



# GMS Flash Alert

## Immigration Edition

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# United Kingdom - Government Releases White Paper on Post-Brexit Immigration

On 19 December 2018, the U.K. government presented to Parliament its long-awaited White Paper on the U.K.'s post-Brexit immigration system.<sup>1</sup> The new U.K.-wide system, which is scheduled to go live on 1 January 2021, will be based on skills rather than nationality. The U.K.'s Home Secretary, Sajid Javid, stated that the proposals outlined in the White Paper represent "the most significant changes to the immigration system in more than 40 years,"<sup>2</sup> and acknowledged employers will require time to adjust to them.

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## WHY THIS MATTERS

The future U.K. immigration system described in the White Paper ends the free movement of European Economic Area (EEA) nationals to the U.K., and introduces restrictions on their ability to live and work in the country. However, it is important to note that - unless future bilateral trade deals agree simplified immigration procedures - the new system will apply to EEA, as well as non-EEA nationals.

While some positive changes have been made to a number of existing migrant sponsorship requirements (see below), the proposals are likely to affect the resources businesses will have to devote to managing their global mobility programmes going forward, as well as the hiring of non-British employees locally. The timelines and the costs of an increasing number of visa applications, from a business' perspective, will have to be factored into any future workforce planning and talent acquisition.

## Highlights of Proposals

Below is a brief summary of some of the proposed changes:

### Workers

- The annual cap of 20,700 visas currently placed on highly-skilled Tier 2 (General) migrants will be abolished. This will allow businesses to bring migrants to the U.K. when they are most needed without running the risk of not being able to obtain a visa due to the cap having been exceeded.
- The Resident Labour Market Test, where businesses have to advertise a vacancy before they can offer the role to a migrant who will require visa sponsorship, will be abolished as it does not adequately guard against downward pressure on wages.
- Nationals of low-risk countries (such as Australia, Canada, Japan, etc.) will be allowed to apply for work visas from within the U.K., rather than having to apply from outside of the country.
- Currently only roles qualified to degree level (Regulated Qualifications Framework (RQF) 6) can be offered to migrants requiring sponsorship. Going forward, roles qualified to "A level" or equivalent (RQF3-5) will be sponsorable.
- The U.K. government does not intend to establish a route solely aimed at low-skilled workers, nor open sectoral labour schemes other than the seasonal agricultural scheme for non-European Union (EU) nationals, which is expected to open in 2019 (for related coverage, see GMS [Flash Alert 2018-163](#), 14 December 2018). As a transitional measure, however, the U.K. government intends to introduce a route for short-term workers to come to the U.K. from low-risk countries for a maximum of 12 months, after which they may not return to the U.K. to work for 12 months ("cooling off period"). Migrants under this category will not be entitled to claim public funds, extend their stay or settle in the U.K., switch to other routes or bring dependants. Stakeholders will be consulted on final plans.
- The U.K. government will open a consultation period to explore whether it should retain the £30,000 minimum-salary threshold for skilled workers.
- The U.K. government has asked the Migration Advisory Committee to review the Shortage Occupation List, and make suggestions regarding occupations at RQF 3-5 levels. It may also be the case that the list will need to be adjusted to regional requirements in the future.

### Visitors

- The U.K. will not require nationals of EU member states to obtain visit visas before they travel to the U.K., and will allow them to continue to use e-gates, provided the EU reciprocates this set up.
- Tourists from EU member states will be able to visit the U.K. for up to six months.
- The U.K. government will explore with businesses whether activities short-term business visitors are currently permitted to undertake can be improved to reflect business needs.

### Youth Mobility

- The U.K. government is looking to expand the Tier 5 (Youth Mobility) visa category, which currently allows young people from a limited number of countries to come to the U.K. for two years and work in the U.K. without any

restrictions. This could expand business' access to workers on the lower end of the skills scale, especially if the expansion included some or all EU countries.

## Students

- Bachelor's and master's students will be granted six months' post-study leave, during which they may seek permanent skilled work and work temporarily in the United Kingdom. PhD students will be similarly granted leave for a year.
- Students at bachelor's level and above will be able to switch into the skilled workers route up to three months before their courses in the U.K. end, or may apply from outside of the U.K. for a skilled position up to two years after graduating from a U.K. university.

## Border Control

- Visitors and transit passengers who would not normally require a visa to come to the U.K. in the future will need to secure permission through the Electronic Travel Authorisation (ETA) scheme before travelling.
- Nationals from low-risk countries will be afforded quicker entry processes at U.K. ports.

## Processes

- The U.K. government has stressed that it will continue to seek to keep the administrative requirements for businesses hiring foreign workers to a minimum. It has stated that it aims to reduce reporting requirements and up-front costs for employers, cut the time it takes employers to hire skilled migrants, and process most work visas within two to three weeks. No further details on how it proposes to achieve these goals are currently available.

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## KPMG NOTE

The U.K. government's proposals could result in a dramatic reduction in businesses' access to lower-skilled labour from the EU. At this stage it is unclear what the uptake for a temporary route for short-term workers would be, nor to what extent it could bridge the shortfall in low-skilled workers after the end to free movement between the EU and the United Kingdom.

The government estimates that its proposals could result in an 80-percent reduction in the numbers of long-term EEA workers coming to the U.K., and the White Paper's proposals might inevitably require businesses to make numerous changes to their recruitment systems and planning priorities. Future restrictions on EEA nationals coming to work and stay in the U.K. appear to be on the horizon, and with employers that need to retain EEA nationals in their workforces, they should continue to engage with their EEA workers on issues such as the EU Settlement Scheme. (For related coverage of the EU Settlement Scheme, see GMS [Flash Alert 2018-134](#), 19 October 2018.)

For employers of skilled non-EU migrants, it appears future immigration restrictions will diminish the ability to hire EEA nationals; however, the relaxation of certain criteria of the Tier 2 route, increased opportunities for foreign graduates to remain in the U.K. for work, possible amendments to permitted activities for business visitors, and the expansion of temporary mobility schemes may be helpful to U.K. businesses.

## FOOTNOTES:

1 See "[The U.K.'s future skills-based immigration system](#)" (19 December 2018). For coverage of the U.K. government's policy paper on the rights of European Union (EU) citizens in the U.K. in the event of the U.K. leaving the EU without a deal, see GMS [Flash Alert 2018-157](#), 7 December 2018.

2 As reported in K. MacLellan and A. MacAskill, Reuters, "UK to prioritise high-skilled migrants post-Brexit, business groups skeptical" (19 December 2018).

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## Contact us

For additional information or assistance, please contact your local GMS or People Services professional\* or one of the following professionals with the KPMG International member firm in the United Kingdom.

The KPMG Legal Services – Immigration Team has a wealth of experience in transactional, advisory, and compliance assurance services. We will be able to advise your business in relation to practical considerations in light of the above changes, as well as what this means for your long-term recruitment and compliance strategies.



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