Mobility Matters

Unlocking the North: Workforce Mobility in Greenland and Iceland

September 2026 | By Daida Hadzic, Washington National Tax, Global Mobility Services, KPMG LLP (U.S.)

Two Arctic economies are opening up faster than their regulatory frameworks were built to handle—here's what that means for employers

Two years ago, flying to Greenland's capital meant a turboprop connection through a small regional airport. Today, a widebody Airbus lands directly in Nuuk from Copenhagen, United Airlines flies nonstop from Newark, and by the end of October 2026 a third international runway will open in Ilulissat, deep in the Arctic Circle.[1] Greenland is completing, in under three years, an infrastructure transformation most countries take a generation to build.[2]

Iceland's transformation is quieter but no less real. The country has become one of Europe's fastest-growing data center hubs, drawing on geothermal power and a cool climate that industries reliant on intensive data processing highly value.[3] Its immigration authorities just merged two separate permit-approval tracks into one.[4]

Both stories point to the same underlying dynamic: **These are not sleepy Arctic outposts anymore—they are economies actively courting international talent and investment, and their tax, immigration, and social security rules are being rewritten in real time to keep up.**

For employers moving people into either territory, that pace of change is exactly the point. Rules that applied a year ago may already be out of date. This article walks through what currently governs the movement of workers into Greenland and Iceland—and flags where each system is actively evolving.

Why this matters beyond the Arctic

Greenland and Iceland are a useful stress test for any global mobility program. Neither is an EU member state, yet both sit inside overlapping frameworks—the EEA, the Nordic Council, and bilateral arrangements—that create real complexity beneath an appearance of familiarity. Employers who assume "Nordic" means "easy" or "EU-adjacent" can find themselves surprised.

[1] Greenland Airports (Mittarfeqarfiit), Qaqortoq and Ilulissat airport opening announcements, 2026.

[2] Visit Greenland, New Flight Schedule Makes Greenland More Accessible, 2026.

[3] International Trade Administration, U.S. Department of Commerce, Iceland Country Commercial Guide—Digital Economy, 1 April 2026.

[4] Directorate of Immigration (Útlendingastofnun), New Residence and Work Permit Rules Take Effect, 7 July 2026.

Greenland: An economy being rewired for access

Greenland remains part of the Kingdom of Denmark but withdrew from the EU in 1985 and has never rejoined. That single fact drives almost everything that follows, including right to work, tax liability, social security coverage, and the paperwork required to get someone on the ground.

Getting people in: Two tracks, one big exception

Greenland belongs to the Nordic Co-operation alongside Denmark, Norway, Finland, Sweden, Åland,[6] and the Faroe Islands.[7] Nationals from the Nordic countries benefit from a simplified process: No work or residence permit is required.[8] Instead, an administrative process with the local municipality is necessary upon arrival.

Everyone else is a third-country national, and the process runs through the Danish Agency for International Recruitment and Integration (SIRI), based on approval from the Government of Greenland.[9] It typically takes around three months, costs nothing to file, and the permit is tied to a specific employer and role—work cannot begin before approval lands.[10]

What's changed

As of August 22, 2025, SIRI extended the standard validity of Greenland work and residence permits from one year to two, aligning them with the two-year municipal labor permits that underpin many applications.[11] For employers running multiyear projects in mining, construction, or fisheries, that halves the renewal burden.

There is also a narrow but useful exception. Under the so-called "technician rule," third-country nationals can work in Greenland for up to three months without any permit at all, if the work falls into a defined list of categories:

- Specialist work on licensed mineral resource projects
- Installation or repair of technical facilities, machinery, or IT systems
- Artistic, scientific, or lecturing activities
- Film production work—actors, photographers, directors
- Business travel as a representative or salesperson
- Employment by a foreign visitor to Greenland

This is a narrow carve-out, not a loophole—the categories are specific, and the three-month clock is firm. But for short, well-defined technical deployments, it can remove a permit requirement entirely.

[5] Ministry of Foreign Affairs of Denmark, Greenland and The Faroe Islands, 2026.

[6] Ministry of Foreign Affairs of Finland, The special status of the Åland Islands, 2026. Åland is an autonomous and demilitarized region of Finland, consisting of an archipelago in the Baltic Sea between Sweden and Finland. Åland is part of the EU but outside the EU VAT area and has a special status regarding tax regulations.

[7] The Nordic Council, Nordic Co-operation, 2026.

[8] Info Norden, Nordic Co-operation, 2026.

[9] New to Denmark, Work in Greenland, 2026.

[10] Ibid.

[11] Ibid., Change in the duration of residence and work permits issued in Greenland, 20 August 2025.

Taxation: An independent system, deliberately kept simple

Greenland runs its own income tax system, entirely separate from Denmark's. There is no wealth tax, no inheritance tax, and no standard VAT in the way most European economies apply it—direct taxation in Greenland is, almost exclusively, about income.[12]

Liability turns on two tests: a permanent residence in Greenland, or a stay of six months or more. Cross either line and the individual becomes fully taxable on worldwide income; stay under six months and Greenlandic tax reaches only Greenlandic-source income.

Two categories of income tax apply in practice:

- A-Tax – withheld automatically by employers on salaries, freelance income, pensions, and board fees, reconciled at year-end.
- B-Tax – self-assessed, covering self-employment, education grants, and income from hunting, fishing, or trapping, typically paid in 10 installments a year.[13]

Combined national, municipal, and joint-municipal rates (6%) run from 42% to 44% depending on location, with a 10% national rate constant across all five municipalities:

Municipality	National	Municipal	Total
Avannaata Kommunia	10%	28%	44%
Kommune Kujalleq	10%	27%	43%
Kommune Qeqertalik	10%	28%	44%
Qaqqata Kommunia	10%	26%	42%
Kommuneqarfik Sermersooq	10%	26%	42%

Source: Government of Greenland, Tax Rates (aka.gl)

A separate flat 35% gross tax applies to workers in mineral resources and infrastructure projects who have not been Greenlandic tax residents in the prior six months—a deliberate design choice for a highly mobile, project-driven workforce. Corporate tax sits at 25%, with dividends taxed at the applicable municipal rate (36% for resource and infrastructure projects located outside city limits).[14]

Greenland's treaty network is genuinely narrow, and this is where employers most often get caught out. As of early 2026, Greenland's confirmed double tax agreements covering employment income extend to Denmark, the Faroe Islands, Iceland, Norway, Guernsey, the Isle of Man, and Jersey[15]—plus a handful of sector-specific aviation and maritime agreements with countries including the United States and Bermuda.[16]

The gap that catches people out

Greenland has no double tax treaty with Sweden or Finland.[17] For a Swedish or Finnish employee paid by a home employer with no Greenlandic presence, a stay of 14 days or less keeps them out of the Greenlandic tax net entirely. Cross 14 days, and they owe tax in both Greenland and their home country—genuine double taxation, with no treaty to relieve it. Fourteen days is a short runway to plan around.

Hired out labor is subject to separate tax rules and is generally not eligible for exemption, whether or not a tax treaty applies.

[12] Government of Greenland, Tax Rates, 2026.

[13] Ibid., Tax Return, 2026.

[14] See footnote 12.

[15] Government of Greenland, Tax Agency, 2026. Isle of Man Government, Double Taxation Agreements register, confirming the Isle of Man-Greenland agreement (signed 30 October 2007, effective 2009); Danish Ministry of Taxation, press release on the Guernsey and Jersey agreements negotiated jointly with the Nordic countries including Greenland (27 October 2008).

[16] Government of Greenland, Skatteaftaler, 2026. Confirming that roughly half of Greenland's tax agreements have broad scope while the other half are limited to specific sectors such as aviation, shipping, and mineral resources.

[17] Ibid. Greenland has no double tax treaty with Sweden or Finland.

Social security: Nordic coverage, with one notable gap

Greenland runs its own social security system—sickness, maternity, disability, old-age pensions, unemployment—funded through mandatory payroll contributions from employers and employees alike, regardless of nationality.

Greenland participates in the Nordic Convention on Social Security alongside Denmark, the Faroe Islands, Åland, Finland, Iceland, Norway, and Sweden,[18] which lets periods of insurance or residence in one Nordic country count toward benefit eligibility in another.

The gap: The Nordic Convention does not apply between Denmark and Greenland itself. An employee assigned from Copenhagen to Nuuk gets no help from the Convention—purely domestic rules on both sides determine what's owed. And outside the Nordic region entirely, Greenland has no social security agreements at all, so individuals moving between Greenland and EU or other countries rely solely on Greenlandic and home-country law to sort out coverage and contributions.

Iceland: Modernizing the machinery behind the growth

Iceland sits inside the EEA and Schengen, and belongs to EFTA[19]—but is not an EU member state. That combination gives it more alignment with European standards than Greenland has, while still leaving a distinctly national system underneath. And that system is changing quickly, driven by a data center boom, tourism growth, and an increasingly deliberate push to attract remote and specialist talent.

Getting people in: A system just consolidated

Nordic nationals move freely, registering only with the Icelandic National Registry.[20] EEA/EU citizens can stay up to three months without formalities—six if job-seeking—before registration kicks in.

Non-EEA nationals need both a work permit and a residence permit.[21] Historically, that meant navigating two separate authorities.

What's changed

On 8 July 2026, Iceland transferred responsibility for work permit processing from the Directorate of Labour (Vinnumálastofnun) to the Directorate of Immigration (Útlendingastofnun)[22]—folding two previously separate approval tracks into one agency. The same package of reforms tightened academic-progress requirements for student visa holders and introduced risk-based prioritization for residence permit applications. For employers, a single point of contact for work authorization is a meaningful simplification, even as other elements of the process get stricter.

[18] Danish Ministry of Employment and Gender Equality; Bekendtgørelse af nordisk konvention af 12. juni 2012 om social sikring med tilhørende administrativ aftale.

[19] The European Free Trade Association (EFTA) is an intergovernmental organization established in 1960; member countries are Iceland, Liechtenstein, Norway, and Switzerland. EFTA's main purpose is to promote economic cooperation and free trade, both among its members and with other countries.

[20] Iceland's Ministry of Justice, Registers Iceland (Þjóðskrá), 2026.

[21] Directorate of Immigration, Residence permits based on work, 2026.

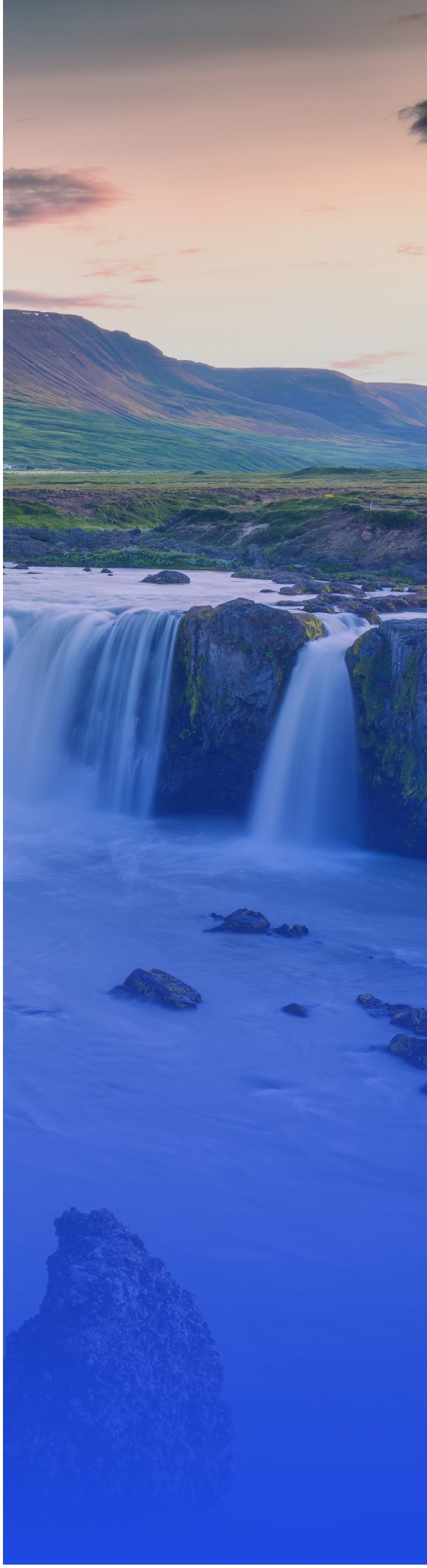
[22] Ibid. New residence and work permit rules take effect, 7 July 2026.

Iceland's long-term visa for remote work remains one of the more distinctive tools in its immigration kit,[23] and the numbers behind it are worth knowing precisely rather than approximately:

Feature	Detail
Duration	90 to 180 days, nonrenewable
Income threshold	ISK 1,000,000/month (single)—roughly $7,300; ISK 1,300,000/month for a couple
Application fee	ISK 12,200 (about $90)
Employer requirement	Must be employed by, or own, a business based outside Iceland
Local work	Not permitted—Holders cannot work for an Icelandic employer or enter the local labor market
ID number	No kennitala issued, which limits access to banking and other local services
Family	Spouses/partners and children may accompany as family members

Source: Directorate of Immigration, Iceland (island.is)[24,25]

That income threshold is deliberate—among the higher bars set by any digital nomad program worldwide, and a clear statement of the kind of talent Iceland is trying to attract rather than a mass-market visa route.



[23] Directorate of Immigration, Long-term visa for remote workers, 2026.

[24] Directorate of Immigration, Figures current as of mid-2026 and subject to periodic revision.

[25] Directorate of Labour, Multicultural Information Centre, I want to work in Iceland, 2026.

Taxation: Broad treaty coverage, precise thresholds

Iceland's system mirrors Greenland's basic structure—full tax liability from residence or a 183-day stay, limited liability on Icelandic-source income below that—but layers on property and inheritance taxes that Greenland doesn't have.

Two income tax categories apply: withholding tax, automatically deducted by employers on salaries and pensions, and self-employment tax, self-calculated and paid in installments.

The 2026 withholding brackets are:

Monthly income (ISK)	Rate
0–498,122	31.49%
498,123–1,398,450	37.99%
Above 1,398,450 (on the excess)	46.29%

Source: Skatturinn – Iceland Revenue and Customs, Key Rates and Amounts 2026[26]

For companies weighing where to place people, the contrast with Greenland's treaty network is stark: Iceland has double tax agreements with dozens of countries, including the United States, United Kingdom, Canada, Germany, and France, alongside sector-specific aviation and maritime arrangements. For residents of countries without a treaty, the same 183-day rule applies as the trigger for Icelandic tax liability on top of home-country tax.

Corporate tax for limited liability companies stands at 20%. Dividend withholding runs at 22% for resident recipients and 20% for nonresident recipients[27]—both figures reduced further under Iceland's treaty network, including the US-Iceland treaty.

Social security: The widest coverage of the two territories

Iceland's own social security system covers sickness, maternity, disability, pensions, and unemployment, funded through mandatory payroll contributions.

Unlike Greenland, Iceland benefits from full EEA social security coordination alongside the Nordic Convention—giving individuals moving between Iceland and other EEA states genuine portability of rights, protection against double contributions, and coordinated benefits. Iceland has also concluded stand-alone bilateral social security agreements with several non-EEA countries, including the United States, Canada, the United Kingdom, and Switzerland,[28] though coverage outside those specific agreements still depends on Icelandic law.

[26] Skatturinn (Iceland Revenue and Customs), Key Rates and Amounts 2026, 2026.

[27] Ibid. Confirming the 20% standard corporate income tax rate for public and private limited companies and a 20% withholding tax on dividends paid to nonresident companies.

[28] Iceland's Social Insurance Administration, Social Security and Residence Abroad, 2026.

Mobility as a strategic lever in the north

Set side by side, Greenland and Iceland tell a coherent story about what happens when economic opportunity outruns regulatory infrastructure. Greenland is building physical access—airports, longer permit validity periods—largely from the ground up. Iceland already had the infrastructure and is now streamlining the administrative machinery layered on top of it—consolidating agencies, sharpening income thresholds, and tightening enforcement where it sees gaps.

Neither territory is standing still, which is precisely why a compliance approach based on last year's rules carries real risk. The specific figures in this article—permit validity periods, income thresholds, treaty partners, tax brackets—are current as of mid-2026, and each one has moved at least once in the past 18 months.

For employers, the signal is clear: Workforce mobility into these markets is no longer a purely operational question of "Can we get someone there?" It is a strategic question of "On what terms do we do so, and how quickly can we adjust when those terms move?"

That has three practical implications:

- Mobility structures (assignments, commuter/rotation roles, project work) need to be designed around current rules, not assumptions imported from the wider Nordic or EU context.
- Tax, social security, and immigration cannot be handled in parallel silos; in Greenland and Iceland, the interaction between the three often determines total cost and risk.
- Monitoring and governance matter more than ever: A permit reform in Nuuk, a new income threshold in Reykjavík, or a revised treaty position can change the economics of a project in a single budget cycle.

For employers with people already in Greenland or Iceland, or actively evaluating either market, three concrete questions are worth asking now:

- Have assignment and business travel policies, contracts, and cost projections been updated to reflect current validity periods, processing times, and immigration procedures in each territory?
- Are your travel and short-term business visit practices aligned with the specific day-count thresholds that can trigger tax and social security exposure in each jurisdiction (for example, 14 days, 90 days, six months)?
- For employees with limited or no treaty protection, has potential double taxation and social security duplication been mapped, quantified, and mitigated before liabilities crystallize (for instance through structuring, timing, or gross-up arrangements)?

The KPMG global network pairs deep local knowledge across the Nordics with the extensive international tax, immigration, and social security experience needed to keep pace with two of the fastest-moving regulatory environments in Europe. Whether the question is a single assignment, business trip, or a broader talent strategy for the region, reach out to your KPMG contact to talk through what these changes mean for your workforce.

To learn more about the KPMG Global Mobility Services practice, visit read.kpmg.us/GlobalMobilityServices.

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