

## Immigration

**Immigration – Sponsorship License : The Risks of Non-Compliance**

Compliance with rules and regulations is always important – failure to comply can lead to fines being imposed on companies or individuals, negative publicity or even criminal proceedings. In the area of Immigration Law, non-compliance can potentially be catastrophic, especially for UK subsidiaries of an overseas head office.

For many of our clients, their Sponsor Licence is a business-critical asset. Without it, any sponsored migrant workers would no longer be entitled to work in the UK, which in practice means specialist skilled individuals, senior managers and, in many cases, the most senior official in the UK, all having to leave the UK business and with no permission for the company to replace them.

For this reason, it is of vital importance that companies protect their Sponsor Licence properly, which can only be done by taking responsibility for ensuring consistent compliance with the full duties and obligations imposed by the Home Office.

For many areas of law, there are no government officials who will visit your company to assess your compliance. For example, if your employment contracts are not up to date then although that could potentially lead to difficulties with staff in the future, there is no government body that will come to inspect your contracts and handbook policies to check for their relevance. By contrast, for companies that are Sponsor Licence holders, the Home Office can arrive at the office at any time, without notice, to inspect your documents and records to check whether you are compliant with their requirements. They can also interview your migrant workers to check that the work they are doing is in line with that specified on their Certificate of Sponsorship.

If they find areas of non-compliance then the action they will take depends on the severity of the infraction. If only a minor issue, then they may simply inform you that you need to improve your systems, without any further action against you. For more serious matters, the Sponsor Licence may be downgraded, in which case the company will need to pay a fee and follow a set action plan to demonstrate the improvements to its systems, and will not be able to sponsor new migrant workers until the action plan has been satisfactorily completed. In the most serious cases, or where an action plan is not satisfactorily met, the Sponsor Licence will be revoked. Once revoked, the company is likely to find it very difficult to obtain a further Sponsor Licence in the future, meaning the possibility that the company will never again be able to sponsor migrant workers. Whenever the Home Office discover non-compliance, regardless of the severity, this is likely to increase the risk of the Home Office carrying out further and more frequent audit visits to the company in future.

The Home Office official Guidance documents set out the full compliance requirements that companies with a Sponsor Licence must follow.

We at 3HR are very happy to assist companies in complying with the Home Office requirements – we do this for many clients through provision of training, implementing of systems, provision of template documents and by the conducting of our own audits in the same way that the Home Office would. When conducting our own audits of client systems, we also provide a full report detailing the requirements that are being met and the changes that need to be made to ensure full compliance. For any assistance, please do not hesitate to contact us.

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