

Ernst & Young Tax Co. and EY Immigration Corporation

Overseas assignment policies and tax practices survey

(Summary version)

EY Mobility Survey No. 2

Visas, border enforcement, overseas business trips, and accepting foreign national employees

Ernst & Young Tax Co. and EY Immigration Corporation

February 2022



Building a better
working world

EY Mobility Survey

Overview of EY Mobility Survey No. 2

Purpose	This survey serves to analyze the circumstances surrounding overseas assignees and business travelers.
Topics	Visas, border enforcement, overseas business trips, and accepting foreign national employees.
Survey period	Wednesday 8 December 2021 to Monday 17 January 2022
Number of respondents	229 (valid responses*: 218) *The following standards were applied in cases where there were multiple respondents from the same company: 1. Responses from the head office over those from an overseas subsidiary were prioritized 2. Responses from human resource departments over those from all other departments were prioritized 3. Surveys from respondents with the most valid responses were prioritized when there were multiple respondents from the same department or group

Message

EY Mobility Survey No. 2 focuses on topics that have been heavily impacted by the pandemic, such as visas and border enforcement measures.

With border enforcement measures changing daily, obtaining the latest information and responding to sudden changes has become increasingly difficult.

The impact on future business plans is certain to be enormous as many organizations have not planned in advance for the resumption of assignments, business trips, recruitment of foreign employees, and other mobility matters.

This report from Ernst & Young Tax Co. and EY Immigration Corporation analyzes the current situation, including projections regarding impacts on overseas activities and risk avoidance, through a survey into the circumstances of overseas assignees. We hope the information contained in this report proves valuable to your company's needs.

Ernst & Young Tax Co. and EY Immigration Corporation

Inquiries: EY Mobility Survey administrative office (ey.survey@jp.ey.com)

*Please contact the EY Mobility Survey PMO if planning to use or cite the results of this survey.

EY Mobility Survey No. 3

Survey period : 14 February 2022 to 18 March

Topics : Overseas assignee allowances and salaries, benefits, overseas assignment policies, double taxation

Survey URL : https://globaleysurvey.ey.com/jfe/form/SV_3WwEMF7eDsaorYi



Access survey
via this QR code ²

Summary

Summary version includes the results below in red

1	Departments and positions of respondents HR departments lead in respondent numbers	4	12	Outlook for resumption of overseas assignments and business trips Responses split between “already resumed” and “undetermined”	9
2	Affiliation of respondents Corporate nationality and industry	5	13	Internal systems for compliance with border enforcement measures	
3	Primary overseas regions for business trips from Japan		14	Initiatives in response to changes in border enforcement measures (Border Measure 19(1)) Only 3% obtained screening certificates for accepting new foreign nationals	10
4	Annual number of business travelers to and from Japan (before COVID-19)		15	Initiatives in response to changes in border enforcement measures (Border Measure 19(2)) Granted the difficulty in obtaining screening certificates, company responses remain slow	11
5	Visa processing for business travelers		16	Effects of changes in border enforcement measures (Border Measure 20(2)) Over half responded that immigration procedures during the winter holidays will be affected	12
6	Challenges related to business travelers Border enforcement measures are the primary concern	6	17	Provision of support related to border enforcement measures	
7	Sources for the latest information on visas and border enforcement measures		18	Challenges imposed by border enforcement measures Over 60% are most concerned about uncertain time frames for various procedures and collecting information	13
8	Challenges related to visa processing Nearly half reported staying up-to-date as a challenge	7	19	Challenges related to overseas business trips and assignments	
9	Number of foreign national assignees and local hires		20	Example initiatives related to overseas business trips and assignments	
10	Hiring patterns for foreign national employees		21	Implementation of management tools for global mobility	
11	Future outlooks for hiring of foreign national employees Recruitment plans uncertain due to COVID-19	8	22	Topics regarding assignments, accepting overseas personnel, overseas business trips	

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Service lines and positions of respondents HR departments lead in respondent numbers

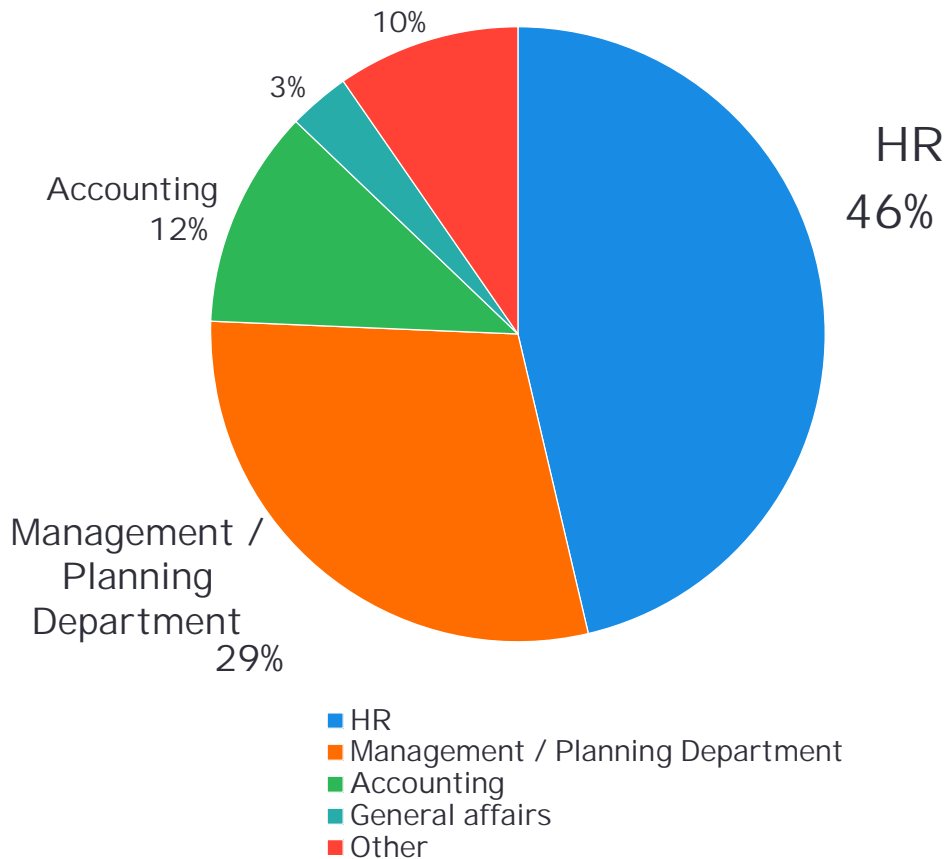


Comment

- We received opinions from people in a wide range of positions – from general employees to directors – 90% of them are located in human resources and other administrative departments.

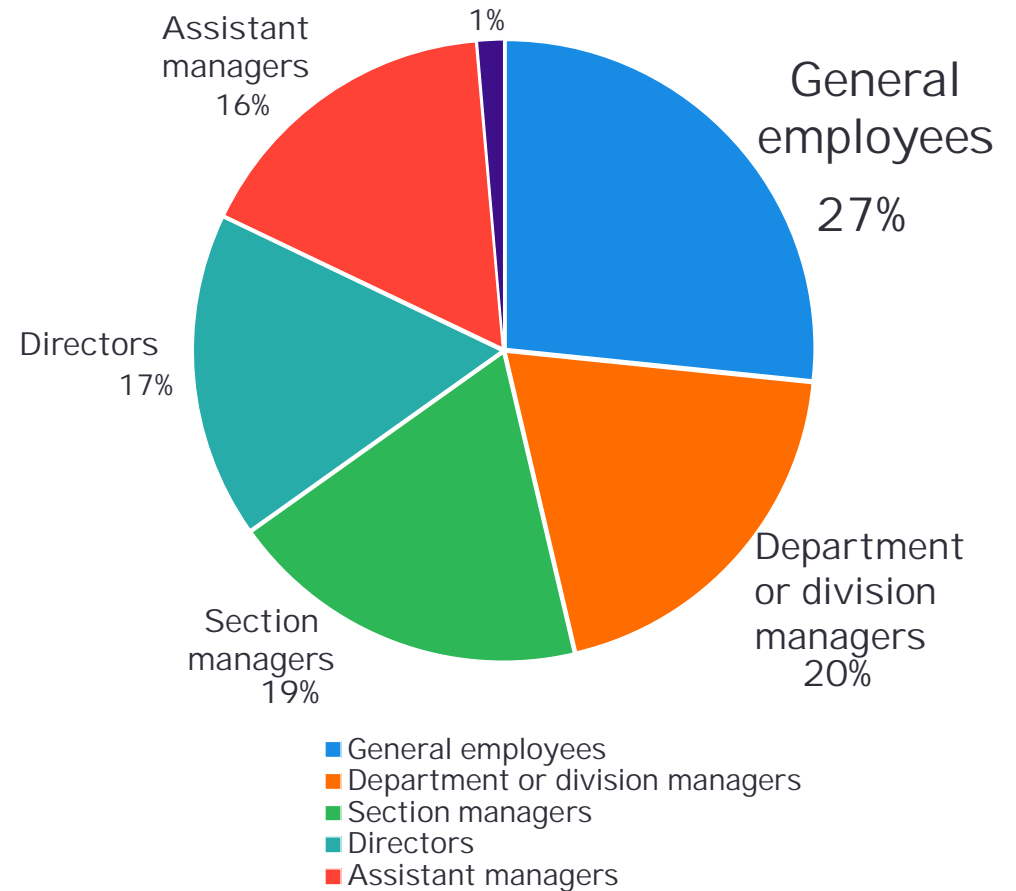
Q1: Please select your department.

Single answer



Q2: Please select your title.

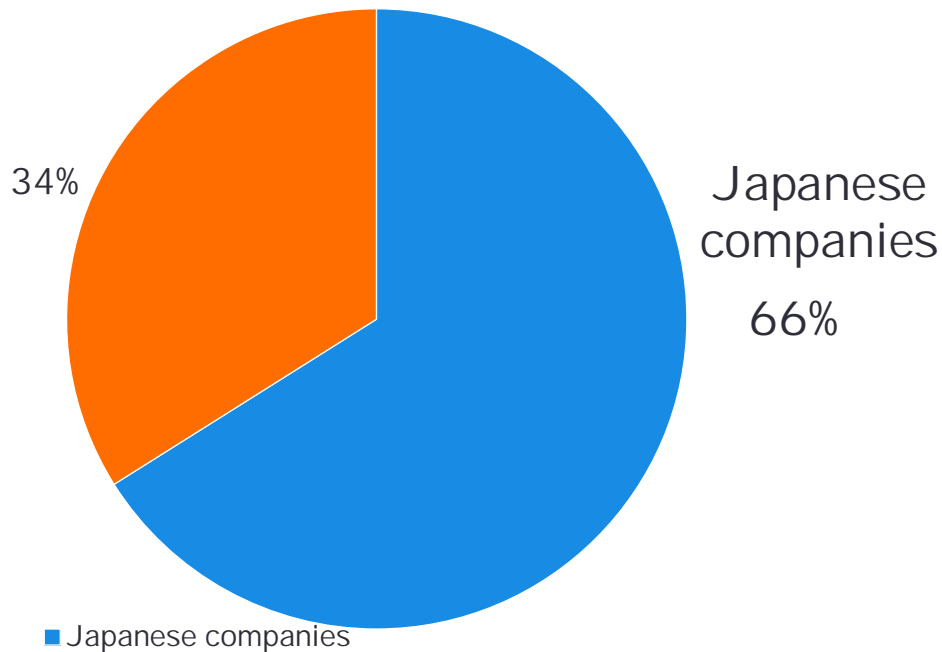
Single answer



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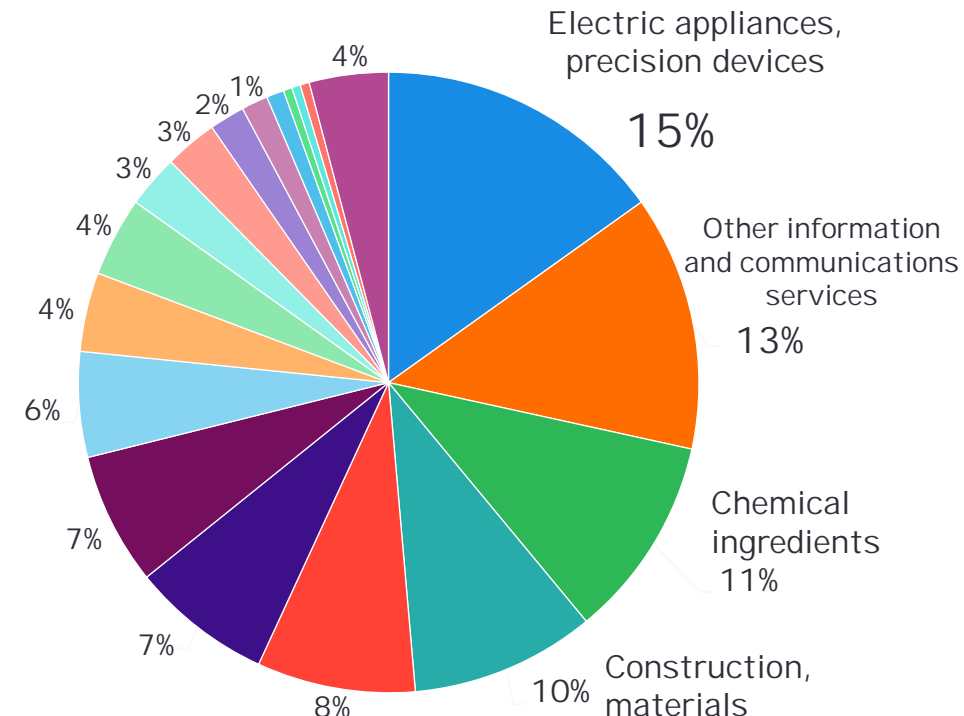
Respondent attributes Corporate nationality and industry

*Based on information from each company's website as of February 2022



- Japanese companies
- Foreign-affiliated companies or local subsidiaries of Japanese companies

(Reference information) Japanese companies (144 companies): Percentage by amount of capital
 Up to JPY100 million: 22 companies (15%)
 Up to JPY1 billion: 16 companies (11%)
 Up to JPY10 billion: 34 companies (24%)
 Up to JPY100 billion: 58 companies (40%)
 Over JPY100 billion: 6 companies (4%)
 Unknown: 8 companies (6%)



- Electric appliances, precision devices
- Other information and communications services
- Chemical ingredients
- Construction, materials
- Machinery
- Automobiles, transportation machinery
- Trading, wholesale
- Transportation, logistics
- Steel, non-ferrous
- Pharmaceuticals
- Food products
- Finance (excluding banking)
- Retail
- Real estate
- Banking
- Other information and communications services
- Textiles and weaved products
- Energy resources
- Other

6

Challenges related to business travelers Border enforcement measures are the primary concern

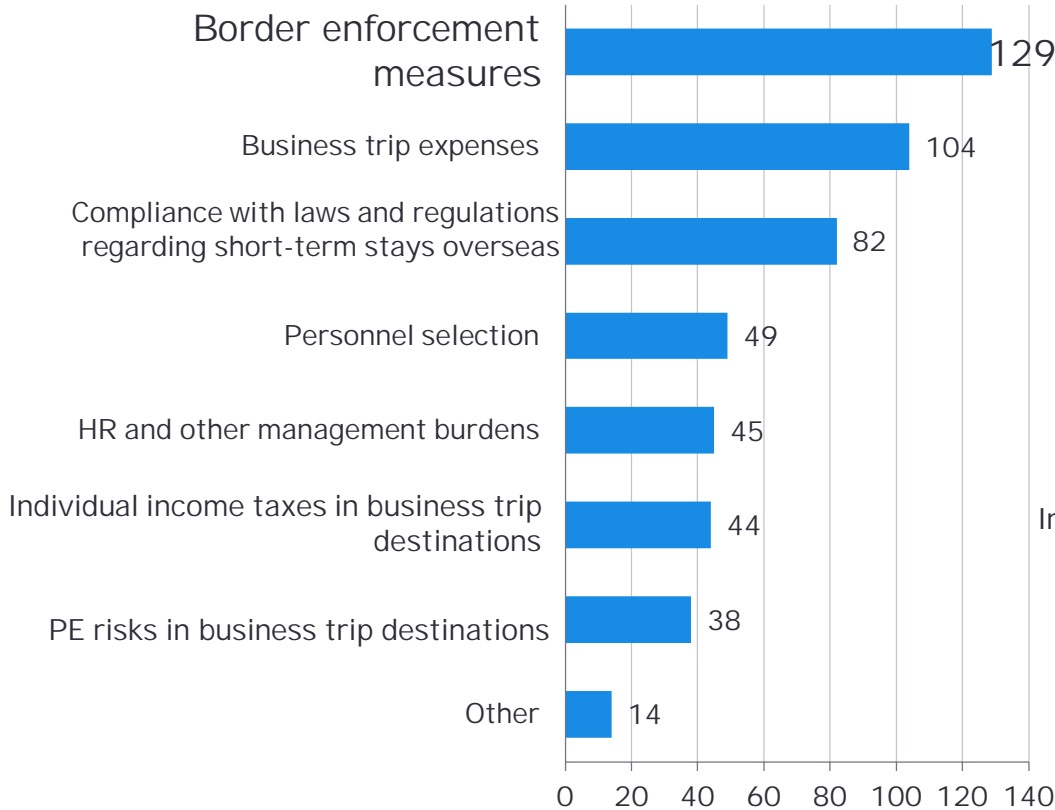


Comment

- As expected, border enforcement measures top the list of concerns, followed by business trip travel expenses and compliance with laws and regulations.
- Survey results show that companies face a wide range of challenges in terms of expenses, risk management, etc.

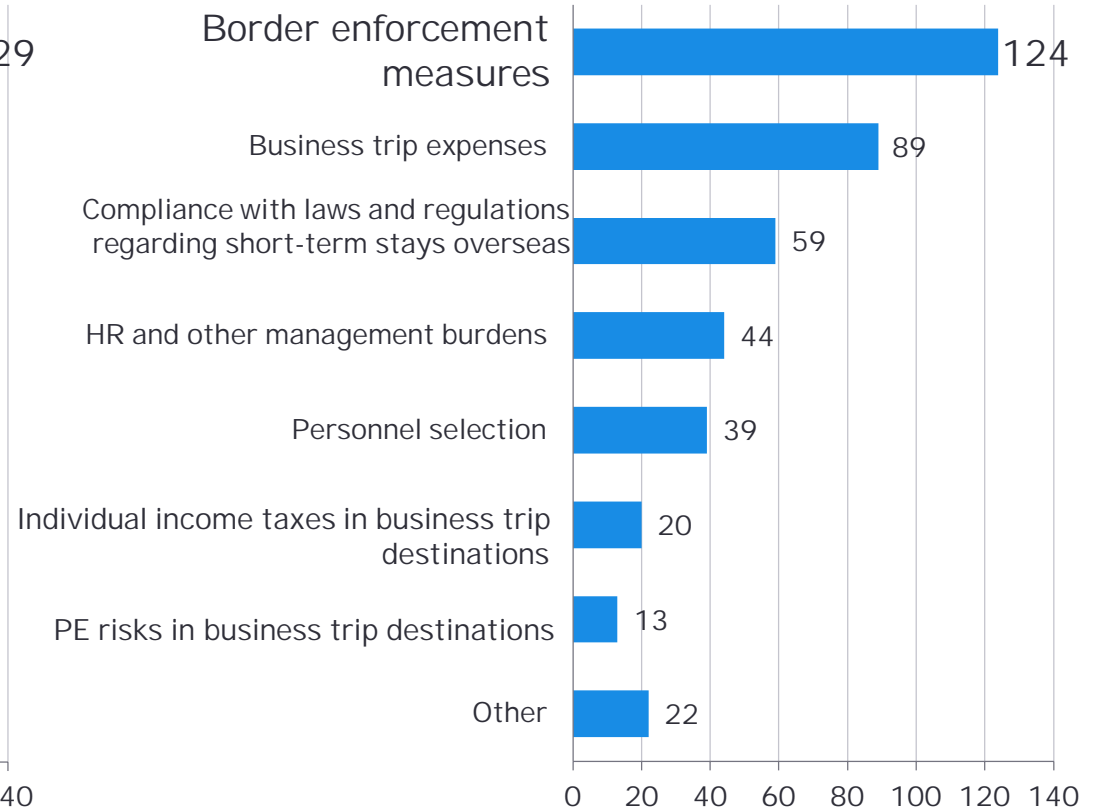
Q11: What are the primary challenges your company faces with regard to business travelers from Japan to overseas? **Multiple answers**

[Number of respondents: 218]



Q12: What are the primary challenges your company faces with regard to business travelers from overseas to Japan? **Multiple answers**

[Number of respondents: 218]



8

Challenges related to visa processing Nearly half reported staying up-to-date as a challenge

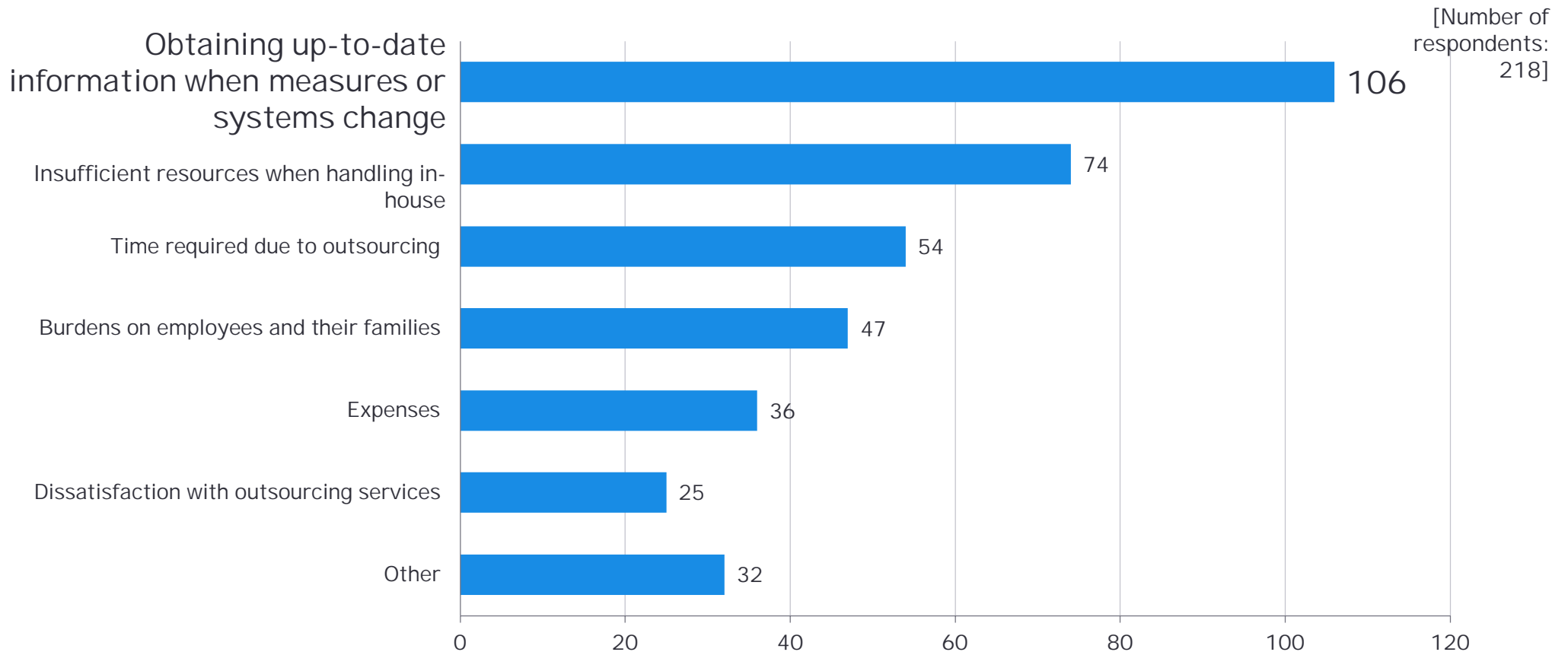


Comment

- The pandemic has highlighted the inadequate speeds at which information is updated regarding visa procedures.
- Insufficiency of resources is also apparent in cases where companies handle these processes internally.

Q14: What challenges does your company face regarding visa procedures?

Multiple answers



Outlooks for hiring of foreign national employees Recruitment plans uncertain due to the pandemic

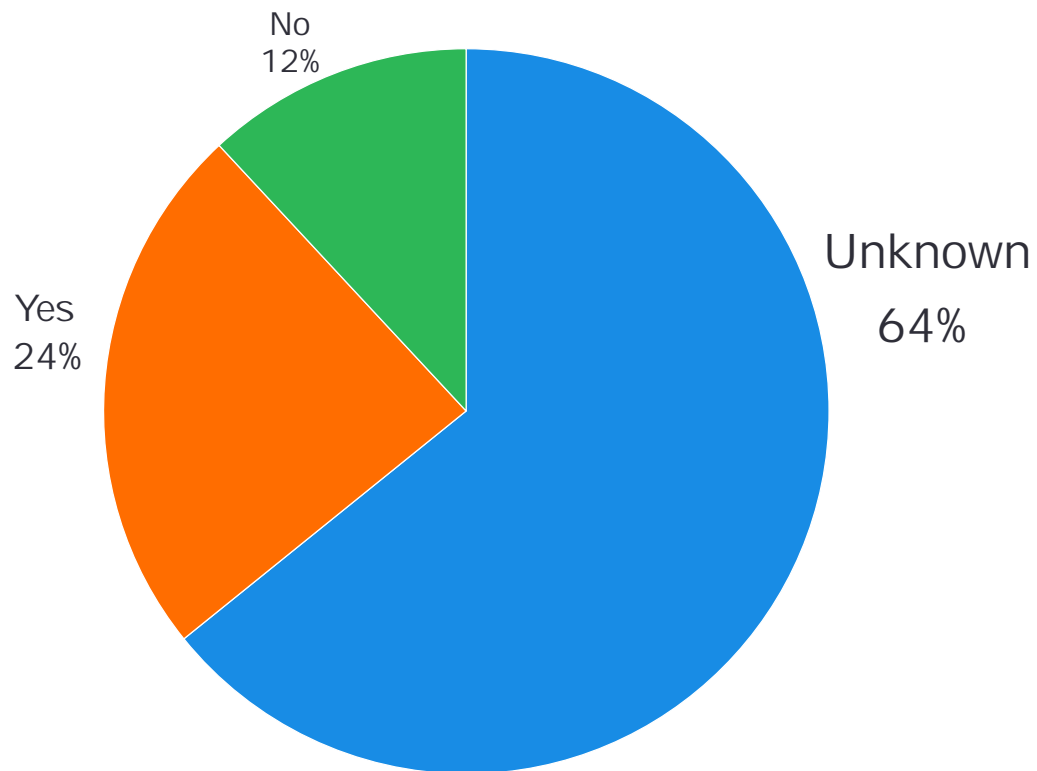


Comment

- While trends in recent years have been to bolster the recruitment of foreign nationals, the pandemic has thrown outlooks of doing so into uncertainty and made planning for future recruitment difficult.

Q18: Does your company have plans to increase hires (new graduates, mid-career) of foreign nationals?

Single answer



Choices		Responses
Unknown		140
Yes		52
No		26
Total		218

Outlook for resumption of overseas assignments and business trips Responses split between “already resumed” and “undetermined”

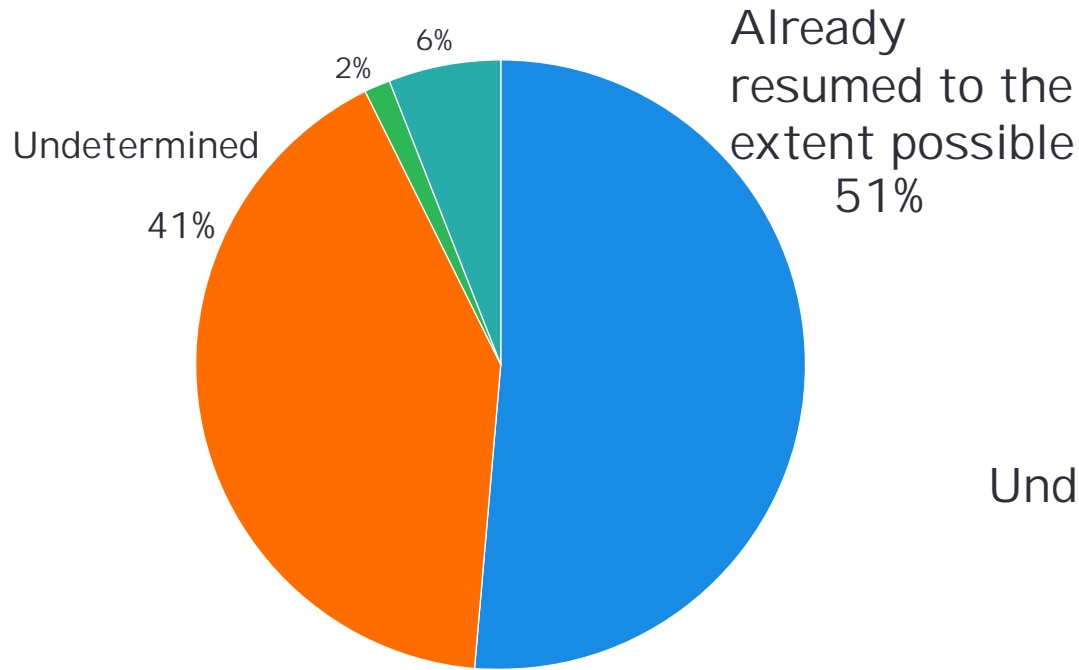


Comment

- Respondents are divided between those already resuming overseas assignments and business trips, to the extent possible, and those who have yet to determine when they will follow suit.
- Results reflect the strictness imposed by Japan’s border enforcement measures on entry restrictions.

Q19: When does your company plan to resume business trips and assignments from Japan to overseas?

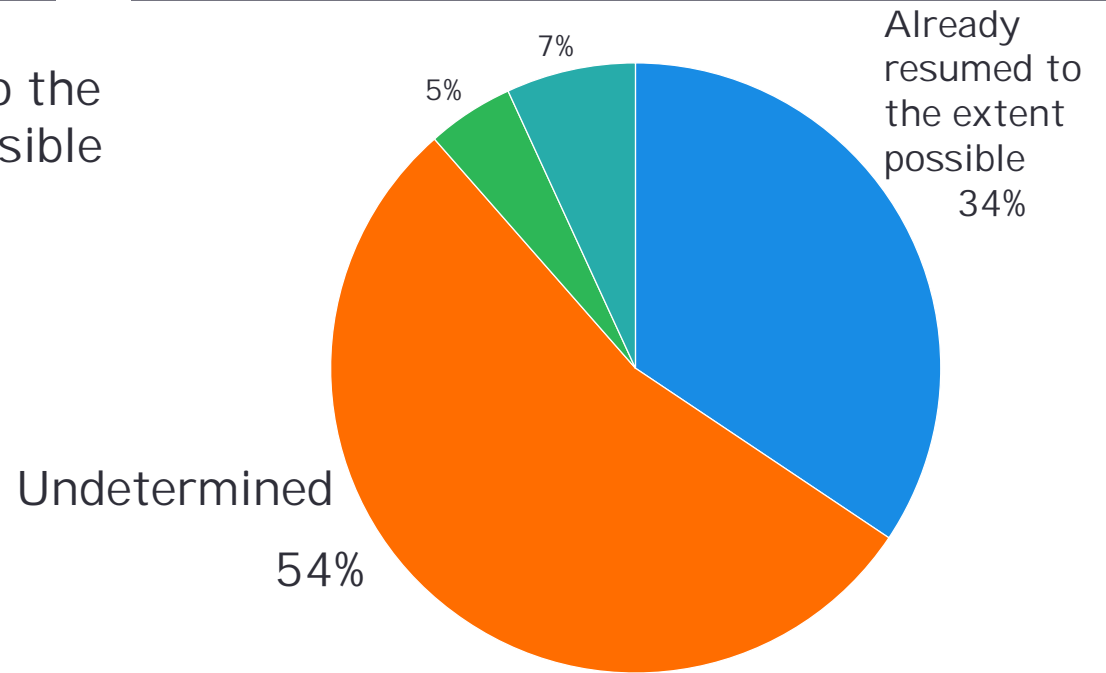
Single answer



- Already resumed to the extent possible
- Undetermined
- Planned to resume before March 2022
- Planned to resume after April 2022

Q20: When does your company plan to resume business trips and assignments from overseas to Japan?

Single answer



- Already resumed to the extent possible
- Undetermined
- Planned to resume before March 2022
- Planned to resume after April 2022

Initiatives in response to changes in border enforcement measures (Border Measure 19(1) Easing of new entry restrictions)

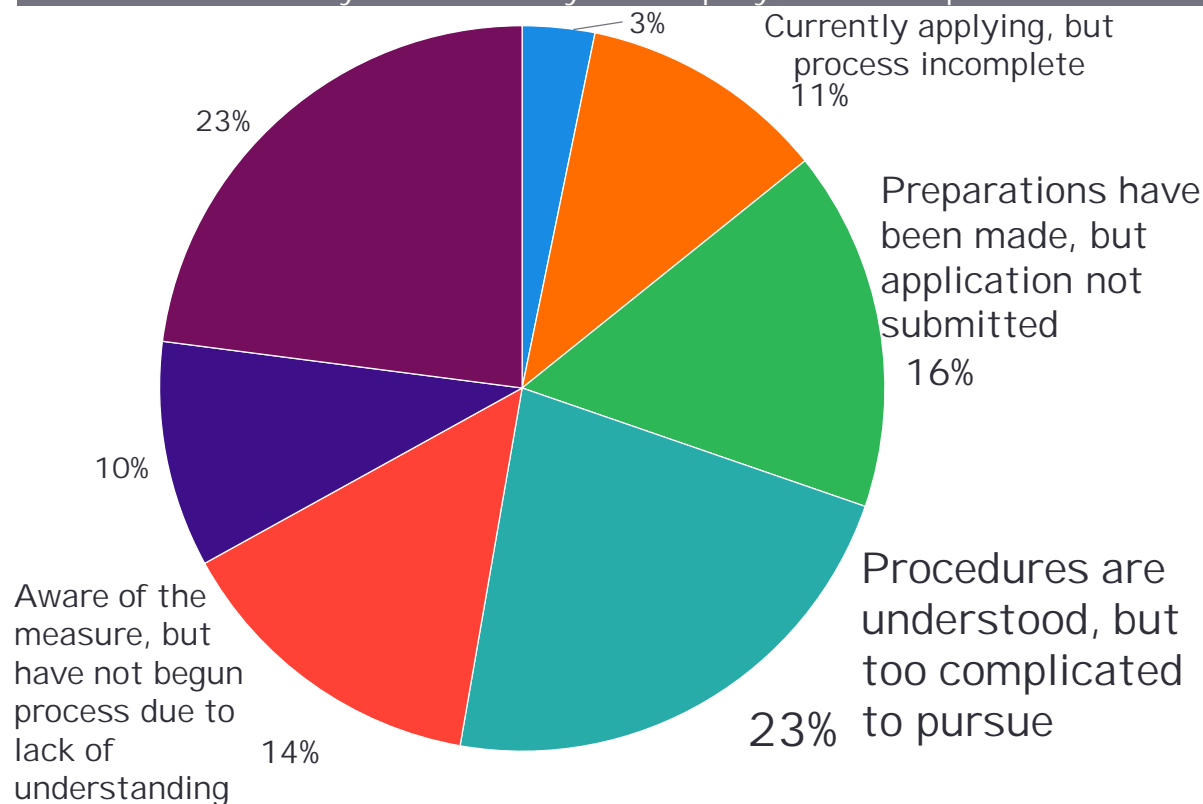
Only 3% obtained screening certificates for accepting new foreign nationals, partly due to short time frames, among other factors.



- Border Measure 19 was intended to allow new foreign nationals into Japan, which had been suspended for a long time. However, despite most companies being aware of this measure, its complicated procedures and the large burden it placed on Japanese companies resulted in most failing to submit applications for screening certificates.
- As this measure lasted only approximately three weeks from its commencement on 8 November until its suspension on 30 November, only an extremely low figure of 3% of companies were actually able to obtain a screening certificate.

Q23: As a part of additional measures announced by Japanese ministries with jurisdiction over businesses on 8 November 2021 (Border Measure 19), new foreign nationals began being accepted into Japan for the first time in almost a year. What has your company done in response to this development?

Single answer



Choices	Responses
Already applied for and obtained a screening certificate	7
Currently applying, but process incomplete	24
Preparations have been made, but application not submitted	35
Procedures are understood, but too complicated to pursue	49
Aware of the measure, but have not begun process due to lack of understanding	31
Unaware of the measure	22
Other	50
Total	218

Initiatives in response to changes in border enforcement measures (Border Measure 19(2) Easing of movement restrictions)

Granted the difficulty in obtaining screening certificates, company responses remain slow

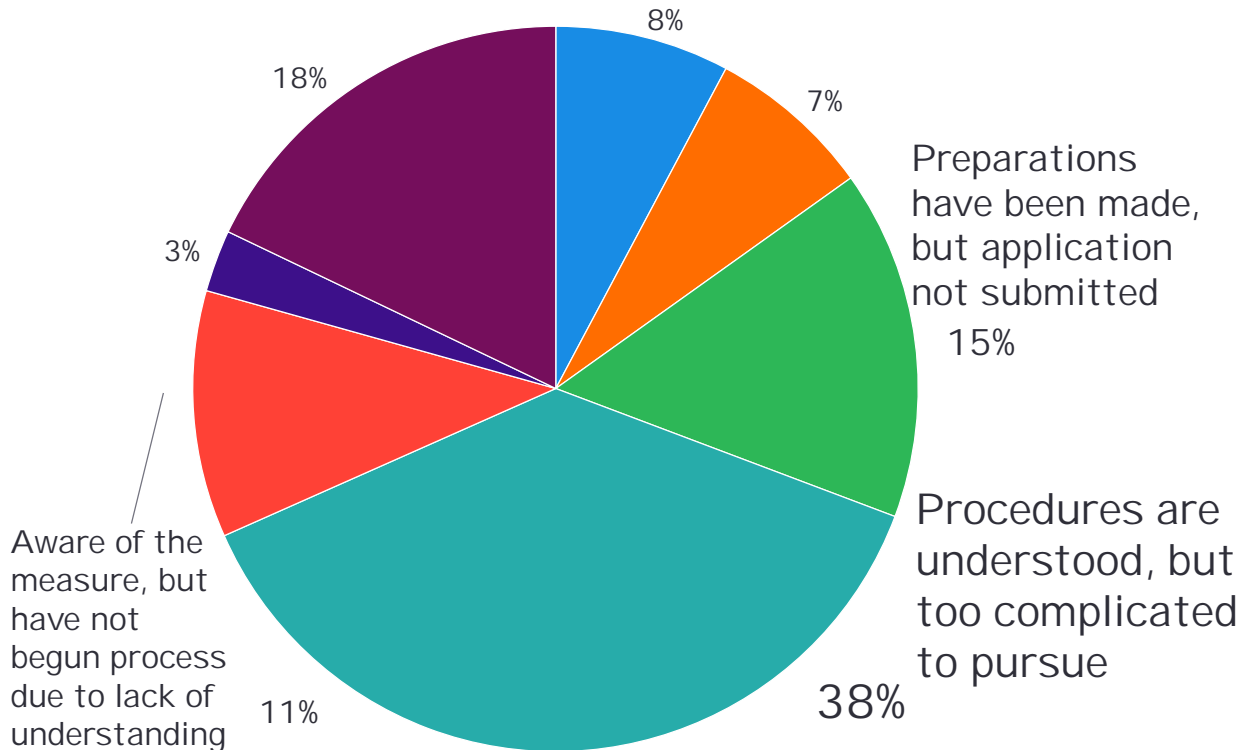


Comment

- While Border Measure 19 permitted eased restrictions on movement along with certain business activities during the quarantine period, it also added to burdens imposed on Japanese companies, such as strict requirements on specified activities, including the preparation of activity planning documents and other time-consuming procedures. Only 8% of companies successfully obtained screening certificates.
- The results reflect a challenging situation in which companies are required to establish internal systems and collect information on frequently changing and complicated border enforcement measures, and attempt do so in an unprecedentedly rapid and reliable manner if they are to take advantage of the eased arrival and quarantining requirements.

Q24: Additional measures from Japan's governmental authorities as of 8 November 2021 (Border Measure 19) permit the easing of movement restrictions during the 14-day quarantine period if certain conditions are met, including being vaccinated. What has your company done in response to this development?

Single answer



Choices		Responses
	Already applied for and obtained a screening certificate	17
	Currently applying, but process incomplete	16
	Preparations have been made, but application not submitted	34
	Procedures are understood, but too complicated to pursue	82
	Aware of the measure, but have not begun process due to lack of understanding	24
	Unaware of the measure	6
	Other	39
Total		218

16

Effects of changes in border enforcement measures (Border Measure 20(2)) Over half responded that immigration procedures during the winter holidays will be affected

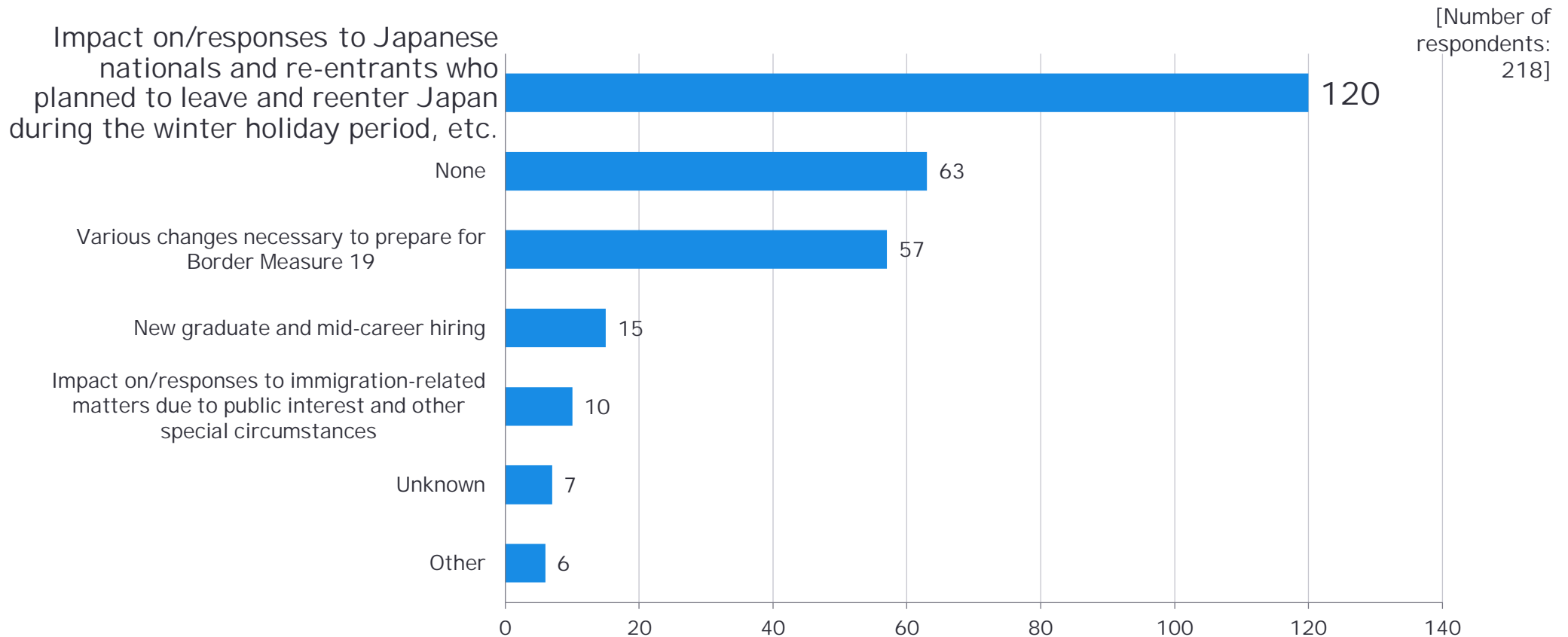


Comment

- The largest impact was on the reentry of travelers who had left Japan during the winter holiday period, with more than 90% of companies forced to respond or make a change in some manner, demonstrating the far-reaching consequences of the pandemic.

Q25: A new measure (Border Measure 20) was announced that suspended Border Measure 19 for one month starting 30 November 2021, effectively tightening entry restrictions to prevent the spread of the Omicron variant of COVID-19. What effect did this new measure have on your company?

Multiple answers



Challenges imposed by border enforcement measures

Over 60% are most concerned about uncertain time frames for various procedures and collecting information

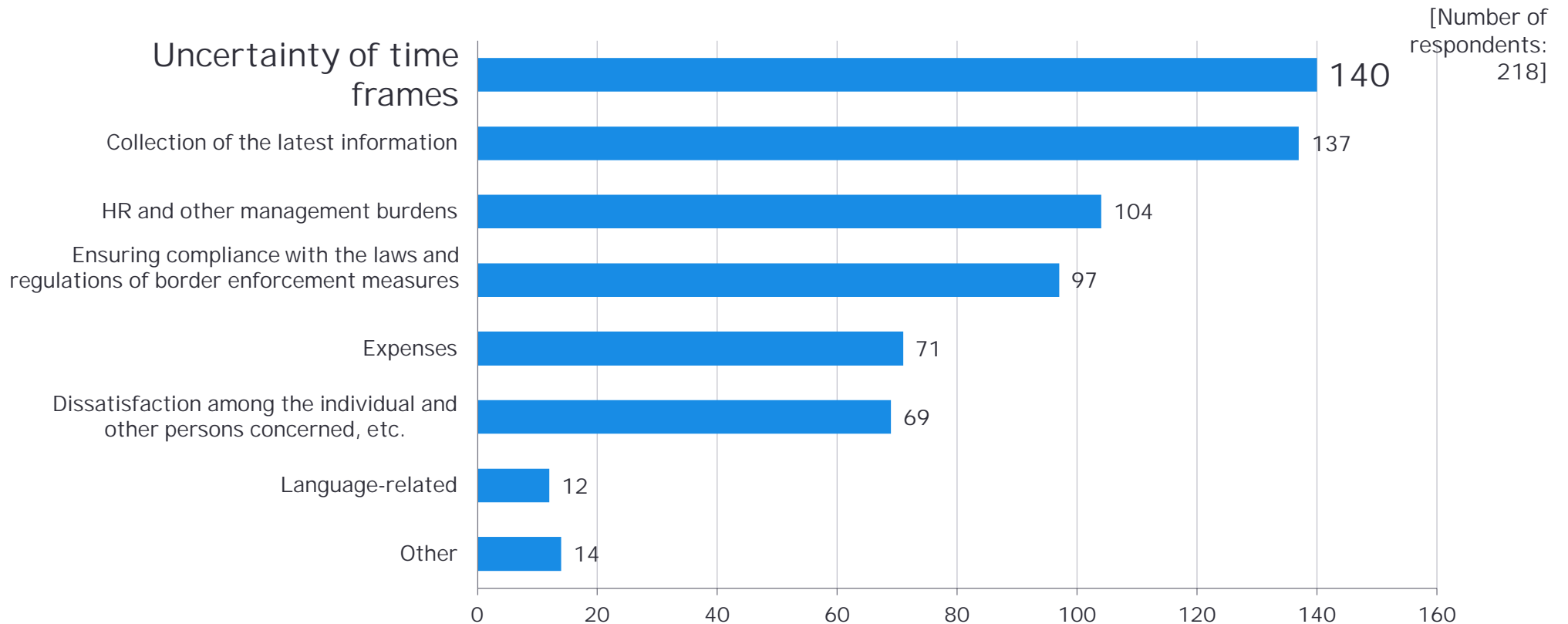


Comment

- It is clear that most companies are struggling to coordinate schedules and gather the latest information, with fewer than 10 companies indicating that they have no issues with this series of border enforcement measures.
- In addition, complicated procedures combined with expectations of strict adherence to the rules set forth by border enforcement measures are significantly challenging, as is dealing with the considerable burdens on HR departments, etc.

Q27: What are the primary challenges your company is facing with regard to this series of border enforcement measures?

Multiple answers



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