



Sponsor Licence

Open up a world
of talent opportunities



UK businesses looking to attract talent and gain a competitive advantage in the recruitment market should give some serious consideration to applying for a Sponsor Licence.



What is a Sponsor Licence?

A sponsor licence is a licence approved and granted to a company to allow them to hire skilled workers from overseas by “sponsoring” them to work in the UK.

Not only does it allow UK employers to hire skilled talent who are based overseas; but it also enables UK employers to open their doors to workers in the UK already sponsored by competitor firms.

Who is a ‘skilled’ worker?

A ‘skilled’ worker is someone who has a specialist and/or niche professional skill set. Companies often need distinct skills for jobs in occupations which are considered to be in short supply (e.g., engineers/tech specialists/scientists/architects etc.) and demand for talent in these areas is very high.

Is a Sponsor Licence a necessity in the UK?

You are not required to have one.

But since Brexit, and due to the huge pressures on finding talented people – it is now a very good idea for a UK business to get one.

It typically takes 3 to 6 months to obtain a sponsor licence. The timeframe depends on how soon the Home Office considers the application and if they decide to visit the business as part of the process.

Once a Sponsor Licence is in place, a company can then apply to sponsor workers. This can take a further 2 to 3 months to organise.

We strongly recommend you get ahead of the game rather than grapple with trying to secure a licence at the last minute. A brilliant candidate who needs sponsorship may often only apply to UK employers who already hold a sponsor licence. You want to be ready rather than waste time applying and lose the candidate.

How to get a Sponsor Licence?

The UK employer will need to submit an online application along with mandatory supporting documents, which is considered by the Home Office. Examples of some of the mandatory documents include:

- A current, corporate bank account with a bank registered by the Financial Conduct Authority and the Prudential Regulation Authority in the UK ;
- Employer's liability insurance cover for at least £5 million from an authorised insurer;
- Evidence of Registration with HM Revenue & Customs (HMRC) as an employer to pay PAYE & National Insurance;
- HM Revenue & Customs (HMRC) VAT registration certificate confirming VAT registration number and 'effective date of registration'
- Proof of ownership or lease of the business premises;
- Current financial report or audited annual report.
- The UK employer must have appropriate and robust HR systems in place to monitor sponsored workers, as well as great staff to manage sponsorship in the business (e.g., HR director or manager).
- The business will need to designate existing staff to undertake 3 key roles: Authorising Officer, Key Contact and Level 1 User to manage sponsorship duties. Staff appointed in these roles must be based in the UK.
- We can act as the UK employer's Key Contact and 'additional' Level 1 User to help manage matters.

Renewal and ongoing sponsor compliance obligations:

A sponsor licence will be granted with a validity of 4 years. The sponsor licence will then need to be renewed every 4 years.

The UK employer will need to maintain core responsibilities and duties once approved for a sponsor licence. These duties are typically incorporated within the business' HR functions and include:

- employee right to work checks,
- monitoring immigration status and visa expiry dates for sponsored workers;
- reporting changes in relation to employment or visa conditions for sponsored workers
- record-keeping and maintaining workers' contact/personal information
- maintaining accurate payroll records
- regular accessing the Sponsor Management System (SMS)
- renewing certificate allocations on an annual basis
- monitoring workers' absences and holidays
- reporting any significant change to the business

As part of the sponsor licence process, the Home Office may decide to visit the business to assess its operations, check its authenticity and competency. We can help with this.

**For More
Information
Contact One
of Our Partners
Today →**

Email: contact@ouryclark.com

Oury Clark London:

10 John Street, London WC1N 2EB

Tel: +44 (0) 20 7067 4300

Oury Clark Slough:

Herschel House, 58 Herschel Street
Slough SL1 1PG

Tel: +44 (0) 1753 551111



Disclaimer: This note does not contain a full statement of the law and it does not constitute legal advice. Please contact us if you have any questions about the information set out above.

© Oury Clark