



FRAGOMEN

Immigration Trends

LATIN AMERICA

Q2
Q3 | 2021

LATIN AMERICA: Immigration Trends Q2-Q3 2021

1. COVID-19 regional update

TRAVEL RESTRICTIONS

With few exceptions, tapering off of entry bans, replaced by small lists of disallowed travelers due to COVID-19 variants in certain locations

- ▶ **Open** (no ban or limited/specific bans): Aruba, the Bahamas, Barbados, Bermuda, Bolivia, Brazil, Colombia, Costa Rica, Curacao, the Dominican Republic, Ecuador, El Salvador, Guatemala, Honduras, Jamaica, Mexico, Nicaragua, Panama, Paraguay and Peru
- ▶ **Moderately Restrictive** (partial ban or entry only for vaccinated foreign nationals): Cayman Islands, Guyana, St. Kitts and Nevis, Trinidad and Tobago and Venezuela
- ▶ **Highly Restrictive** (ban for most foreign nationals): Argentina, Chile and Uruguay

HEALTH-RELATED ENTRY REQUIREMENTS

Significant easing of long-term quarantine requirements

- ▶ **Most countries no longer require long-term quarantine (14 days or more), or only for limited groups or risk lists:** Argentina, Aruba, the Bahamas, Barbados, Bolivia, Brazil, Cayman Islands, Chile, Colombia, Costa Rica, Curacao, the Dominican Republic, Ecuador, El Salvador, Guatemala, Guyana, Honduras, Mexico, Nicaragua, Panama, Paraguay, Peru, Uruguay and Venezuela
- ▶ **Growing quarantine exemptions mainly based on vaccination:** Argentina, Bermuda, Jamaica, Panama, Trinidad and Tobago and Uruguay

IN-COUNTRY GOVERNMENT PROCESSING

Immigration processing has mostly resumed, and delays are subsiding

- ▶ **Processing time improved:** Costa Rica, Ecuador, Guatemala, Mexico, Panama, Paraguay, Peru and Uruguay
- ▶ **Delays continue:** Colombia, Brazil (Federal Police) and Chile

Varying approaches for concessions

- **Concessions expired:** Argentina, Costa Rica, Panama and Peru
- **Concessions extended:** Brazil, Colombia and Mexico

What's next?

COVID-19 containment policies (internal and external) are likely to continue throughout the year in response to the ongoing health crisis in the region. Nonetheless, governments are balancing the need to improve the economic landscape impacted by COVID-19, and easing policies to this end.

Travelers and their employers are likely to see the following effects on COVID-19-related immigration policy:

- ▶ fewer entry bans;
- ▶ likely continuation of updated small lists of disallowed travelers from specific locations with high COVID-19 variants; and
- ▶ a growing list of exemptions to quarantine requirements, with the top exception based on vaccination.

It is not clear if proof of vaccination against COVID-19 will become the key to travel into the region considering the access issues and slow rollout of vaccines. These issues will inevitably create inequalities and room for discrimination.

DIGITAL HEALTH PASSPORTS UPDATE

As traveler confidence improved in Q2 2021, travelers benefited from the fast-paced increase of digitized entry at borders and other automated entry processes. We saw progress in the availability and functionality of digital traveler apps in Argentina, Chile, Colombia, Costa Rica, Peru, among other countries.

Health records for travelers, often referred to as a “health passports,” that include antibody test results, recent negative COVID-19 test results and/or proof of vaccination, may be a more realistic option for the future. But while digital health passports could lead to greater efficiencies for foreign nationals and businesses in the long term, these have yet to be fully realized as global adoption faces numerous hurdles (i.e., slow roll out of vaccines in the region, lack of centralized traveler information, stricter data security laws, need for increased investment in technology).

Panama will be the first country in the Latin American region to use the IATA Travel Pass as its digital health verification system in the near future.

While other countries may follow suit, progress is expected to be slow. Travelers and their employers should be prepared for changing policies based on the direction these issues take.

2. Competition for talent continues, yet slowly; government interest in investment migration is increasing

As noted in our Latin America Q1 Trends Report, growth in immigration policies aimed at attracting foreign talent has been slow.

- ▶ The government of **Peru** did, however, publish the long-awaited new Administrative Procedures Text (TUPA), which significantly reduces the mandated government processing time for all initial in-country and consular immigration applications to 30-business days (down from three months).

Investment migration growth. While most countries in the region continue to focus on COVID-19 containment measures to mitigate a new wave of COVID-19 infections, governments see opportunities to pursue immigration reforms that attract foreign investment and inject cash into their economies to offset the economic downturn caused by the COVID-19 pandemic.

- ▶ A new law in **Costa Rica** introduced improvements to the Temporary Residence category for foreign retirees (*pensionados*), investors and those who live off income from their investments (*rentistas*), including a reduction in the minimum investment required for the investor category from USD 200,000 to USD 150,000, a streamlined process, and significant tax benefits to holders.
- ▶ **Panama** is awaiting the implementation of a proposed law (expected to be signed into law by Q3 2021) that is expected to offer accreditation for eligible multinational professional sports academies established and operating in Panama, with favorable terms such as new visa categories, a streamlined work authorization process, and tax and labor benefits. Through this law, the Panamanian government is seeking to establish Panama as a sports hub to attract foreign investment to the country.
- ▶ Also in **Panama**, the government now offers a direct pathway to permanent residence for foreign nationals who invest at least USD 350,000 in reforestation activities.
- ▶ The government of **Bermuda** introduced the Economic Investment Certificate, which allows foreign nationals who make a qualifying investment in Bermuda of at least USD 2.5 million to reside and work in Bermuda for five years. Qualifying investments include acquisition of real estate, purchase of Bermuda government bonds, contribution to Bermuda's Sinking Fund or Trust Fund, donation to a Bermuda registered charity, equity investment in a Bermuda-based business, launch of a new Bermuda-based business, or investment in a social or other venture approved by the government.

What's next?

Once government priorities start shifting away from COVID-19 containment, more initiatives are expected to attract foreign investment to the region.

- ▶ In **El Salvador**, following a recent legislation designating Bitcoin as legal tender, the president announced a forthcoming new pathway to permanent residence for "Crypto Entrepreneurs" relocating to El Salvador. A law proposal is expected to be presented to congress for approval soon.

3. The digital transformation and prioritization of the remote workforce

As expected, countries continue to expand their digitalization processes to recover from government backlogs accumulated during the height of the COVID-19 pandemic.

- ▶ **Mexico's** National Immigration Institute (INM) introduced an online appointment system in Mexico City for certain immigration processes, sparing foreign nationals long waits at the INM. These applications are also generally eligible for same-day processing.
- ▶ In **Costa Rica**, the General Immigration Directorate has expanded their electronic platform to include Short-Stay Visa applications, non-accredited company applications and Investor, Rentier and Retiree applications, among others. The electronic system, called *Tramite;YA!*, allows foreign nationals to file immigration applications and submit electronic copies of their supporting documents, thereby significantly reducing application processing times.

THE RISE OF DIGITAL NOMAD PROGRAMS CONTINUES

From the COVID-19 pandemic emerged a workforce culture that growingly embraces teleworking and non-traditional working arrangements.

At least 11 countries in the Latin American region have implemented a special visa or program for digital nomads, embracing this growing trend to encourage economic recovery after a dramatic decline in tourism (the largest industry in most countries in the region). These include **Antigua and Barbuda, Aruba, the Bahamas, Barbados, Bermuda, Cayman Islands, Costa Rica, Curacao, Dominica, Montserrat and Panama.**

Specifically in **Costa Rica**, the government approved and is implementing a Short-term Visa for Remote Workers or Service Providers, which allows eligible foreign nationals to reside and work remotely from Costa Rica for one year.

In **Panama**, the government is implementing a new Short-Term Visa as Remote Worker, which allows foreign nationals employed with a company outside Panama or who own a company operating outside Panama to reside in and work remotely from Panama for up to nine months.

What's next?

- ▶ In **Colombia**, an approved Entrepreneurship Law creates a special visa for digital nomads and remote entrepreneurs. While still in the early stages of development, the law is designed to promote Colombia as a center of remote work.
- ▶ In **Argentina**, the city of Buenos Aires launched a digital nomad program (*Nómades Digitales BA*), and while the implementation timeline remains unknown, it has been reported that the government intends to develop a special visa category as part of the program.

In 2021, most major global companies will likely adopt a hybrid model where remote work is allowed on an employer-led discretionary basis for some or all of the workweek. When

drafting their remote work policy, companies should consider the immigration impact of opening the possibility of working from anywhere in the world; they should also review their remote work policies against relevant laws (immigration, tax, labor) and other operational considerations.

Remote work policy warning. As the year progresses, employers should expect a growing acceptance of –and clarification of – remote work policies both from employers and the immigration authorities. However, the legal landscape of remote work policies remains fluid. Employers should work with a trusted immigration partner to analyze strategies and assess the risks associated with implementing and/or continuing remote work policies, especially since noncompliance with immigration law could lead to fines, administrative penalties, and in many cases, employers losing their rights to hire foreign labor. Beyond the scope of immigration-related impact, tax and labor law must also figure in these types of decisions.

4. Regional cooperation increasing

During the post-COVID recovery phase, regional integration and cooperation is slowly emerging as countries in Latin America shift their approach to tackling the pandemic-related economic downturn. Countries in the region are slowly but increasingly using immigration policy to strengthen intraregional integration.

- ▶ **Bolivia, Colombia, Ecuador and Peru** approved the Andean Immigration Statute (to take effect in August), which will offer reciprocal immigration benefits to each other's nationals and permanent residents; new nationality-based temporary and permanent residence categories in the other signatory countries; special processing desks to streamline immigration processing for Andean Community nationals; and relaxed entry and stay requirements in the other signatory countries, among other benefits.
- ▶ **Mexico and Bolivia** signed a bilateral agreement to facilitate movement between the two countries. Nationals of Bolivia can now enter Mexico without a visa for tourism, business or other non-remunerated activities for up to 180 days per visit; and nationals of Mexico traveling to Bolivia as visitors without a visa can now stay for up to 180 days per visit (up from the previous maximum stay of 90 days).

More migrant integration policies and concessions emerging. As noted in our Latin America Q1 Trends Report, the integration of migrants has a role in Latin America's economic recovery plans and is linked to other immigration policy changes.

- ▶ **Colombia** implemented the Temporary Protection Permit (PPT), a category valid for 10 years available to Venezuelan nationals in Colombia (including those in irregular status). The government also relaxed passport requirements for Venezuelan nationals entering Colombia and applying for Colombian visas, due to the continued delays in passport issuance in Venezuela.
- ▶ In **Chile**, the government implemented a new regularization process that allows foreign nationals who entered Chile legally before March 18, 2020 but whose immigration status has since lapsed to regularize their status and obtain work authorization by October 17, 2021.



What's next?

While there has been no large-scale regional response to the pandemic, governments may look to strengthen regional cooperation to overcome the health and economic crisis, improve mutually beneficial trade and economic development, and attend to the ongoing Venezuelan humanitarian crisis. To this end, the integration of migrants will continue to play a role in Latin America's economic recovery plans.

And while some concessions implemented at the height of the pandemic have started to expire - and in some cases are not being renewed - governments will continue to renew concessions that benefit foreign workers who are still coping with government processing delays or ways to return to their country of temporary residence during the pandemic.

5. Opportunities for Latin American immigration policy

Despite the multiple COVID-19 waves, the slow COVID-19 vaccine roll out and persistent high political risk in some countries, governments in the region are eager to recover their economies. Immigration policy can be a useful tool in these efforts.

The region can take advantage of its strengths to pursue reforms to attract tourism and foreign investment, to increase region-wide productivity and strengthen their labor markets through immigration policy improvements.

As of May 25, 2021, **Costa Rica** officially became an OECD member (following Mexico, Chile and Colombia – and Brazil as a key partner - in the region), supporting the region's path towards better economic and social policies.

Also, **Mexico, Costa Rica and Ecuador** ranked #2, #3 and #8, respectively, in *InterNations's* best places for expats in 2021, out of 59 destinations worldwide. **Mexico and Costa Rica** also took first and second place worldwide for personal happiness.

TOP 10 COUNTRIES FOR EXPATS



Image from <https://royalcoastreview.com/2021/05/the-best-worst-countries-for-expats-in-2021/> (May 19, 2021)

What's next?

We foresee countries in the region will continue to develop more streamlined immigration policies and modernized programs aimed at economic recovery, balanced with protections against irregular immigration post-COVID-19.

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APPENDIX

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