

Date: [Date]

To: [Employee Name]

Employee ID: [ID Number]

Current Role: [Job Title]

**Subject: NOTICE OF CROSS-BORDER TELECOMMUTING TAX RISK
ASSESSMENT**

Dear [Employee Name],

This letter is to inform you that [Company Name] has conducted a formal assessment of the tax, legal, and compliance implications regarding your current cross-border telecommuting arrangement while working from [Employee's Remote Country/State].

1. Assessment Summary

Our review indicates that your extended work presence in a jurisdiction outside of the company's primary registered location creates the following potential risks:

- **Permanent Establishment (PE):** Risk of creating a taxable corporate presence for the company in [Country/State].
- **Individual Income Tax:** Potential personal tax liability and filing requirements in [Country/State].
- **Social Security/Payroll Tax:** Mandatory contributions to local social insurance programs.
- **Labor Law Compliance:** Application of local mandatory benefits, holidays, and termination laws.

2. Current Status & Requirements

Based on this assessment, the company has determined the following:

[Insert Option: (A) The arrangement is approved subject to the attached conditions; (B) The arrangement requires immediate modification; or (C) The arrangement must terminate by [Date] due to non-mitigatable tax risks.]

3. Employee Responsibilities

As a cross-border employee, you are responsible for:

- Obtaining independent personal tax advice.
- Providing accurate records of your physical work location and travel dates.
- Ensuring you maintain the legal right to work in your current location.

4. Next Steps

Please sign and return a copy of this letter to the HR Department by [Date] to acknowledge your receipt of this assessment and your understanding of the associated risks.

If you have questions regarding this assessment, please contact [Department Name/Contact Person].

Sincerely,

[Authorized Signatory Name]

[Title]

[Company Name]

Acknowledgment:

I, [Employee Name], acknowledge receipt of this Tax Risk Assessment and understand the compliance requirements associated with my remote work location.

Signature: _____ Date: _____