



*BPM7/2025 SNA*

Inter-secretariat  
Working Group on  
National Accounts

For Global Consultation

# Clarification Note on the Treatment of Digital Nomads



## Clarification Note on the Treatment of Digital Nomads<sup>1</sup>

*This clarification note defines digital nomads—individuals who engage in remote work through digital technologies while frequently relocating across international borders— and provides guidance on determining their residency status, as well as the appropriate treatment of their cross-border transactions and positions. The lifestyle of digital nomads, which gained significance during the COVID-19 pandemic, continues to pose challenges for macroeconomic statistics—particularly in the determination of residency status. Under the BPM7 and SNA2025 frameworks, residency is defined mainly by the location of an individual’s center of predominant economic interest. However, this criterion proves difficult to apply to digital nomads, many of whom self-identify as “citizens of the world” and lack a clear economic attachment to a single economy. This clarification note proposes classifying digital nomads into three categories: those primarily residing in one host economy, those alternating up to three economies, and those with high mobility changing their residency between four or more economies during one year. Depending on their mobility patterns and their economic links with certain economies, digital nomads may be considered residents either of one of their host economies, the economy with which they maintain economic ties (e.g. in which their employer is located, or income taxes are paid), or of the economy of their citizenship (or nationality). This clarification note aims to guide the appropriate recording of transactions and positions in balance of payments and international investment position statistics. It also outlines potential data sources to support the identification and statistical recording of digital nomads.*

### INTRODUCTION

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1. Although the term “digital nomads” was first introduced in the late 20th century in the book *Digital Nomad* by Tsugio Makimoto and David Manners, it gained substantial relevance during the COVID-19 pandemic in 2020. As lockdowns and mobility restrictions were implemented, traditional office-based work rapidly transitioned to remote work arrangements. Due to prolonged duration of measures against the pandemic, this change of work and lifestyle evolved from working outside the office to working across borders, with individuals increasingly performing their duties from different locations including those outside the country of their employer’s operations.
2. Having demonstrated its effectiveness, remote work has continued to grow, and thus the digital nomad lifestyle has also persisted. From the perspective of macroeconomic statistics, however, it presents certain challenges, particularly in determining the residency of individuals who adopt this way of working and living.

### DEFINITION OF DIGITAL NOMADS

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3. Digital nomads are individuals who perform location-independent work using digital devices while maintaining high mobility and strong professional focus during travel. Their work is typically digital in

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<sup>1</sup> The preparation of the clarification note was primarily undertaken by Ms. Maja Gavrilovic and Ms. Angsupalee Wacharakiat (BOPCOM member-Thailand). The work was supervised and benefitted from comments by Ms. Kristy Howell.

nature and relies on a reliable and fast internet connection to remain productive across diverse environments. They operate with high employment independence, often working outside traditional employer-employee structures<sup>2</sup>. Digital nomads generally choose to work remotely from places other than their original residency, frequently changing locations, sometimes several times a year<sup>3</sup>. They intentionally avoid establishing permanent residency and typically do not own homes in economies they are staying in, embracing a lifestyle of flexibility and geographic freedom. They usually hold a “strong passport”<sup>4</sup> allowing them to travel around the world more freely, particularly to countries which require no visa for these passport holders.

4. Digital nomads differ from individuals on business travel and other individuals with high cross-border mobility. In contrast to individuals on business travel, digital nomads do not intend to return to their country of origin upon completion of a work assignment. Additionally, unlike foreign workers who reside in one country (usually in the country of their employer) for an extended period of time, digital nomads tend to move from one country to another. Furthermore, digital nomads generally operate independently, often working on a project basis rather than being employed by a single organization, resembling the structure of freelance work.

5. The defining characteristics that distinguish digital nomads from other individuals include: a high degree of cross-border mobility, a strong work orientation during travel (unlike conventional tourists), extensive reliance on digital technologies for professional activities, and a high level of employment independence. There are, however, individuals who exhibit similar characteristics but do not fully meet the criteria for classification as digital nomads, such as retirees or individuals with substantial personal wealth who adopt a nomadic lifestyle without engaging in work-related activities during travel. While this note primarily focuses on digital nomads, it is recommended that the same approach be applied to these similar groups of individuals within the context of macroeconomic statistics.

## QUESTION OF RESIDENCY OF DIGITAL NOMADS

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6. According to paragraphs §4.10 of the *Integrated Balance of Payments and International Investment Position Manual, Seventh Edition* (BPM7) and §5.13 of the *System of National Accounts 2025* (SNA2025), “the residence of an institutional unit is defined as the economic territory with which the unit has the strongest connection—its center of predominant economic interest”. The BPM7 and SNA2025 further stipulate that an institutional unit can be a resident of only one economic territory (BPM7 §4.13 and SNA2025 §5.16).

7. While individuals may cross borders for work or other purposes, BPM7 and SNA2025 conventionally consider that if their stay abroad exceeds one year, their center of predominant economic

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<sup>2</sup> For further details on the employer–employee relationship, please refer to BPM7 §12.14-12.16

<sup>3</sup> Digital nomads do not refer to the workers which have the option to work a limited number of days outside their designated duty station.

<sup>4</sup> referring to passports or other traveler’s documents that permit entry into various countries without a visa or similar requirements.

interest changes, and they become residents of the host economy (BPM7 §4.15(a) and SNA2025 §5.18(a)). Exceptions to the one-year rule apply in specific cases, such as for students, medical patients, diplomats, etc., where the center of predominant economic interest is deemed to remain in the country of origin despite extended stays.

8. The BPM7 and SNA2025 also provide guidance for individuals who maintain strong ties to more than one economy, including highly mobile individuals such as seasonal and border workers, as well as crew members of ships, aircraft, oil rigs, space stations, etc. (BPM7 §4.202, SNA2025 §5.263 and SNA2025 §5.264). In these situations, residency should be determined based on the location of their dwelling, or the dwelling of the household they belong to and the center of their predominant economic interest. However, the BPM7 and the SNA2025 do not explicitly consider the case of digital nomads.

9. Determining residency of digital nomads is complex as digital nomads often aim to avoid establishing permanent residency, identifying themselves as global residents or residents of the world. This raises important considerations regarding how such individuals should be classified within the economies to which they are connected. Typically, digital nomads maintain connections with at least two countries, their country of origin (country of their citizenship, which issues their passport or other travel document) and the countries where they temporarily reside. How transactions will be recorded in the macroeconomic statistics can vary depending on the residency status of the digital nomad.

## POSSIBLE SCENARIOS OF DIGITAL NOMADS' RESIDENCY

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10. While there is no standardized pattern regarding the duration of stay or movement behavior among digital nomads, they may be broadly categorized into three groups:

- a. Digital nomads who primarily reside in a single host economy, occasionally entering other economies solely to meet the requirements to extend their stay in the host country,
- b. Digital nomads who alternate between up to three economies, and
- c. Digital nomads who exhibit high mobility, relocating across four or more economies within a one-year period.

### **Scenario A: Digital nomads who primarily reside in a single host economy, occasionally entering others solely to meet the requirements to extend their stay in the host country**

11. For digital nomads who primarily reside in a single host economy, even if they occasionally exit other economies and re-enter solely to meet any requirements to extend their stay, their treatment under BPM7 and SNA2025 should align with the one-year rule. In certain cases, digital nomads may be permitted to remain in the host economy without a visa for a limited period (e.g., 30 or 60 days), after which they must temporarily exit and re-enter to reset their permitted stay without obtaining a visa or other type of residence permit. For the purposes of macroeconomic statistics, such individuals should be considered residents of the host economy if they intend to stay there for over one year. This treatment

applies also to digital nomads who require a visa<sup>5</sup>, including those holding a digital nomad visa, to remain in the host economy if their stay is longer than one year even if they temporarily leave the country for a couple of days during the year to reset their status. In case individuals remain in the host economy less than one year, in accordance with the conditions of their visa, and exit it without returning back, they should be classified as nonresidents of the host economy.

### **Scenario B: Digital nomads who alternate up to three economies**

12. For digital nomads who alternate between up to three economies within a given year, it is recommended that their residence status be determined on the basis of the territory in which the predominant amount of time is spent during the year in accordance with the treatment of highly mobile individuals outlined in BPM7 §4.209 and SNA2025 §5.246:

*For individuals who do not have continuous actual or intended presence in any one territory for one year, the territory of the principal dwelling they maintain is the key consideration. In cases of no principal dwelling, or two or more principal dwellings in different economies, the territory of residence is determined on the basis of the territory in which the predominant amount of time is spent in the year.*

### **Scenario C: Digital nomads who exhibit high mobility, relocating across four or more economies within a one-year period**

13. Determining the residency of the highly mobile digital nomads, those who relocate across four or more economies within a one-year period, pose significant challenges, both methodologically and in terms of data availability. When information is available, indicating that a digital nomad maintains economic ties with a specific country, their residency should be attributed to that economy. For example, if a digital nomad is employed by an entity in a particular country or pays income taxes in a particular country, the residency of the employer<sup>6</sup> or the country in which income taxes are predominately paid may serve as a basis for determining the residency of that digital nomad. However, obtaining such information can be difficult, particularly for the economy in which the digital nomad is physically present. In cases where none of the above-mentioned indicators are available, residency of a digital nomad should be assigned based on the country of citizenship<sup>7</sup> or nationality. The rationale is analogous to the treatment of ship's or aircraft's crew under BPM7 (§4.205) and SNA2025 (§5.260); digital nomads who live and work across multiple economies are considered to have their strongest connection with their home economy, despite spending limited or no time there. For such individuals, identifying a principal dwelling is often challenging or impossible. Given that the BPM7 and SNA2025 requires each individual to have a single

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<sup>5</sup> Currently several countries in the world are issuing digital nomad visas which are permitting individuals (considered as digital nomads) to reside in the country for a designated period, usually longer than one year, and to be granted exemption from local taxation.

<sup>6</sup> A similar approach should be applied to retirees who adopt a nomadic lifestyle. When information is available on the country responsible for paying their pensions or related benefits, that country should be used to determine the residency of the retiree.

<sup>7</sup> In cases of dual citizenship, it is recommended to assign residency based on the country corresponding to the passport used for border crossings.

economy of residence and considering that digital nomads maintain an ongoing connection at least with their country of citizenship<sup>8</sup>, they should be regarded as residents of that country for the purposes of macroeconomic statistics, even in cases when they do not physically reside there.

14. In accordance with the guidelines outlined above, a decision tree has been developed and included in the Annex. This decision tree can serve as a practical tool for determining the residency of digital nomads in specific cases.

**Examples of selected transactions and positions of digital nomads in the external sector statistics:**

BOP/IIP Item	BOP/IIP of Country of Digital Nomad's Citizenship	BOP/IIP of Host Country	BOP/IIP of 3 <sup>rd</sup> Country
<b>Case 1: If digital nomads are considered resident in their country of citizenship</b>			
<b>Services: Travel - business travel</b>	Travel debits/expenditures (expenses while staying in host country)	Travel credits/revenues (expenses while staying in host country)	--
<b>Service rendered by digital nomad</b>	Credits/revenues (for respective service item (provided to resident of 3 <sup>rd</sup> country): <i>computer/professional/technical/consultancy, etc.</i> )	--	Debits/expenditures (for respective service item (provided to resident of 3 <sup>rd</sup> country): <i>computer/professional/technical/consultancy, etc.</i> )
<b>Earned income: Investment income</b>	Investment income credits/revenues (in case digital nomad has an investment in host country)	Investment income debits/expenditures (in case digital nomad has an investment in host country)	--
<b>Earned income: remuneration of employee</b>	Remuneration of employees credit/revenues (only in cases when a digital nomad is in employer-employee relationship;	-- <i>NOTE: If the employer is from the host country, this will no longer be the case of digital nomadism as it</i>	Remuneration of debit/expenditures (only in cases when a digital nomad is in employer-employee relationship; and

<sup>8</sup> Digital nomads must maintain ties to their country of citizenship at least for the purposes of issuance or renewal of travel documents, which are fundamental for their style of living.

	and employer is a resident of the 3 <sup>rd</sup> country)	<i>is the type of local remote work.</i>	employer is a resident of the 3 <sup>rd</sup> country)
<b>Financial account:</b>			--
- <b>Direct investment (DI)</b>	- DI assets (e.g. for real estate owned/purchased in host country)	- DI liabilities (e.g. for real estate owned/purchased in host country)	
- <b>Portfolio investment (PI)</b>	- PI assets (e.g. investing in securities in host country)	- PI liabilities (e.g. investing in securities in host country)	
- <b>Other investment:</b>	- OI assets (e.g. deposits with banks in the host country)	- OI liabilities (e.g. deposits with banks in the host country)	
<b>Case 2: If digital nomads are considered as a resident of the host economy</b>			
<b>Service:</b>			--
<b>Travel</b>			
- <b>business travel</b>	Travel credits/revenues (for expenses during any visits to the country of citizenship)	Travel debits/expenditures (for expenses during any visits to the country of citizenship)	
<b>Service rendered by digital nomad</b>	--	Credits/revenues (for respective service item: <i>computer/professional/technical/consultancy, etc.</i> )	Debits/expenditures (for respective service item: <i>computer/professional/technical/consultancy, etc.</i> )
<b>Earned income: investment income</b>	Investment income debits/expenditures (in case digital nomad has an investment in country of citizenship)	Investment income credits/revenues (in case digital nomad has an investment in country of citizenship)	--
<b>Earned income: Remuneration of employees</b>	Remuneration of employees debits/expenditures (only in rare cases when digital nomad is in employer-employee relationship; and employer is a	Remuneration of employees credits/revenues (only in rare cases when digital nomad is in employer-employee relationship; and employer is not a	Remuneration of employees debits/expenditures (only in rare cases when digital nomad is in employer-employee relationship; and

	resident of the country of digital nomad's citizenship)	resident of the same economy as the digital nomad, either country of citizenship or the 3 <sup>rd</sup> country)	employer is a resident of the 3 <sup>rd</sup> country)
<b>Transfer income:</b>			
<b>Personal transfers</b>	Personal transfers credits/revenues	Personal transfers debits/expenditures	Personal transfers credits/revenues (if sent to 3 <sup>rd</sup> country)
<b>Financial account:</b>			
<b>- Direct investment</b>	- DI liabilities (e.g. for real estate/ dwelling purchased/owned in country of citizenship)	- DI assets (e.g. for real estate/dwelling purchased/owned in country of citizenship or 3 <sup>rd</sup> country)	- DI liabilities (e.g. for real estate/ dwelling purchased/owned in 3 <sup>rd</sup> country)
<b>- Portfolio investment</b>	- PI liabilities (e.g. if digital nomad invests in securities in country of citizenship)	- PI assets (e.g. if digital nomad invests in securities in country of citizenship)	- PI liabilities (e.g. if digital nomad invests in securities in 3 <sup>rd</sup> country)
<b>- Other investment</b>	- OI liabilities (e.g. for deposits with banks in country of citizenship)	- OI assets (e.g. for deposits with banks in country of citizenship)	- OI liabilities (e.g. for deposits with banks in 3 <sup>rd</sup> country)

**POSSIBLE DATA SOURCES**

15. Although identifying digital nomads presents certain challenges, compilers may, in some cases, use administrative data, specialized surveys, and websites dedicated to digital nomadism as data sources. Several countries (Thailand, Portugal, Estonia, etc.) currently offer specialized visa programs for digital nomads. In such instances, compilers may consider engaging with immigration authorities or ministries of internal affairs to obtain data on the number of digital nomad visas issued, as well as, where available, information on the characteristics of these individuals and the duration of their stay in the host economy.

16. Furthermore, as digital nomadism continues to gain popularity, a number of dedicated websites have emerged that provide valuable insights into this lifestyle<sup>9</sup>. These websites sometimes offer information on the characteristics of digital nomads across various countries and identify specific locations within economies that are recognized as digital nomad hubs. Such resources can assist compilers in narrowing their focus to particular location in their economies when estimating the potential number of digital nomads residing in a given economy.

17. In countries where digital nomadism is particularly relevant, compilers should consider launching a specialized survey for digital nomads or adapting existing ones to better identify digital nomads and capture their associated transactions. For instance, travel surveys could be enhanced by refining questions related to the purpose of stay, including options such as “leisure and work using digital devices” or “digital nomadism”. Household surveys may be modified to include questions about family members residing outside the primary dwelling and engaging in remote work as digital nomads. In cases where entrepreneurs, small business owners or self-employed adopt a digital nomad lifestyle, business surveys could incorporate questions regarding work models, such as “remote work from abroad”. Additionally, cross-border services surveys might include a question to determine whether services were received from a digital nomad, for example: “Was the service provided by a digital nomad?”.

18. In cases where the International Transactions Reporting System (ITRS) or credit card reports data serve as the primary or one of the data sources for compiling macroeconomic statistics, compilers should exercise particular caution. Digital nomads who are considered residents of the host economy may conduct transactions using bank accounts held abroad or credit cards issued by nonresident banks. These transactions, although executed within the host economy, may appear as cross-border flows in these data sources. In such instances, compilers should reclassify these as resident-to-resident transactions to ensure accurate treatment. Additionally, in cases when remittances flows are important, remittance estimation models should be adjusted to account for potential outflows from digital nomads residing in the host economy who use accounts abroad to transfer funds to family or friends in their country of citizenship or third countries.

19. Given that digital nomadism in general involves activities across multiple economies, compilers are encouraged to share and use bilateral data where feasible. Identifying digital nomads and accurately capturing their cross-border transactions and positions presents a significant challenge. Enhanced cooperation between compilers can help address bilateral data asymmetries and harmonize the treatment of digital nomads, thereby facilitating more effective compilation of this phenomenon. Moreover, in cases where digital nomads are classified as residents of their country of citizenship while residing in several host economies and simultaneously providing services to a third economy, appropriate rerouting of service transactions by the partner economy is necessary for accurate recording. In such instances, coordinated efforts among compilers in the affected economies are strongly recommended.

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<sup>9</sup> <https://nomads.com/>, <https://digitalnomads.world/>, <https://nomadbase.com/>, <https://www.workingnomads.com/jobs>, <https://www.mbopartners.com/state-of-independence/digital-nomads/>, <https://tournami.com/digital-nomad-hotspots-where-to-live-work-in-2025/>

**Global Consultation Questions:**

1. *Do you have comments on the definition of digital nomads and guidance provided in this clarification note?*
2. *Do you agree with the proposed approach to the treatment of digital nomads in macroeconomic statistics?*
3. *Are you currently collecting data for digital nomads? If yes, what are the data sources that are used?*
4. *Do you have any additional examples that should be incorporated into the decision tree or this clarification note?*

ANNEX: DECISION TREE FOR DETERMINING DIGITAL NOMAD'S ECONOMY OF RESIDENCY

