

First [announced](#) in May 2015 it was confirmed on Friday that subject to Parliamentary approval a new "Immigration Skills Charge" will come into force on 6 April 2017. The government has said that the money will be used by the Department of Education to address skills gaps in the UK workforce but further details as to exactly how it is to be spent have yet to be provided.

This means that on and after 6 April 2017 medium and large sponsors will have to pay a fee of £1,000 per Certificate of Sponsorship (CoS) per year, with a reduced rate of £364 for small and charitable sponsors. The fee will apply to migrants sponsored under Tier 2 General and Tier 2 ICT from 6 April 2017 and who will be:

- Applying outside the UK
- Applying from within the UK when they are switching visa categories
- Applying from within the UK to extend their current leave to remain

The fee will not apply if a sponsor is sponsoring any of the following:

- A non EEA national who was sponsored under Tier 2 (ICT and General) before 6 April 2017 and who is applying to extend their stay either with the same sponsor or with a different sponsor
- Tier 2 (ICT) Graduate Trainees
- A migrant whose role falls within a PHD level SOC Code
- Tier 4 General students switching into Tier 2 General from within the UK

In addition, the fee will not apply to dependants.

The fee will be paid up front at the point a CoS is assigned to a migrant and the precise amount payable will be calculated based on the total period requested on the CoS.

The Home Office guidance states that "you will usually be considered to be a small business" if:

- Your annual turnover is £10.2 million or less
- You have 50 employees or fewer

However, the definition of a small company under the Companies Act 2006 (on which the Home Office definition of small "sponsor" or "business" appears to be based) is slightly wider than this, being a company which satisfies two or more of the following requirements:

- Turnover – not more than £10.2 million
- Balance sheet total – not more than £5.1 million
- Number of employees – not more than 50

Until the Home Office provides further guidance on this we advise clients (other than those with charitable status) to seek confirmation from their own finance department as to whether or not they are a small company (as per the Companies Act definition) before paying the Immigration Skills Charge (particularly if they are intending to pay the lower fee).

Since the payment is made at CoS issuance date, we would advise all clients, where possible, to assign any CoS for forthcoming moves/applications prior to 6 April 2017. However, it should be noted that, once assigned, a visa application must be submitted within three months of a CoS being assigned or it will expire and a new one will be required.

We will provide a further update as soon as further information becomes available.

In the meantime, if you have any questions or require any further information please contact Annabel Mace, Partner and Head of the UK Business Immigration Team.

## Contacts

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