

**EXPLANATORY MEMORANDUM TO**  
**THE IMMIGRATION AND NATIONALITY (FEES) REGULATIONS 2014**

**2014 No. XXXX**

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

This memorandum contains information for the Joint Committee on Statutory Instruments.

2. **Purpose of the instrument**

- 2.1 The purpose of this instrument is to specify fees for applications, services and processes relating to immigration and nationality where those fees exceed the administrative cost of dealing with the application or providing the process or service, or reflect the costs relating to other applications, services or processes relating to immigration or nationality. They replace the Immigration and Nationality (Fees) Regulations 2013. The regulations will come into force on 6 April 2014.

3. **Matters of special interest to the Joint Committee on Statutory Instruments**

- 3.1 These regulations replace the regulations of the same name laid on 3 February 2014. These relaid regulations correct omissions of the Tier 4 and 5 Entry Clearance fees, and include the correct fee for the optional User-Pays visa application centre service which is now set at £59 rather than £53 as contained in the previous version. The regulations contain fee increases above the rate of inflation. The majority of the fee increases have been limited to a 4% blanket increase with some targeted increases above this figure. More detail is set out in sections 7.7 to 7.25 of this memorandum.

4. **Legislative context**

- 4.1 These regulations rely on the Immigration and Nationality (Fees) Order 2011, as amended by the Immigration and Nationality (Fees) (Amendment) Order 2013 and the Immigration and Nationality (Fees) (Amendment) Order 2014, which sets out those applications, processes and services relating to immigration and nationality for which fees can be charged. These regulations will replace the Immigration and Nationality (Fees) Regulations 2013, which together with the Immigration and Nationality (Cost Recovery Fees) Regulations 2013, have specified immigration and nationality fees since 6 April 2013.
- 4.2 There are two sets of fees regulations because regulations setting fees exceeding the administrative cost of dealing with applications or providing the relevant processes or services, or reflecting costs related to other applications, services or processes relating to immigration or nationality must be approved in draft by Parliament before they are made. Currently, those fees are to be

found in the Immigration and Nationality (Fees) Regulations 2013, which these regulations will replace. Fees set at or below cost do not require prior parliamentary approval. Such fees are currently specified in the Immigration and Nationality (Cost Recovery Fees) Regulations 2013, which will also be replaced by a new set of regulations laid under the negative procedure, which are due to come into force on 6 April 2014.

## **5. Territorial extent and application**

- 5.1 This instrument extends to all of the United Kingdom. The regulations also set fees for entry clearance to enter the Channel Islands.

## **6. European Convention on Human Rights**

- 6.1 James Brokenshire MP, the Immigration and Security Minister, has made the following statement regarding human rights:

“In my view the provisions of the Immigration and Nationality Fees Regulations 2014 are compatible with the European Convention on Human Rights.”

## **7. Policy background**

### **What we are doing and why:**

- 7.1 The fees contained in these regulations are set above the administrative cost of providing the application, process or service in line with the government’s flexible charging model. Charging fees above the cost of administration helps raise the revenue required to fund the immigration system and to cross-subsidise fees set below cost for immigration routes where a lower fee supports government objectives. As a direct result of the fees referred to in this instrument, the Home Office is able to generate sufficient income to support the immigration system, maintain public confidence and ensure that migration is controlled for the benefit of the UK.
- 7.2 The Home Office aims to generate an appropriate contribution to its agreed running costs from the income generated from visa, nationality and immigration applications. By doing this, the Home Office seeks to reduce the financial obligation on the UK taxpayer to subsidise the immigration system. By applying targeted increases to certain products to achieve strategic charging objectives, the Home Office is able to protect the majority of routes from more significant fee increases while generating the additional revenue needed to fund the necessary improvements to the immigration system.
- 7.3 Fees may be set above cost to reflect the value of the products in terms of the benefits and entitlements that would accrue to a successful applicant or where they are intended to contribute to the cost of providing other immigration products. The Home Office takes into account the different rights and entitlements applicable for each application route. For example, some routes give a successful applicant valuable entitlements such as access to the UK

labour market without the need for a sponsor, leave that qualifies for settlement, and the ability to bring dependants to the UK who can also work without restriction and access valuable entitlements. The fees charged for such routes are set at a higher level to reflect these valuable entitlements. In comparison, other routes may not attract entitlements of the same level and are therefore priced accordingly. Where fees are set higher for certain routes, it enables the Secretary of State to minimise fee increases in others, including those considered to be the most economically sensitive (for example visitors, workers, students and businesses).

- 7.4 This year, the Home Office is proposing a 4% increase across the majority of application routes. In addition, targeted increases to fees for some application and service types are proposed to meet strategic charging policy objectives and limit the level of increases across other fees. For example, the concession on fees paid by dependants applying in the UK has been removed, equalising dependants' fees with main applicants' fees. This is in line with our previously stated intention to move towards adopting the charging model that operates for dependant applications overseas. In addition, the fees for optional premium services for applications made in person, online or by post have been increased to reflect the value of these discretionary services.
- 7.5 The Home Office has also reviewed its charging policy for nationality registration applications. Fees for these applications have been adjusted to better reflect entitlements, bringing them closer to the fee for other nationality applications where the entitlements available to a successful applicant are similar. Concessions have also been reviewed and a new lower fee introduced for registration applications from minors.
- 7.6 The Home Office has published indicative unit costs for each application for the financial year 2014-15. Full details are available at <http://www.ukba.homeoffice.gsi.gov.uk> / <https://www.gov.uk>. The unit cost is the estimated average cost to the Home Office of processing each application. These costs are provided to Parliament to ensure transparency. Although they are not fixed over the course of the financial year, published unit costs will enable applicants to see which fees are set over cost and by how much, and which fees are set under cost and by how much.
- 7.7 The tables below set out the current fee levels and the new proposed fees, for products that are set above cost or included in these regulations:

### **VISA FEES**

<b>PRODUCTS</b>	<b>2013-14 Fees (£)</b>	<b>Estimated Unit Cost for 14-15 (£)</b>	<b>Proposed Fee for 14-15 (£)</b>
<b>Non PBS Visas</b>			
Long term visit visa (up to 2 years)	278	115	300
Long term visit visa (up to 5 years)	511	115	544
Long term visit visa (up to 10 years)	737	115	737
Extended student visit visa (between 6 &			

11 months)	144	115	150
Settlement visa	851	378	885
Settlement visa - Dependant Relative	1,906	378	1,982
Settlement visa – Armed Forces Dependant Indefinite Leave to Enter	NEW	378	1,093
Other visa	278	170	289
Media Representative	494	173	514
<b>PBS Visas</b>			
Tier 1 (Entrepreneur, Exceptional Talent), main applicant (CESC applies)	840	352	874
Tier 1 (Investor), main applicant	840	352	874
Tier 1 (Entrepreneur, Investor, Exceptional Talent), all dependants	840	352	874
Tier 1 (Graduate Entrepreneur), main applicant (CESC applies)	298	352	310
Tier 1 (Graduate Entrepreneur), all dependants	298	352	310
Tier 1 (Post Study Work), dependants	498	352	518
Tier 2 (General), Tier 2 (Intra-Company Transfer) Long term staff, Tier 2 (Sportsperson) & Tier 2 (Minister of Religion), main applicant (CESC applies)	494	173	514
Tier 2 (General), Tier 2 (Intra-Company Transfer) Long term staff, Tier 2 (Sportsperson) & Tier 2 (Minister of Religion), all dependants	494	173	514
Tier 2 (Intra-Company Transfer) Short term staff, Tier 2 (Graduate Trainee) or Tier 2 (Skills Transfer), main applicant (CESC applies)	412	173	428
Tier 2 (Intra-Company Transfer) Short term staff, Graduate Trainee or Skills Transfer, all dependants	412	173	428
Tier 2 (General), Tier 2 (Intra-Company Transfer) Long term Staff with certificate of sponsorship of more than 3 years, main applicant (CESC applies)	NEW	173	1,028
Tier 2 (General), Intra-Company Transfer Long term Staff with certificate of sponsorship of more than 3 years, all dependants	NEW	173	1,028
Tier 2 (General), shortage occupation, up to 3 years, main applicant (CESC applies)	494	173	428
Tier 2 (General), shortage occupation, up to 3 years, all dependants	494	173	428
Tier 2 (General), shortage occupation, over 3 years, main applicant (CESC applies)	NEW	173	856
Tier 2 (General), shortage occupation,			

over 3 years, all dependants	NEW	173	856
Tier 4 main applicants	298	204	310
Tier 4 all dependants	298	204	310
Tier 5 Temp Work & Youth Mobility, main applicant (CESC applies)	200	131	208
Tier 5 all dependants	200	131	208
<b>Added Value services overseas</b>			
Priority visa - Settlement	NEW	6	300
Priority visa - Non-Settlement	NEW	6	100
Super priority visa service	NEW	100	600
User Pays (Visa Application Centres)*	NEW	59	59
Passport Passback*	NEW	40	40
Prime-time visa application centre appointment	NEW	35	50
International Contact Centre: Webchat	NEW	N/K	4 (per 10 min session)
International Contact Centre : Live calls	NEW	N/K	1.37 per minute
<i>CESC = A Council of Europe Charter reduction of £55 applies</i>			
<i>* These fees are set at cost but included alongside related fees in these regulations for ease of reference.</i>			
<i>Applications to the Channel Islands under Employment and Study routes attract Tier 2 &amp; other visa fees and costs respectively.</i>			

### IN UK – Leave to Remain and Nationality Fees

PRODUCTS	2013-14 fees (£)	Estimated unit cost for 2014-15 (£)	Proposed fees for 2014-15 (£)	Dependants fee (£)
<b>NON PBS ROUTES - Migrants in UK</b>				
ILR standard, main applicant (CESC applies)	1,051	248	1,093	1,093
LTR Other, standard, main applicant	578	278	601	601
Super premium service (Mobile case working)	6,000 + standard fee + AIP fee	2,211	6,000 + standard fee + AIP fee	N/A
Registered Traveller scheme – Annual membership	NEW	N/K	£50	N/A
Registered Traveller scheme – registration of additional identity document	NEW	N/K	£20	N/A
Residual FLR IED standard, main applicant	578	278	601	601
Residual FLR BUS standard, main applicant	1,051	278	1,093	1,093
Employment LTR outside PBS, standard	578	278	601	601
Application in person fee*	375	N/A	400	400

Appointment booking fee*	100	N/A	100	100
Additional Out of Hours Premium**-, main applicant	300	N/A	300	300
<b>Nationality applications - Migrants in UK</b>				
Naturalisation (UK Citizenship), single/spousal application***	874	144	906	N/A
Naturalisation (UK Citizenship), joint application***	1,550	203	1,812	N/A
Naturalisation (British overseas territories citizen), single application	568	144	661	N/A
Naturalisation (British overseas territories citizen), joint application	1,390	203	1,322	N/A
Nationality (UK citizenship) Registration, adult ***	753	144	823	N/A
Nationality (UK citizenship) Registration, minor	673	144	669	N/A
Nationality Registration (British overseas territories citizen) adult	568	144	595	N/A
Nationality Registration (British overseas territories citizen) minor	568	144	536	N/A
Nationality Registration (British subject/British overseas citizen), adult	568	144	595	N/A
Nationality Registration, British subject/British overseas citizen, minor	568	144	536	N/A
Nationality Registration (British protected person) adult	568	144	595	N/A
Nationality Registration (British protected person) minor	568	144	536	N/A
<i>ILR=Indefinite Leave to Remain</i> <i>LTR=Limited Leave to Remain</i> <i>Premium Services Centre=previously Public Enquiry Office</i>	<i>IED=Immigration Employment Document</i> <i>FLR =Further Leave to Remain</i> <i>PBS=Points Based System</i>			
<i>*For applications made in person (e.g. at a premium services centre) the total fee is the relevant standard fee plus £400 per person (this includes the £100 appointment fee, which may be retained should the applicant fail to attend their appointment without good reason).</i>				
<i>**Out of Hours Premium fee payable is payable in addition to standard fee and application in person fee</i>				
<i>*** Includes additional £80 per applicant is payable to cover the ceremony fee.</i>				

### PBS routes – Migrants in UK

PRODUCTS	2012-13 fees (£)	Estimated unit cost for 2014-15 (£)	Proposed fees for 2014-15 (£)	Dependants fee (£)
<b>PBS ROUTES – Migrants in UK</b>				
Tier 1 (General), standard, main applicant				

(CESC applies)	1,545	242	1,607	1,607
Tier 1 (Entrepreneur, Exceptional Talent), standard, main applicant (CESC applies)	1,051	340	1,093	1,093
Tier 1 (Investor), standard, main applicant	1,051	340	1,093	1,093
Tier 1 (Graduate Entrepreneur), standard, main applicant (CESC applies)	406	290	422	422
Tier 2 (General), Intra-Company Transfer Long term staff, Tier 2 (Sportsperson) & Tier 2 (Minister of Religion), standard, main applicant (CESC applies)	578	213	601	601
Tier 2 (Intra-Company Transfer) Short term staff, Graduate Trainee or Skills Sport & MOR) CESC, standard, main applicant (CESC applies)	412	191	428	428
Tier 2 (General), Tier 2 (Intra-Company Transfer) Long term staff with certificate of sponsorship of more than 3 years, main applicant (CESC applies)	NEW	213	1,202	1,202
Tier 2 (General), shortage occupation, up to 3 years, main applicant (CESC applies)	NEW	213	428	428
Tier 2 (General), shortage occupation, over 3 years, main applicant (CESC applies)	NEW	213	856	856
Tier 4 standard, main applicant	406	203	422	422
Tier 5 main applicant	200	187	208	208
Application in person fee*	375	N/A	400	400
Appointment booking fee*	100	N/A	100	100
Priority Service fee**	275	N/A	300	300
Additional Out of Hours Premium,***main applicant	300	N/A	300	300
<i>CESC = Council of Europe Charter reduction applies</i>				
<i>*For applications made in person, the total fee is the relevant standard fee plus £400 per person (this includes the £100 appointment fee, which may be retained should the applicant fail to attend their appointment without good reason).</i>				
<i>**To use the priority service, the total fee is the relevant standard fee plus £300 per person. Initially offered for Tier 2 applications only..</i>				
<i>*** Out of Hours Premium fee payable is payable in addition to standard fee and application in person fee</i>				

### PBS Sponsorship Products

<b>PRODUCTS</b>	<b>2012/13 Fees (£)</b>	<b>Estimated Unit Cost for 14/15 (£)</b>	<b>Proposed 14/15 fees (£)</b>
Premium sponsor service, large sponsors	25,000	N/A	25,000
Premium sponsor service, small sponsors	8,000	N/A	8,000
Premium sponsor service, Tier 4	8,000	N/A	8,000
Tier 2 Large Sponsor licence	1,545	1,476	1,476*
Tier 2 Certificate of Sponsorship	184	118	184

*\* These fees are set at cost but included in these regulations for ease of reference.*

- 7.8 Fee increases have been limited to 4% for most routes. The following paragraphs explain the key exceptions and reasons.

### **Fees for applications under Tier 2 of the Points Based System**

- 7.9 The Home Office has reviewed the provisions in place for issuing certificates of sponsorship in respect of Tier 2 applicants to fill skilled posts in the UK. In response to feedback from sponsor organisations about how the process could be improved, we have varied the duration of time a certificate of sponsorship may be issued for. This means that migrants who require leave to enter or leave to remain for a longer period may now obtain a certificate of sponsorship issued for a longer duration in line with their job offer, and in turn, may apply for a longer period of leave. Previously, Tier 2 Migrants would be granted permission to work for three years and need to apply for an extension once in the UK. From April, we propose introducing new categories of Tier 2 leave, in line with the duration of the certificate of sponsorship issued to a potential applicant. We propose a fee of £601 for leave to remain, or £514 for entry clearance applications in Tier 2 (General), Tier 2 (intra-Company Transfer) Long Term Staff, Tier 2 (Sportsperson) or Tier 2 (Minister of Religion) categories where a certificate of sponsorship has been issued for a period of up to three years; and £1,202 for leave to remain or £1,028 for entry clearance applications in those categories where a certificate of sponsorship has been issued for a period of more than three years.
- 7.10 The Home Office is introducing a new concession on fees for applications made in the Tier 2 category under the Points-Based System. This relates to applications made under the shortage occupation categories as determined by the Migration Advisory Committee. We propose to offer a concession to reduce the fees for applications made for entry clearance or leave to remain in the relevant categories where a genuine skills shortage has been identified in the UK labour market. A fee of £428 reduced from £514 is proposed for Tier 2 (General) entry clearance and £428 from £601 for limited leave to remain applications where the applicant has been assigned a shortage occupation certificate of sponsorship for a period of up to three years; and a fee of £856 for leave to remain or entry clearance applications where the applicant has been assigned a shortage occupation certificate of sponsorship for a period of more than three years. This concession will ensure that applications made under the shortage occupation categories will be priced no higher than any other Tier 2 application, in recognition that applicants to this category are filling posts where a gap in the labour market has been independently assessed as required.

### **Dependants applying to extend their leave in the UK**

- 7.11 The Home Office has reviewed the way fees are set for applications from dependants applying to extend their leave in the UK. Last year, we reduced the concession to allow a 25% reduction in the fee that applies to a main applicant where a dependant applies at the same time as the main applicant. This year, we propose to remove this concession, bringing fees for dependants to the same level as main applicant fees. This brings the fee structure for dependant applications in the UK in line with that in place for visas, where all



people applying for the same category of leave pay the same individual fee. The Home Office believes this is the right approach because each application provides a successful applicant with an independent set of rights and entitlements, and also creates an additional processing cost for the Home Office.

### **Applications relating to nationality**

- 7.12 Last year, the fees charged for registration as a British citizen applications were reviewed in relation to the fees for Naturalisation (Nationality) applications. Both categories of fees are set at levels above cost recovery to reflect the significant entitlements and benefits available to applicants for citizenship. For example, successful applicants in both of these categories have the ability to apply for a British passport that provides them with free movement rights within the European Economic Area (EEA) and allows them to live and work in any part of the European Union (EU).
- 7.13 This year, the Home Office has further reviewed its overall approach to charging for applications in connection with nationality and British citizenship. As a result, fees for applications for registration and for naturalisation as a British citizen have been further aligned, with a concession applied to registration application fees. The concession is to acknowledge that the registration provisions cater for people closely connected with the UK with sufficiently strong or established links to be able to register as a British citizen.
- 7.14 Therefore, the Home Office is proposing a fee of £826 from £794 (plus an additional £80 to cover the citizenship ceremony fee) for naturalisation applications, and a higher increase for registration applications, bringing the fee to £743 from £673 (plus the ceremony fee). A price differential will be maintained between these two application types in recognition that certain people would qualify by right to apply for British citizenship via the registration route. A similar approach will also apply to fees for applications for naturalisation and for registration as a British overseas territories citizen, where fees are set lower than for British citizenship as there are fewer entitlements. We propose a fee of £661, up from £568 for naturalisation and £595, up from £568 for registration in this category of British nationality. The fee concession in respect of the second application for all joint applications for naturalisation by spouses or civil partners is no longer offered.
- 7.15 Furthermore, the Home Office proposes to separate fees for applications for registration as a British citizen from minors from the fees that apply to adult registration applications. The Home Office proposes a new lower registration fee for minors of £669, from the previous level of £673. The Home Office has also removed the previous provisions for fee reductions that applied only in respect of multiple minor applications, meaning in future each individual application from a minor will benefit from the reduced fee.
- 7.16 The Home Office has also considered the fees for registration applications in the other charged categories of British citizenship. A similar charging approach will also apply to these categories, with a lower fee charged on the basis that entitlements conferred on a successful applicant are fewer than under other British nationality categories. As above, a lower fee will also apply to registration applications from minors than is proposed for applications from adults. For applications for registration as a British subject,

British overseas citizen or British protected person, a fee of £595, up from £568 will apply, with applications from minors charged at £536, reduced from previous level of £568.

### **Settlement applications for Armed Forces family members**

- 7.17 The Home Office has reviewed the settlement provisions in the Immigration Rules that apply to dependants of serving Armed Forces personnel who enter the UK to join their serving family member. Following these changes, the Armed Forces family rules will be aligned with the family migration rules in Appendix FM. The new rules came into effect on 1 December 2013. The changes will mean that all non-EEA partners of HM Forces personnel granted leave under the Immigration Rules will be granted a longer period of leave to allow them to serve a 5 year probationary period before being eligible to apply for settlement. Dependants spending time overseas to accompany a serving family member on a posting will also now be able to make an application for permanent settlement from overseas, charged at the same level as an application for permanent settlement made in the UK.
- 7.18 This provision removes the need for applicants to have to make a paid application to extend their initial visa before applying for permanent settlement in the UK. The Home Office previously offered a concession on the entry clearance fees for this group to help offset some of the financial disadvantage faced by applicants having to make this additional application or applying from overseas when on an accompanied posting. This concession will now be removed and dependants of serving Armed Forces personnel will benefit from a smoother process towards qualification to apply for permanent residency in the UK.

### **Long term visit visas**

- 7.19 The Home Office is proposing to freeze the fees for the 10 year long term visit visa at the current level of £737. This visa is unique on the international market and offers the holder the ability to enter the UK as often as they like over the period granted, staying for a maximum of 6 months on any single visit. The Home Office would like to promote this route in view of the benefits to an applicant such as increased flexibility for the frequent traveller to the UK and the convenience of not having to make multiple visa applications, each requiring biometric information to be taken.
- 7.20 The Home Office also offers the long term visit visa with similar benefits to the 10 year visit visa for a shorter duration in the form of a 2 year and a 5 year visa. The fees increases for these visas have been staggered in order that the 10 year version can be held at current levels. We proposed a fee of £300 up from the current level of £278 for the 2 year visit visa and £544 up from £511 for the 5 year visit visa. The fees for all these visas are set above the administrative cost of processing an application to reflect the benefits to a successful applicant of these products.

## **Optional premium services**

- 7.21 The Home Office is expanding the availability of its optional premium services in the UK, overseas and at the UK border. This is to offer greater choice for its customers. Last year, the Home Office made some changes to the way it applies discretionary premium service fees and introduced some new services for potential applicants. This meant that applicants in the UK who wanted to use an 'in person' service to make an application could choose to do so and pay a single premium uplift fee of £375, in addition to the standard application fee for each application type. A new optional priority service for applicants who want an expedited decision but do not want to attend a public enquiry office in person was also introduced for limited application types, for an uplift fee of £275. We propose an increase in fees for both of these services, with the 'in person' premium uplift rising to £400 and the priority service premium rising to £300. Applicants who choose to use these services benefit from having a faster service and greater flexibility. Therefore, we have applied a higher increase to these services to help reduce the level of increase applied to the fees across all the other application types.
- 7.22 The Home Office has also reviewed its approach to the charging regime in relation to premium value added services provided by commercial partners to support visa services overseas. Previously these fees have not been included within the Home Office regulations. In the interest of transparency, this position has now been reconsidered and optional charges for added value premium services and processes in connection with immigration and nationality delivered by commercial partners overseas are to be reflected within the Home Office fees regulations. The Home Office believes that this is in the best interest of the applicants to provide clarity about what each applicant can expect to pay.
- 7.23 The Home Office is also expanding its offering of premium services at the UK border with a view to achieving an enhanced experience for passengers entering the UK regularly. Following a recent successful pilot, the regulations will enable the registered traveller scheme to be rolled out as an optional chargeable service. This service is aimed at frequent travellers to the UK, and provides an option for passengers to sign up for membership of the scheme in order to benefit from expedited transit through the border. A fee of £50 is proposed for annual membership of the scheme, along with a fee of £20 for registration of new documents or updating any existing membership details. This optional service will allow users to use e-gates at the UK border, reducing queue time for passengers on the registered traveller scheme. The scheme will improve the perception of the UK border to those entering the UK regularly.

## **Council of Europe Social Charter Fee Reductions**

- 7.24 The Home Office has reviewed the approach to offering concessions on fees for nationals of countries that have ratified the Council of Europe Social Charter 1961 (the CESC), for applications for leave to remain in the UK under work routes. Previously, the regulations have specified a reduced lower fee for applications from CESC nationals in the relevant categories alongside the general application fee, generally at a reduction level of 10% of each relevant

fee. Going forward, we proposed to simplify this approach by offering a single fixed reduction set at £55 to all applications from CESC nationals in the relevant routes. In practice, this concession on fees will apply mainly to nationals of the Former Yugoslav Republic of Macedonia and Turkey, as other CESC nationals now benefit from other more favourable provisions by virtue of their country's membership of the European Union.

### **Clarification on application of consular rate of exchange provisions**

- 7.25 The Home Office has included a provision within these regulations to make clear how the consular rate of exchange provisions affect fees charged for applications made overseas. The Consular rate of exchange is set by consular officers overseas and is used to calculate the amount of the fee in the relevant local currency at a given point in time. This is a technical measure, intended to remove the risk of fluctuating exchange rates having an adverse effect on fees income. The rates that apply are specified locally by the Foreign and Commonwealth Office.

## **8. Consultation outcome**

- 8.1 The Home Office conducted a targeted public consultation between 12 November and 3 December 2013 on how the current charging strategy works in practice to help inform and shape the approach to charging in the future. The responses have been analysed and reflected in the proposals that have formed these regulations. The government response to the consultation has been published on the government consultation website.
- 8.2 Prior to this, the former UK Border Agency ran a full public consultation on 'Charging for Immigration and Visa Applications' between 1 September 2009 and 1 January 2010. Over 90% of respondents agreed that the UK Border Agency should continue to set fees flexibly by taking into account wider policy objectives, such as attracting specific groups of migrants that are beneficial to the UK. The UK Border Agency published the formal government response to the consultation on 14 January 2010 on its website at <http://webarchive.nationalarchives.gov.uk/20100422120657/http://www.ukba.homeoffice.gov.uk/sitecontent/documents/aboutus/consultations/charging09/>

## **9. Guidance**

- 9.1 The Home Office will announce details of the new fee levels and their commencement dates to Parliament in a Written Ministerial Statement. Full details of each fee and guidance to general members of the public on how to apply under each route will be made available on the UK Border Agency / Gov.uk website.

## **10. Impact**

- 10.1 The impact on business, charities and voluntary bodies is estimated to be zero net cost as explained in the full impact assessment attached as an Annex to this Explanatory Memorandum, which will also be published at [www.legislation.gov.uk](http://www.legislation.gov.uk)

10.2 The impact on the public sector is explained in Annex 5 of the attached impact assessment.

## **11. Regulating small business**

11.1 The legislation applies to small business who use the optional Premium Sponsor service for small sponsors, or issue Certificates of Sponsorship for Tier 2 migrants.

11.2 To minimise the impact of the requirements on firms employing up to 50 people, we have maintained our approach of charging a lower fee for small businesses who apply for either the standard sponsor licence or the optional premium sponsor services. The lower fee for the standard sponsor licence is set below cost in separate regulations.

## **12. Monitoring & review**

12.1 The Home Office will closely monitor the impact of fees for the application and services contained in these regulations. The Home Office reviews fees and charges for immigration and nationality applications annually. The Home Office monitors application trends on a monthly basis and officials from all relevant government departments consider proposals to amend fee levels to ensure they do not adversely impact on the UK economy.

## **13. Contact**

13.1 Shola Akinyamoju at the Home Office Operational Finance, Performance and Finance Directorate, Tel: 0208 196 0809 or email: [Shola.Akinyamoju@homeoffice.gsi.gov.uk](mailto:Shola.Akinyamoju@homeoffice.gsi.gov.uk) can answer any queries regarding the instrument.