

# TEN TOP TIPS FOR SMEs CONSIDERING APPLYING FOR A SPONSOR LICENCE

## Mini Guide

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# Introduction

We know that SMEs have been hard hit following Brexit.

We know that SMEs have faced huge financial and resourcing difficulties following the pandemic.

We know that SMEs often don't have access to large scale HR teams.

Will you need to consider applying for a sponsor licence in order to attract and retain key talent following the end of the Brexit grace period on 30 June 2021?

In this mini guide, we provide our ten top tips to help you navigate the sponsor licence process.

## Contacts



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# #1 Business case and genuine role

You'll need to explain to the Home Office why you're applying for a sponsor licence.

Reasons may include:

- You simply wish to have the flexibility to sponsor a European worker
- You anticipate that you'll need to sponsor foreign nationals in the future following Brexit
- You've got a specific role that requires sponsorship

There's no hard and fast rule about the business case. However, there's specific information in **Appendix A** that needs to be explained to the Home Office as part of your application and we'd recommend that this is included as part of a cover letter.

The Home Office will also want to ensure that you can offer a genuine role. Genuineness is a buzz word and is littered throughout the Home Office guidance. Does the role really exist? Has the role purely been created so that someone can apply for leave in the UK?



## #2 Structure of sponsor licence

If you've got more than one office in the UK, you may wish to apply for a sponsor licence to cover all of your offices. You should consider this approach carefully, as if there's a failing by one of the offices and the Home Office takes action, this could affect all of your offices.

If you go down the route of multiple offices being included, you'll need to ensure that each office is fully aware of the responsibilities the organisation has as a sponsor licence holder.

Alternatively, you could simply just get a sponsor licence to cover one office that will act as the sponsor.

## #3 Home vs office based

Another point to consider is your office location. Many SMEs are operating a hybrid mix of office and home working, so how will this translate in terms of a sponsor licence application? Do you still have an office, or have you moved to a full remote working environment? If you're in a remote working environment, then you'll need to think about a number of other things:

- How will you meet your sponsor duties?
- What 'business' address to state on the sponsor licence application form? This should be your registered office address and the address for your authorising officer.
- If your staff rent their residential properties, are they able to lawfully work from home, or is there a condition prohibiting that in their lease agreement?



## #4 Key personnel

Three key roles need to be appointed as part of the process:

1. Authorising officer
2. Key contact
3. Level 1 user

These people manage the sponsor licence on behalf of the organisation, so they need to be people who can take responsibility. You'll need to check that these people don't have any skeletons in the closet (such as criminal convictions) as this could preclude them for the role.

These roles usually have to be filled by an office holder or employee of the organisation and the people appointed need to be permanently based in the UK for the duration of their role.

You could in theory have the same person undertake all three roles.

## #5 Sponsorship duties

You'll need to consider at the outset if you have the processes in place to comply with your sponsor duties. This is likely to be the hardest and most time-consuming aspect for SMEs.

You'll need to have HR systems in place to demonstrate that, amongst other things, you:

- Check right to work documents
- Are aware of visa expiry dates and record these appropriately
- Keep contain details, including historic details
- You record absences (holiday/sickness) and can capture changes in roles

The systems you may wish to have in place could be adapted to your way of working and may include:

- Process charts
- Recording key dates in electronic calendars
- And/or having crib sheets to act as an aid memoir to staff

It's important that whatever systems you have are regularly tested to ensure that it's fit for purpose.



## #6 Online application

Whilst the **online application** process may seem straightforward, care needs to be taken as many reasons can be cited for refusing or rejecting an application, such as:

- The incorrect fee being paid
- Documentation sent in the wrong format
- If a sponsor licence was previously held and revoked by the Home Office within the 12 month period before the date of the new application

Take time with the application to ensure that all the correct information is provided. It's also important to keep screenshots of the application for your record keeping purposes.

Remember that a legal representative can't submit the online application on your behalf – they can prepare the form for you and send the supporting documents to the Home Office but they can't press the golden submit button.



## #7 Criteria

All applications need to meet the Home Office's eligibility and suitability criteria. To meet the eligibility criteria, the required supporting documents (see **Appendix A**) need to be submitted.

When assessing suitability criteria, the Home Office will consider:

- If you can offer a genuine role
- If you've have previous non-compliance issues
- If there are any mandatory reasons to refuse the application

It's important that you're aware of your organisations previous history – are there any red flags that would cause concern?

Remember that checks may be made before a decision is made on the sponsor licence so you need to be prepared!



## #8 Supporting evidence

A minimum of four documents need to be sent to the Home Office (this can be done electronically) within five working days of the online sponsor licence application submission.

We'd always recommend submitting more than four documents (in case the Home Office has an issue with one of the documents) and getting everything lined up in the correct format before you submit the online sponsor licence application.

You'll need to check **Appendix A** to see what types of documents are relevant to you - be aware of the mandatory documents.

For instance, if you've been trading for less than 18 months, you'll be considered a start up and must send evidence of a current, corporate bank account with a bank registered by the FCA. Bank accounts take time to open, so factor this into your timeline.

## #9 Fees

As an SME, it's likely that you'll need to pay £536.

This fee is payable if you're a charity or subject to the small companies' regime as set out in the Companies Act 2006, otherwise its £1,476 for medium or large sponsors.

If the incorrect fee is paid, the application will be refused. Remember that this is just the sponsor licence fee and there are other fees associated with the visa application for an individual.

## #10 Timing

Most applications are processed within 8 weeks, but this could be longer if the Home Office decides to conduct a pre-sponsor licence compliance visit.

There's a sponsorship priority service (if you can get it). If you're eligible and lucky enough to get one of the ten available slots, the application could be considered within 10 working days. There's an extra fee of £500 for this. You'll get information on this enhanced service once you've submitted your online application form.

Preparation really is the key here.





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