

# Why Technology Leaders are opting for the Remote Expatriate life



Why 70% of Technology Leaders are considering a move abroad

- ◆ From Digital Nomad to Remote Expatriate
- ◆ Is it really equivalent to a 40% pay rise?
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# How Remote Expatriate Status is Empowering Technology Leaders

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What initially burgeoned as a trend primarily among contractors and freelance software developers, driven by a hunger for technological innovation and adventure, has now grown into an enticing option for senior technology management, including Chief Technology Officers (CTOs) and Chief Information Officers (CIOs) to become Remote Expatriates, location independent professionals. This shift not only heralds a change in scenery but also marks a transformation in the perception and practice of remote work.

Historically, digital nomadism was closely associated with freelance coders and tech-savvy individuals eager to explore the world while sustaining a big-city income. These early adopters of remote work laid the groundwork for broader acceptance of location-independent careers. However, recent years have witnessed a noticeable demographic shift within the digital nomad community and a survey by The Marlow Business School for 2023 showed 70% of senior technology leaders have seriously thought about the benefits of becoming a Remote Expatriate in the last 12 months.

So what is a "Remote Expatriate"? A "Remote Expatriate" is an individual who relocates to another country while maintaining a remote work arrangement with their employer, allowing them to work from a location of their choice rather than being tied to a specific office. This relocation is typically motivated by financial or lifestyle reasons, such as seeking lower living costs, a better quality of life, or the opportunity to immerse oneself in a new culture.

The difference between a Remote Expatriate and a Digital Nomad is that the Expatriate is generally looking to relocate the whole family for a better lifestyle, or a less volatile one, not just travel the world looking for adventure



While digital nomads thrive on the freedom of movement and exploration, remote expatriates value the opportunity to establish a more permanent home base in a foreign country. By settling in a new location, they can fully immerse themselves in the local culture, build meaningful connections within the community, and experience life as a resident rather than a temporary visitor. This shift represents a conscious decision to blend the benefits of remote work with the richness and authenticity of life in a different cultural context.

Today, it is increasingly common to find CTOs and CIOs spearheading remote work initiatives. These senior technology executives, tasked with shaping the technological trajectory of their organisations, are progressively recognising the benefits of a flexible work environment. By harnessing digital tools and embracing remote collaboration platforms, they can discharge their professional responsibilities from any corner of the globe.



# The Pursuit of Happiness

The pursuit of happiness and a balanced work-life dynamic is increasingly becoming a paramount consideration for executives in high-pressure roles. For these individuals, the demands of their positions often entail long hours, intense scrutiny, and high levels of stress. However, the prospect of transitioning into a Remote Expatriate role offers a compelling solution. By relocating to a new country with a more relaxed pace of life and embracing a remote work setup, executives can cultivate a healthier work-life balance. This newfound flexibility allows them to allocate time and energy to personal pursuits, whether it be spending quality time with family, pursuing hobbies, or simply enjoying the cultural richness of their new surroundings.

Moreover, the reduced stress levels associated with remote expatriate life can have profound effects on overall well-being and job satisfaction. Freed from the daily pressures of office politics and rigid schedules, executives can approach their work with renewed clarity and enthusiasm.



It appears that becoming a Remote Expatriate offers families a myriad of advantages too that enrich their lives in profound ways. One notable benefit is the opportunity for increased family time and strengthened bonds. Unlike traditional office setups that often demand long commutes and rigid schedules, remote expatriate families have the flexibility to spend more quality time together. Whether it's exploring the local surroundings, embarking on cultural excursions, being home in time to put kids to bed, or simply enjoying meals as a family, the shared experiences foster deeper connections and create lasting memories that transcend geographical boundaries.

The immersive nature of living in a new country provides families with the unique opportunity to broaden their horizons and embrace diverse cultures. Experiencing new customs, traditions, and ways of life cultivates empathy, tolerance, and a global perspective in children and adults alike. Additionally, living abroad presents the chance to learn and master additional languages, which not only enhances communication skills but also opens doors to new friendships and career opportunities. By embracing the journey of becoming remote expatriates, families embark on an enriching adventure that fosters personal growth, cultural appreciation, and a sense of interconnectedness with the world at large.



# The Financial Advantage

## Is it really a 40% Pay Rise?

One of the most compelling arguments for becoming a Remote Expatriate among senior technology management is the significant financial advantage it may offer. Remote work can surprisingly equate to a substantial increase in earnings without incurring additional costs for the company. This arises from the considerable disparities in the cost of living between major tech hubs and more affordable locales. By relocating to a region with a lower cost of living, Technology Leaders can stretch their salaries much further. In practical terms, this could amount to a significant pay rise – estimates suggest up to a 40% increase in disposable income when transitioning from an expensive city like London or San Francisco to a more budget-friendly destination such as Lisbon or Barcelona.

Embracing a Remote Expatriate lifestyle also affords senior tech management the opportunity to leverage considerable potential tax benefits associated with relocating to jurisdictions with favourable tax regimes. By strategically choosing their base of operations, CTOs and CIOs can optimise their tax liabilities, further enhancing their financial position.



Port de Soller, Mallorca

# The Golden Visa: Residence through buying property.

Having the flexibility to choose a new country, or have multiple residencies is increasingly becoming an option for CIO, CTO and Technology Leaders. The opportunity to live, and work in a beautiful and safe environment with access to great schools and healthcare is becoming a reality for many.



## Spain

**Property Investment: € 500,000**

The property can be rented out. It can be residential or commercial.

Multiple investors can combine to purchase property providing individual investment achieves investment value.

After five years of temporary residence, you may apply for permanent residency in Spain. Following 10 years of permanent residency, you may apply for citizenship .

**You and your family members will receive Residence Permits, allowing you to live in Spain.**

Other popular countries that offer Golden Visas that CIO and CTOs have mentioned



Greece



Cyprus



St Kitts & Nevis



Malta

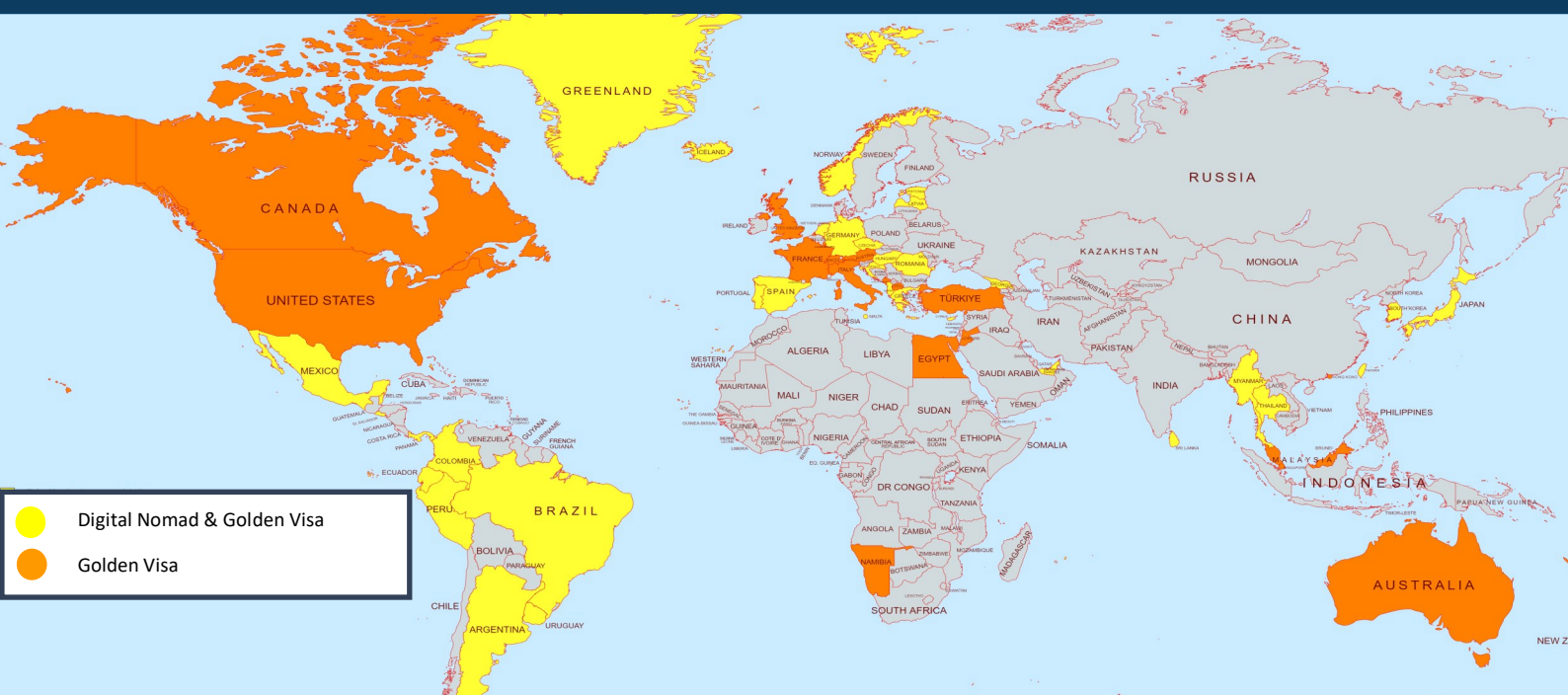


Antigua & Barbuda

## Where in the World?

The choice of country or city for a Remote Expatriate, differs significantly from that of a Digital Nomad, reflecting their distinct priorities and lifestyles. Digital nomads are often drawn to destinations that offer adventure, cultural diversity, and vibrant social scenes. Countries such as Thailand, Bali, and Costa Rica are popular among digital nomads due to their affordability, natural beauty, and thriving digital nomad communities. Cities like Medellín, Chiang Mai, and Ubud, attract nomads with their laid-back atmosphere, ample co-working spaces, and opportunities for exploration.

On the other hand, Remote Expatriates prioritise factors such as safety, quality of life, and access to amenities like good schools and healthcare facilities. They seek out countries and cities that offer stability, infrastructure, and a welcoming environment for families. Destinations like Switzerland, Spain, Norway, and Canada are favoured by Remote Expatriates for their high safety standards, well-developed healthcare systems, and excellent education options. Cities such as Zurich, Barcelona, and Vancouver appeal to expatriates with their clean streets, efficient public transportation, and diverse cultural offerings.



The variety of visas available offers a range of diverse opportunities tailored to various lifestyles. In this report, we concentrate solely on visas suitable for Remote Expatriates rather than traditional digital nomads. For some countries a Digital Nomad Visa may be perfect for a Remote Expatriate, whilst for others a Golden Visa may be more beneficial. This distinction is important as the duration of some digital nomad visas in certain countries may be too brief to seriously consider relocating one's family. Additionally, some locations may not be as suitable for family living.

### Digital Nomad, Long Term or Golden Visa

Technology professionals hold a distinctive advantage when venturing into the realm of Remote Expatriates. Many are inherently adaptable to different locations, a trend propelled by the societal shifts triggered by the Covid pandemic. While valuable lessons have been gleaned about the significance of face-to-face interaction, companies have adeptly woven such engagement into their work cultures. Exploring the diverse pathways to becoming a Remote Expatriate unveils enticing options. In this context, it is advisable for professionals to negotiate with their employers or companies to determine the optimal level of face-to-face involvement back at the office. Some Digital Nomad Visas provide multiple years, with opportunities for extension or gaining residency. Additionally, certain countries, like France, offer long-term visas, and a growing list of over 100 nations present "Golden Visas," with some pathways leading to citizenship.



## Case Study: Mallorca Spain

Mallorca, with its sun-soaked beaches, vibrant culture, and rich history, has long been a dream destination for many. And now, with the introduction of the Digital Nomad Visa (DNV), it's easier than ever for non-EU nationals to turn that dream into reality. Tailored for individuals who haven't lived in Spain for the past five years, this visa offers a pathway to residency for those with sufficient income resources and a desire to work remotely for non-Spanish companies. Beyond the allure of Spanish life, the DNV may also provide enticing tax benefits, making it an attractive option for those seeking both professional and financial freedom.

Unlike traditional work visas, the Digital Nomad Visa is specifically designed for individuals with the flexibility to work online. Since you are considered non-resident for tax purposes, you will not be liable for wealth or solidarity tax on worldwide assets. Spanish assets will be liable, but the allowances are very high. In 2023, it was confirmed that a director of a limited company is entitled to the Spanish Digital Nomad Visa. For example, a sole director of a UK limited company who owns 50% or more of the shares of the company can apply for the DNV in Spain. Even though legally a director in, for example UK company law is an employee, for the purposes of working from home in Spain, they are treated as being self-employed.



To qualify for the Digital Nomad Visa, applicants must meet certain work requirements. Alongside proving the ability to fulfil work duties with minimal resources, such as a laptop, phone, and internet connection, candidates must demonstrate suitable professional qualifications or verified work experience. **(Marlow Business School offers experience**

**verification and professional qualifications)**. The versatility of the visa allows individuals to work in various roles and industries, whether employed, self-employed, or as entrepreneurs. However, employed individuals must work for a company established outside Spain for at least one year, while self-employed applicants need to have contracts agreed upon at least three months before application. Entrepreneurs seeking to launch or direct economic activities must obtain confirmation from ENISA, Spain's funding agency for startups and SMEs.

Apart from meeting work requirements, applicants must navigate through various application prerequisites. These include proving a minimum level of income, having qualifying medical health insurance, providing recent criminal record checks from your home country and Spain, and submitting additional paperwork like proof of residence, passport, birth, and marriage certificates. For those already legally resident in Spain, the Digital Nomad Residency Permit (DNRP) offers a three-year permit that can later be renewed for two years, eventually leading to permanent residency after five years. It may sound like a bureaucracy puzzle but actually it is a well trodden path and there are plenty of advisers to handle the move and make it smooth.



In addition to the professional and lifestyle benefits of the Digital Nomad Visa, it also offers significant tax advantages and for many this is what makes them look seriously at the prospect. Individuals employed by overseas companies or engaged as entrepreneurs can apply to be taxed under the more beneficial special in-patriate tax regime, commonly known as the 'Beckham regime.' This regime offers preferential income tax rates on earnings up to €600,000 (USD 640,000, GBP 513,000), exemptions from Spanish Capital Gains Tax on assets outside Spain, and relief from Spanish Wealth Tax on non-Spanish assets. Moreover, under this regime, the reduced income tax rate of 24% on the first €600,000 of earnings annually, can generate a substantial lifestyle change.

This tax regime can significantly enhance the financial position of Remote Expatriates, providing them with greater disposable income and financial stability while enjoying the Mallorca lifestyle. A CIO on £150,000 a year in the UK would have a net pay of £94,335 after tax, excluding National Insurance/ Social Security and deductions such as pension payments. (average tax rate 37.1% and marginal 43.3%). On the Digital Nomad Visa with the flat 24% tax rate the same individual would earn the equivalent of £114,000 after tax or an equivalent of a £19,000 pay rise per year. This would mean your monthly take home salary after tax would be £11,600 living in Spain after tax compared to £7,861 in the UK. This is before you take into account the positive difference of cost of living in Spain, which depending on which region could be up to a massive 53% cheaper! (source Expatistan). Taking an example of Palma de Mallorca, certainly not the cheapest but definitely one of the most beautiful cities in Spain, the benefit of your buying power would turn that £11,600 into an equivalent purchasing power of a massive £17,400 per month. (source Numbeo).

Spain also currently offers a more flexible residence option informally known as the 'Golden Visa' which provides the freedom to come and go as you wish in Spain, including access to public services without having to become fully resident.

The most common way to qualify for this programme is by buying Spanish property worth at least €500,000. Other pathways include buying shares in a company or making a deposit in a Spanish bank of €1 million+ or investing in a new business that offers employment opportunities or other significant local benefits.







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