EXPLANATORY MEMORANDUM TO

THE IMMIGRATION AND NATIONALITY (FEES) (AMENDMENT) REGULATIONS 2025

2025 No. 763

1. Introduction

1.1 This explanatory memorandum has been prepared by the Home Office and is laid before Parliament by Command of His Majesty.

2. Declaration

- 2.1 Seema Malhotra MP, Minister for Migration and Citizenship at the Home Office confirms that this Explanatory Memorandum meets the required standard.
- 2.2 Nicola Sills, Deputy Director Strategic Finance, Corporate and Delivery, Finance Directorate at the Home Office confirms that this Explanatory Memorandum meets the required standard.

3. Contact

3.1 Jevgeni Koltsov at the Home Office can be contacted at feesandincomeplanning.requests@homeoffice.gov.uk with any queries regarding the instrument.

Part One: Explanation, and context, of the Instrument

4. Overview of the Instrument

What does the legislation do?

- 4.1 This instrument will amend the Immigration and Nationality (Fees) Regulations 2018 (S.I. 2018/330) ("the 2018 Regulations") to:
 - (i) set the fee of £723 for applications to be registered as a British citizen made under section 4AA of the British Nationality Act 1981 ("the 1981 Act") where the applicant is an adult (aged 18 or over) at the time the application is made;
 - (ii) set the fee of £607 for applications to be registered as a British citizen made under section 4AA of the 1981 Act where the person in respect of whom the application is made is a child (below the age of 18) at the time the application is made:
 - (iii) allow the fee at (ii) above to be waived where it is not affordable;
 - (iv) clarify that the existing exception from paying the application fee for children looked after by a local authority will also apply to the applications under section 4AA the 1981 Act.

Where does the legislation extend to, and apply?

- 4.2 The extent of this instrument (that is, the jurisdiction(s) which the instrument forms part of the law of) is England and Wales, Scotland and Northern Ireland.
- 4.3 The territorial application of this instrument (that is, where the instrument produces a practical effect) is the same as its extent.

5. Policy Context

What is being done and why? What was the previous policy, how is this different?

- 5.1 The British Nationality (Irish Citizens) Act 2024 ("the 2024 Act") amends the 1981 Act by adding a new section 4AA, which provides for a separate route to British citizenship for all Irish citizens who are resident in the UK for a period of five years. This will be a new application route and offer Irish citizens an alternative to existing naturalisation and registration routes. It is introduced in recognition of the unique position that Irish nationals hold with regards to the United Kingdom. The new route exempts Irish citizens from some of the requirements on existing routes, notably the knowledge of language and life in the UK. This is because under the Common Travel Area arrangements Irish citizens already have a right to live and work in the UK without time limitations. The close historical links, geographical proximity, and shared institutions, mean that Irish nationals would already have a sufficient knowledge of language and life in the UK.
- 5.2 This instrument sets the fees and waivers for applications under section 4AA of the 1981 Act, as amended by the 2024 Act. The fees have been set at 50% of the current rates on the citizenship registration route. This reflects the broader rationale for creating a bespoke application route, as well as the unique position of Irish citizens in the United Kingdom. For reference, the estimated unit cost of processing these applications is £575.
 - Applicants on the existing British Citizenship registration route for children can request the application fees to be waived, where the fees are not affordable. For consistency, child applicants seeking to register as British Citizens under section 4AA of the 1981 Act will also be able to apply for a waiver. The same approach will be taken to waiver applications on the new route as for applications on the existing child registration route, with waiver applications on the new route assessed against the £607 fee level set through this instrument. The fee waiver guidance can be found on GOV.UK.¹
- 5.3 The 2018 Regulations specify an exception from paying the application fee for children looked after by a local authority. This instrument will extend that exception to children applying under section 4AA of the 1981 Act by adding a reference to the new fee to the relevant exception in the 2018 Regulations.
- 5.4 This instrument and the 2024 Act will come into effect at the same time on 22 July, with the 2024 Act coming into effect via a separate commencement order.

6. **Legislative and Legal Context**

How has the law changed?

- 6.1 The Immigration and Nationality (Fees) (Amendment) Regulations 2025 amend the Immigration and Nationality (Fees) Regulations 2018 (S.I. 2018/330) in respect of the fees to be charged on applications to be registered as a British citizen under section 4AA of the British Nationality Act 1981, as amended by the British Nationality (Irish Citizens) Act 2024.
- 6.2 The new fees added by this instrument are made under the charging function at 7.2 of Table 7, Article 10 of The Immigration and Nationality (Fees) Order 2016 (S.I. 2016/177) ("the 2016 Order"). The 2016 Order sets out chargeable immigration and nationality functions with maximum fee limits which are in force after being debated

¹ www.gov.uk/government/publications/citizenship-fee-waiver-for-individuals-under-18-caseworker-guidance

in Parliament. The registration fees set by this instrument are within the maximum limit in the 2016 Order for applications to register as a British citizen, currently set at £1,500.

Why was this approach taken to change the law?

6.3 This is the only possible approach to make the necessary changes.

7. Consultation

Summary of consultation outcome and methodology

- 7.1 The Home Office conducted a targeted consultation in November and December 2013 on how its charging strategy works in practice, to help shape the approach to charging in the future. This in turn informed the development of the provisions at section 68(9) of the Immigration Act 2014, which set out the factors that the Secretary of State is permitted to take into account when setting immigration and nationality fees. These include the cost of exercising the relevant function, the benefits that accrue to an individual as the result of a successful application, and the costs of exercising any other function in relation to immigration or nationality. These powers have since underpinned the approach to fees over the last decade, which includes the setting of fees above a cost recovery level in order to help meet costs within the wider migration and borders system, and to move the system onto a substantially self-funding basis. This approach continues to be reflected in this instrument.
- 7.2 There was no formal public consultation in respect of fees to be charged under the 2024 Act, as it would not have been proportionate to the scale of changes being made by this instrument. However, the fees for this new route were discussed in parliamentary debates during the passage of the 2024 Act. Some members in both Houses called for the route to be introduced either free of charge or at a significantly reduced fee. The fee levels set by this instrument offer a significant reduction compared to existing routes while aligning with the department's broader approach to fees, including by ensuring that costs associated with processing the relevant applications are recovered.

8. Applicable Guidance

8.1 The fee table published on GOV.UK that sets out all immigration and nationality fees will be updated on 1 July 2025 to reflect the changes made by this instrument.³ The current affordability fee waiver guidance will be used for waiver applications made by children on the new route.⁴ Bespoke guidance for applications on this route will be published on GOV.UK before the route comes into effect on 22 July.

Part Two: Impact and the Better Regulation Framework

9. Impact Assessment

9.1 A full impact assessment has not been completed for this instrument as no, or no significant, impact on business, charities or voluntary bodies is foreseen. The scope of this instrument is very narrow and only impacts Irish citizens applying for British

 $[\]underline{https://assets.publishing.service.gov.uk/media/5a7c002be5274a7318b906b8/ImmigrationFeesChargingResponse}.\underline{pdf}$

www.gov.uk/government/publications/visa-regulations-revised-table

⁴ www.gov.uk/government/publications/citizenship-fee-waiver-for-individuals-under-18-caseworker-guidance

- citizenship under section 4AA of the 1981 Act. The benefits are expected to accrue to Irish citizens who face lower barriers to applying for British citizenship in recognition of the unique position that they hold with regards to the United Kingdom.
- 9.2 Between 2022/23 and 2024/25 there were 1.3 million applications for British citizenship, of which 0.14% were from Irish nationals, equivalent to around 320 applications per annum over that period. While it's possible the volumes of applications will increase, this impact is expected to be limited as there is a finite number of Irish citizens residing in the UK who have not already applied, and who may be incentivised to apply as a result of these changes, evidenced by the relatively low volume of current annual applications. Even if applications were to double, this would represent under 500 additional applications per year, and would not represent a significant impact on business, charities or voluntary bodies.
- 9.3 While relatively small, this change is expected to cause a reduction in Home Office revenue of approximately £330,000 per annum. This is because the fees on the new route will be significantly lower than on existing naturalisation and registration routes. However, part of this impact may be offset if applications were to increase as a result of the changes.

Impact on businesses, charities and voluntary bodies

- 9.4 There is no, or no significant, impact on business, charities or voluntary bodies because these Regulations are not creating any new requirements for any of these sectors.
- 9.5 The legislation does not impact small or micro businesses.
- 9.6 The impact on the public sector is a reduction in Home Office funding of at most £330,000 per annum, as outlined above.

10. Monitoring and review

What is the approach to monitoring and reviewing this legislation?

- 10.1 The approach to monitoring this legislation is that fees are kept under regular review. The Home Office has an ongoing programme of evaluation and will continue to monitor the impact of such policies in terms of live application data and collected revenue. This monitoring may include, for example, assessment of volumes and income relative to the estimates and historic trends.
- 10.2 The instrument does not include a statutory review clause and, in line with the requirements of the Small Business, Enterprise and Employment Act 2015, Seema Malhotra MP, Minister for Migration and Citizenship at the Home Office has made the following statement:

"It is not appropriate in the circumstances to make provision for review. These Regulations are kept under regular review, and I am satisfied that these Regulations do not impact on small businesses".

Part Three: Statements and Matters of Particular Interest to Parliament

11. Matters of special interest to Parliament

11.1 None.

12. European Convention on Human Rights

12.1 As the instrument is subject to the negative resolution procedure and does not amend primary legislation, no statement is required.

13. The Relevant European Union Acts

13.1 This instrument is not made under the European Union (Withdrawal) Act 2018, the European Union (Future Relationship) Act 2020 or the Retained EU Law (Revocation and Reform) Act 2023 ("relevant European Union Acts").