



Global mobility and economic uncertainty

A practical guide for global mobility professionals



Global Mobility and a global economic downturn—What could be coming, what to do, what to say, and how we can help

Many economists and commentators are predicting slower economic growth in 2025 and 2026, due to global economic uncertainty. Those concerns were loudest after the US administration's initial imposition of new tariffs on almost every country around the world, but remain due to continued uncertainty over future tariff levels and the scope of their application.

The global mobility playbook for responding to an economic downturn was written during the 2008 recession and refined during the Covid-19 pandemic. We know that however businesses adapt to new economic circumstances, there will always be compliance considerations for immigration, tax, payroll, and more. We also know that in these times there is an opportunity and imperative for global mobility professionals to proactively approach any challenges as business partners.

This guide is designed to help global mobility professionals provide that strategic partnership to leadership and colleagues. We want to help you understand what the **macro economic story** may be, where the **politics may lead governments**, what your **plan might need to cover**, and what **you should say to your colleagues**. We have also included a **draft email to send to stakeholders within your organization**, to let them know you are ready and available to help.

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Likely business implications of an economic downturn and tariffs

It is entirely likely that the practical implications of a global economic downturn will feel familiar, although very few readers (if any) will have lived through our first point of reference.



The Smoot Hawley Tariff Act of 1930 directly impacted agriculture, engineering, hospitality, manufacturing, retail, shipping textiles. There were also indirect impacts on construction, education, financial services, media, professional services. More recently, the 2008 Great Recession impacted the automotive, construction, hospitality, financial services, manufacturing, professional services, and retail sectors. Indirect impacts were felt in the agriculture, education, media, logistics, and technology sectors.

In both instances employers responded with lay-offs, hiring freezes, and by halting investment and expansion. Cost-cutting was an inevitable consequence, with drops in overheads including properties and geographic footprint.

At the same time, the new challenges faced by businesses led to investment in new technologies as well as the establishment into new territories. In 2008, and more recently during the Covid-19 pandemic, employers responded by increasing offshoring (although offshoring for US businesses may look different if directly impacted by tariffs).



In any case, responses will vary within sectors and between employers, and they may be contradictory—investment will generally fall, but investment in automation may increase; M&A activity will generally become less attractive, but prevailing economic circumstances may increase the likelihood, necessity and opportunity for some businesses. Joint ventures will become more attractive.

Any and all of this has implications for people working in Global Mobility. A long list of your immigration compliance obligations will be brought into play—you'll need to think about the impact on your colleagues, and you may need to help leadership think strategically about who can do work and where it should be conducted.



Known implications of US immigration and tax policies

All of this needs to be considered alongside known and expected changes in US immigration policy.

- **Confirmed implications:**

- Uncertainty at the border, with increased scrutiny alongside secondary inspection as well as increased likelihood of business travelers being refused
- Increased scrutiny of work visa applications and a higher likelihood of delays and refusals
- Closure of several humanitarian visa categories

- **Expected implications:**

- Nationals of certain countries may soon face heightened immigration restrictions, including the possibility of a travel ban. Those affected could experience increased scrutiny and higher denial rates for US visa applications for business or work. If a ban is implemented, individuals who are overseas at the time may be unable to return to the US, while those currently in the US could risk being barred from re-entry if they depart after a ban takes effect.
- Increased prevailing wage requirements in most work visa categories
- More aggressive government audits including USCIS site visits and I-9 audits
- Delays and increase of administrative processing on consular services
- Skilled candidates deferring / avoiding US assignments due to uncertainty / hostility perception





Likely implications for immigration and tax policies elsewhere in the world

It remains to be seen whether jurisdictions will need to respond to the economic downturn, but changes do seem likely.

Immigration policy

	Restrictive jurisdictions	Expansionist jurisdictions
Low skilled immigration	Reduced or blocked	Maintained or reduced and directed to particular sectors
High skilled immigration	Continued but tighter, for instance higher costs or minimum salaries	Continued and used as a growth strategy, but with a greater emphasis local workers
Compliance and audit	Increased penalties	Increased likelihood of an audit or enforcement
Business engagement	Limited	Encouraged

Tax policy

	Restrictive jurisdictions	Expansionist jurisdictions
Tone	Emphasis on markets and business	Emphasis on shared responsibility
Income tax	Lower for all	Higher for top earners, credits for low and middle earners
Corporate tax	Cuts and incentives for investment	Possible increases and closing of loopholes
Wealth taxes	Generally avoid or reduce	More likely to increase or introduce



Likely response from business and your plan in Global Mobility

Your plan can be customized to address the distinct challenges your business is navigating. In this section we have set out what the Global Mobility function might need to address and the things you should consider.

Resizing, reshaping and cost cutting

Initiative	Things to consider
Reductions in headcount	Optimise outcomes by ensuring that potentially impacted employees are fully informed. Ensure all compliance obligations are understood and acted on. Give due consideration to quotas and similar. Plan Global Mobility involvement against the five stages of a redundancy process: preparation, selection, consultation, notice, and termination. Consider Vialto's Contingent Work technology to manage tax risk with moving employees onto contractor relationships.
Closure of offices or premises	All redundancy actions. Compliance reporting where offices / premises close in particular countries. Deregistration of individuals and entities. Remote work policies and related immigration compliance controls and permanent establishment considerations. Consider Vialto's myRemote Work technology to ensure compliance.
Entering or growing in lower cost locations	Country planning to understand immigration and tax implications of particular countries in particular regions. Company set up and registrations with tax and immigration authorities. Formalizing or establishing internal policies and governance for globally mobile populations.
Changes to salaries and Ts and Cs	Prevailing wage, minimum wage and other payroll considerations including minimum requirements and trade-offs between base salary and any allowances.
Immigration policies	Review policies relating to immigration support / funding for PR, citizenship, family members, etc. Assessment and review of where (perhaps counterintuitively) supporting permanent residence can save money.
Compliance	Policy reviews, mock audit, or Vialto's AI enabled right to work and I-9 technology to ensure compliance and minimize risk.



Contingency
planning or
'parking'

Strategies to ensure business continuity where employees will no longer qualify to enter or remain in the US. Vialto's contingency planning dashboard will help you understand where there may be other options.

Business
travel

Review of business travel policies and practices to reduce the risk of disruption, detention and deportation / removal. A particular emphasis might be placed on US business travel, but compliance activity will increase around the world. Consider Vialto's [myTrips](#) technology to reduce the risk of non-compliance or incident.





Likely talking points

Here are the sorts of talking points we expect you will need in the coming weeks and months, with snippets of the script a global mobility professional could use in conversation with colleagues. The first one is most important and deserves to be preemptively repeated—Global Mobility should be a strategic partner helping to drive these decisions, rather than a passenger waiting to see what direction the business takes.



Please think of us as a strategic partner, as we adapt to changing economic conditions.



Any changes we make to the business are likely to have implications for our immigration compliance and may have tax implications too. This could be from a reporting and cost perspective to the business and our people.



If we need to reduce headcount then government authorities will need to be notified if any work permit holders leave the business. We will also need to make sure that any reductions in local employees don't prevent us from complying with quota requirements in some countries. If we are switching employees onto contractor relationships (to manage headcount), we need to be careful we don't create employment status risk.



If we need to enter or grow in lower cost locations we will need to ensure that we are registered with local authorities and have scope to increase overseas recruitment, where needed. Even before that, if you are considering lower cost locations we can help you inform your decisions with advice on how easy it will be to access the skills you need, and the tax implications. We should also check if our existing policies are fit for purpose to attract and move talent into new locations.



Any changes to our physical footprint may also need to be reported to the authorities. If we have sponsored overseas workers in a premises that are due to close, the authorities will normally need to know.



Any changes to terms and conditions, especially to salary or working conditions, will generally have implications for our existing sponsored workers and anyone we hope to sponsor in future.



We may want to review our global mobility policies to look for savings or consider the direct and indirect savings that come from consolidating vendors.



We should expect changes from governments too. What those changes will look like remains to be seen, but economic shocks tend to lead to protectionist tightening of immigration policy.



And finally compliance. We can expect lots of headlines promising to crack down on immigration non-compliance. That normally means a combination of more enforcement and tougher sanctions.



Draft email to internal stakeholders

While it isn't yet clear whether the economic slowdown will happen, it is likely that business leaders are already developing contingency plans. This draft email should help you to write to your internal stakeholders, to let them know you are ready and available to help.

To:

Cc:

Subject: Global Mobility and contingency planning

Dear <Name>:

I expect that you have already begun to develop contingency plans, given the risk of a global economic downturn. It is highly likely that any changes to our business will have implications for our immigration and global mobility programs, so I wanted to let you know that I am available to help, as and when I am needed.

In previous downturns businesses have reduced headcount, reduced geographic footprint, entered or grown in lower cost locations, changed terms and conditions, and looked for savings in other ways. In this instance many employers are looking at the economic downturn alongside likely tightening of US immigration policies and considering where they can send employees and work, where the US is no longer an option. M&A tends to slow down while joint ventures may become more attractive, however either corporate activity can have significant implications from a Global Mobility perspective.

All of this is highly likely to require immigration compliance assessments and actions, as are other changes to the business. My recommendation is that we take a proactive approach in addressing any potential issues, and I would be happy to help you understand what that will mean for us, as plans are developed or decisions are taken.

Thank you



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