-European employee, the residence permit or corresponding residence permit.

Step 6: Signing of the contract

- The company signs the employment contract with the foreign employee and welcomes them.

Since January 28, 2024, immigration law has allowed foreign workers in an irregular situation working in high-demand occupations to apply for exceptional regularization. This regularization is possible until December 31, 2026, and concerns sectors such as agriculture, construction, catering, home help, etc. An application for exceptional admission to residence (AES) must be submitted to the prefecture. If accepted, a "salaried employee" or "temporary worker" residence permit is issued for a period of one year.

France Travail publishes other lists that highlight the recruitment difficulties faced by companies according to profession and the number of jobs to be filled:

TOP 10 of the most difficult recruitment areas for 2025 by profession



Surveyors
84%



Adjusters
81%



Auto body repair shops
81%



Home helpers and caregivers
80%



Skilled workers in the operation of machining equipment
80%



Roofers
82%



Technicians and supervisors in electrical, electronic, and automation maintenance and automation
81%



Technicians and supervisors in installation and maintenance of refrigeration and air conditioning systems
80%



Boilermakers and sheet metal workers
80%



Professionals working with stone and related materials
80%

Reading: For the roofing trade, 8 out of 10 hires (82%) are considered difficult to fill.

TOP 10 in number of recruitment projects in 2025 by profession

Total number of projects: 2,433,020



Coffee shop and restaurant servers
107810 projects



Farmers
92940 projects



Facility maintenance workers
84540 projects



Home helpers and caregivers
61330 projects



Cooks
56810 projects



Kitchen assistants and multi-skilled employees in the catering industry
103390 projects



Winegrowers, arborists
86330 projects



Professionals in socio-cultural activities
63860 projects



Care assistants
60140 projects



Self-service employees
55750 projects

Source : statistiques.francetravail.org

Mastering French: a challenge for everyone!

We see it every day: misunderstandings, awkwardness, and inaccuracies slow down our exchanges and complicate our professional relationships. Mastering French is not just a matter of grammar: it is the key to communicating with clarity, confidence... and pleasure!

« Language is the clothing of thought. » - Samuel Johnson



THE VOLTAIRE PROJECT OR THE JOY OF WRITING WELL: THE EXPERIENCE OF CABINET FIDELIANCE

Testimonial from Julie Fournier, Communications Manager at Crowe Fideliance

Last year, we took part in the Revolt-IA Pro Challenge organized by the Voltaire Foundation as part of French Language Week. More than 1,500 teams played simultaneously online, with an original challenge: to save the world from tyrannical artificial intelligence using their mastery of French... in less than 60 minutes.

All interested employees were able to form teams with diverse profiles, regardless of their roles. The format, which was both fun and challenging, focused on spelling, grammar, expression, and vocabulary. The time pressure and desire to win created great team dynamics, where strategy and collaboration provided us with wonderful moments of friendly competition.

This experience allowed us to rediscover forgotten rules, discuss expressions, compare our intuitions, and search for "the right word."

It highlighted our sometimes imperfect automatic responses, our mistakes, our hesitations, our strengths, and the importance of writing carefully, whether in an email, a report, or external communications. This experience was very enriching. It strengthened team cohesion by pooling knowledge in informative and friendly exchanges. We enjoyed putting the French language at the heart of our exchanges, from a positive and collective perspective. Beyond the game itself, this challenge stimulated the desire to improve and inspired concrete actions: sharing language tips or organizing occasional "language games." A positive experience in every way!

Will you dare to test your spelling?

Designed by experts, this test from Projet Voltaire measures your level of knowledge of rules that are useful in the professional world:
<https://www.projet-voltaire.fr/test-gratuit-orthographe/>

« *The limits of my language mean the limits of my own world.* » - Ludwig Wittgenstein



VIRTUAL REALITY, AN ASSET IN TRAINING NON-FRENCH-SPEAKING EMPLOYEES

Testimonial from Carol Attailia, founder of Zest Formation

A pioneer in the integration of virtual reality into professional training, Zest Formation offers immersive modules as part of a certification program in food safety and hygiene in commercial catering.

Why integrate virtual reality into your training programs?

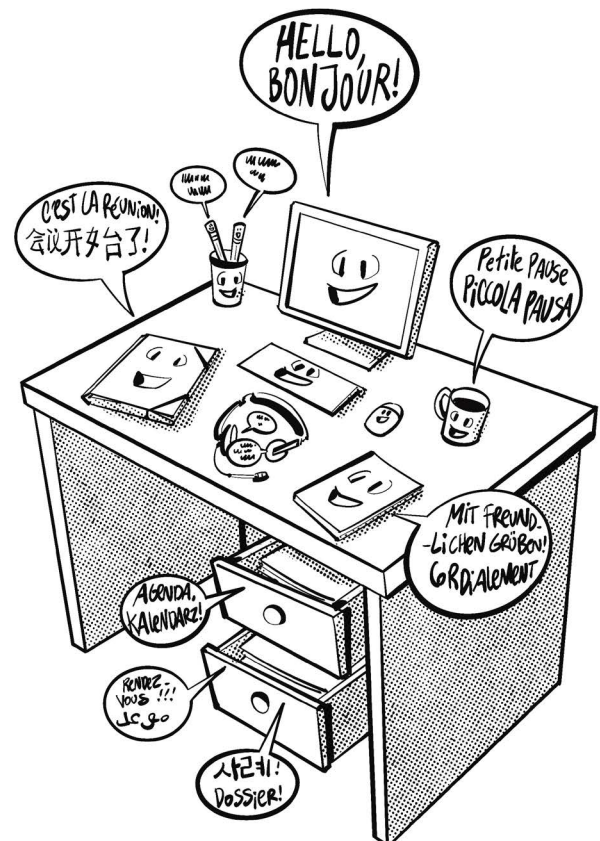
There are two main reasons: first, the youth of our learners, who are accustomed to digital tools and receptive to these new technologies; second, the growing recruitment of immigrants with limited French language skills in the restaurant industry. Virtual reality helps to address a crucial challenge for the sector: recruiting an operational and reliable workforce that is increasingly non-French-speaking, due to the shortage of local labor.

How does virtual reality facilitate integration?

It is one of the learning tools and cannot constitute the entirety of a training program. At Zest Formation, each trainer identifies the modules that can be taught more effectively in virtual reality, depending on each learner. This mainly concerns learning repetitive tasks and precise movements, which the learner can repeat in immersion. Among the modules offered are: receiving and storing raw materials, cleaning and disinfection, and creating a cleaning and disinfection plan. One module on the rules of cooling techniques even uses augmented reality, superimposing itself on reality to make learning even more concrete.

What is the feedback from foreign audiences?

Immersion promotes faster acquisition of skills and practices, enabling learners to become operational sooner. Employers in the sector appreciate this autonomy, which allows them to focus their internal training on other, more creative or commercial aspects. However, virtual reality remains a support tool: proficiency in French remains essential. Training in French as a Foreign Language is all the more in demand as employees quickly stabilize professionally.



Employees abroad: the challenges of international mobility

Many French companies may find it beneficial to send their employees abroad, whether to manage a project, support a subsidiary, or develop a new market. This international mobility can be organized around a variety of practices, requiring employers to resolve certain issues before departure, anticipate the conditions of the employee's return, and ensure that the formalities (particularly immigration) are properly handled in the host country.



WHY IS MANAGING THESE MOBILITIES BECOMING A STRATEGIC ISSUE?

An employee on assignment abroad represents both a lever for development and a risk of non-compliance. Employers must be aware of the extent of their obligations in terms of labor law, social security, and taxation, both in France and abroad, and anticipate any exposure to the risk of permanent establishment. There are many questions to be asked, and any breaches could be detrimental to both the employer and the employee... Vigilance is therefore essential.

WHAT DOES SECONDMENT ACTUALLY INVOLVE?

Secondment involves a company sending its employee abroad for a period of varying length. The company may use a variety of practices to do this: secondment to a subsidiary, temporary assignment, labor loan, etc., all of which are terms that have no legal definition to which a well-defined legal, tax, and social security regime is attached.

Beyond the name chosen, what matters above all are the conditions of mobility: is a local employment contract concluded? Is the French employment contract maintained? Is mobility limited in time? Etc.

SECONDMENT AND EXPATRIATION: WHAT ARE THE DIFFERENCES AND WHAT ARE THE CONSEQUENCES?

In the case of a secondment, the French employment contract is in principle maintained, whereas it is often terminated or suspended in the case of expatriation, which generally involves open-ended assignments. When certain conditions defined by EU regulations and bilateral social security agreements are met, the seconded employee may continue to benefit from the French social security system (in principle when the secondment is for a period of less than 24 months), whereas they would be subject to the social security system of the host country in the case of expatriation. The resulting obligations for the employer in terms of social security contributions and the mandatory or non-mandatory issuance of a pay slip must therefore be adjusted accordingly.

WHAT ABOUT TAXATION IN ALL THIS?

In terms of taxation, the scope of the obligations of the employer and the employee will depend solely on where the latter's tax residence is located within the meaning of tax treaties. There is therefore no automatic alignment of tax obligations with social security obligations: an employee may pay taxes in one country while contributing in another. When paying salaries, French employers must deduct tax at source ("PAS") from the remuneration of resident employees. Conversely, they must deduct tax at source ("RAS") if the employee is a non-resident. As the reporting and payment procedures are not the same, it is in the employer's best interest to be well informed about the personal situation of their employee (place of residence, length of stay, accompanying family, etc.).

WHAT TAX BENEFITS ARE AVAILABLE TO EMPLOYEES?

In order to offset the cost of mobility and mitigate potential double taxation (in the country of residence and the host country), employees sent abroad who remain tax residents in France may, under certain conditions, benefit from the expatriation regime, allowing them to benefit from an exemption on salaries received abroad. Those who, on the other hand, become tax residents of the host country could then certainly benefit from a local inpatriation scheme, schemes that have continued to develop, particularly within the EU, in order to attract new talent and stimulate the economy.

RISK MANAGEMENT: TELEWORKING AND PERMANENT ESTABLISHMENT

When an employee of a French company works from their home located abroad, should the place of work be considered to be that of the employer or that of the employee's home? In the latter case, this could oblige the French employer to comply with the labor law and social security law of the host country, even outside the context of international mobility. While the issue of teleworking remains unresolved and is not currently subject to any harmonization at the international level, the risks are very real and require in-depth study with local advisors. Furthermore, sending an employee abroad, particularly outside of any host structure (such as teleworking, liaison offices, etc.) may constitute a permanent establishment. The host country may consider that the French company is operating on its territory and subject it to all commercial taxes. This risk is particularly high when: (i) the French company has a fixed and permanent presence abroad (pay attention to the presence of premises and the duration of the assignment) and (ii) the employee sent abroad enjoys a certain degree of autonomy (significant role in negotiating or concluding contracts), which will often be the case for executives. Here again, we can only recommend that French companies seek the advice of local consultants.

Agile and international, the Crowe network facilitates mobility

More and more companies have been recruiting employees from abroad — since the pandemic at the latest, almost everyone agrees that remote work is possible in virtually all industries and professions. This greatly expands employers' options for recruitment. In practice, however, employers face major challenges compared to hiring employees domestically, especially when employees continue to live abroad/have their centers of vital interest there and (partly) work there.

As a rule of thumb: the more important the employee's role and the greater the number of working days abroad, the higher the risks and challenges.

In addition to the issues that also need to be considered for domestic employment, the following points, among others, need to be examined:

- Is there a need for clarification (and, if necessary, application) with regard to immigration?
- In which country are working days outside the employer's country of residence taxable?
- In which country is the employee subject to social security contributions?
- Does the employer have to register in the employee's home country for payroll/wage taxes and/or social security purposes?
- Does a payroll have to be set up abroad?

- How can a possible payroll abroad be harmonised and coordinated with the employer's payroll in the home country?
- Do applications relating to social security and/or payroll taxes have to be submitted in the home country and abroad?
- Which labour law applies?
- Does the employee's work abroad lead to corporate tax risks for the employer and, if so, are there ways to avoid or at least reduce these?
- Does the employee have to file an income tax return in their home country and/or in the host country?
- Is there a company pension scheme whose tax implications abroad should be examined?
- And much more.

Crowe can help answer all important questions with an international team of global mobility specialists (from the employer's country of residence and the employee's home country) and help ensure cross-border employment compliance, with payroll and shadow payroll services available in both countries. The initial extra effort is worth it, and once all the processes are in place, the answer to the first question is clear: yes, foreign employees are a challenge — but an even greater opportunity.



The Crowe network provides unique and reliable support to ensure the mobility of our clients. We assist international teams and make cross-border work a success.



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