



Home Office

# Workers and Temporary Workers: guidance for sponsors

## Part 3: Sponsor duties and compliance

Version 12/20

This document forms part of the collection 'Workers and Temporary Workers: guidance for sponsors'. It provides information on your duties and expected behaviours as a sponsor of workers on the Worker and Temporary Worker immigration routes and the action we may take against you if you breach these duties or behave in a way that is not compatible with being licensed by us.

It is to be used by all Worker and Temporary Worker sponsor licence holders from 1 December 2020.

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# About this guidance

This document provides guidance for employers and organisations who hold a sponsor licence under the Worker and Temporary Worker routes of the immigration system. It tells you how to meet your sponsor duties and the action we will take if you breach, or are suspected of breaching, these duties.

## Transitional arrangements for existing Tier 2 and 5 sponsors

The Worker and Temporary Worker routes replaced the Tier 2 and Tier 5 (Temporary Worker) routes from 1 December 2020. If you were licensed under Tier 2 or Tier 5 on 30 November 2020, your licence will have been transferred to the new system, with the same expiry date and the same Certificate of Sponsorship allocation. Your licence will have been renamed according to the following table:

Name before 1 December 2020	Name from 1 December 2020
Tier 2	Worker
Tier 2 (General)	Skilled Worker
Tier 2 (Intra-Company Transfer)	Intra-Company routes
Tier 2 (Minister of Religion)	T2 Minister of Religion
Tier 2 (Sportsperson)	T2 Sportsperson
Tier 5 (Temporary Worker)	T5 (Temporary Worker) or just Temporary Worker
Charity Workers	Charity Worker
Creative and Sporting	Creative or Sporting Worker
Government Authorised Exchange	Government Authorised Exchange Worker
International Agreement	International Agreement Worker
Religious Workers	Religious Worker
Seasonal Worker	Seasonal Worker

For more information, see [Part 1: Apply for a licence](#).

When considering your compliance with the sponsorship arrangements, we will take into account your behaviour and actions both under the Tier 2 and Tier 5 routes in place before 1 December 2020, and the Worker and Temporary Worker routes in place from 1 December 2020.

## Other guidance you must read

To make sure you meet all of the relevant requirements and fulfil your sponsorship duties, you must read the following parts of the sponsor guidance, in addition to this document:

- [Part 1: Apply for a licence](#) – if you do not already have a licence
- [Part 2: Sponsor a worker – general information](#)
- any relevant annexes or appendices referred to in the above documents

- the relevant route-specific guidance for the route, or routes, on which you are sponsoring, or intend to sponsor, workers

You can access all of these documents, and other information on sponsorship, on the [Sponsorship: guidance for employers and educators](#) page on GOV.UK.

This guidance is subject to change. If you have printed or downloaded a copy of this guidance, check the version number and date on GOV.UK to ensure you are using the most up-to-date version.

## Glossary

There is a glossary of terms used throughout the sponsor guidance in [Part 1: Apply for a licence](#).

## Contacts

If you think the guidance has factual errors or broken links, you can email the [Business Helpdesk](#).

If you have read this guidance, and the relevant route-specific guidance, and you still have any queries, you can call us on 0300 123 4699 or email the [Business Helpdesk](#).

## Version number and publication

Below is information on the version number of this guidance and when it was cleared for publication:

- Version **12/20**
- cleared for publication on 17 December 2020

## Changes from the last version of this guidance

This version replaces version 11/20. The following changes have been made:

- C1.12, 4<sup>th</sup> bullet point: the word “weeks”, which was accidentally omitted from the previous version, has been inserted
- C1.12, 5<sup>th</sup> bullet point: clarification that sponsors no longer need to report any increases to the worker’s salary
- references to ‘curtail’ or ‘curtailment’ (and derived words) have been amended to ‘cancel’, ‘cancellation’, ‘shorten’ or ‘shortening’, as appropriate
- C10.10 (table, second row): erroneous reference to ‘curtailment’ amended to ‘revocation’
- Annex C4, Example 8: has been redrafted for clarity; references to ‘umbrella company’ amended to ‘parent company’
- hyperlinks have been updated
- correction of typos and other minor housekeeping changes

## Related content

[Contents](#)

# C1. Your sponsor duties

This section tells you about your duties and expected behaviours as a sponsor of workers on the Worker and Temporary Worker routes.

- C1.1 This section applies to all Worker and Temporary Worker sponsors. You must also refer to the [route-specific guidance](#) for information on any specific duties you must meet on the route, or routes, on which you are sponsoring workers.
- C1.2 This document reflects current policy but can change at any time. We will let you know of any change through the sponsorship management system (SMS) message board. See the 'Sponsorship management system' section in [Part 1: Apply for a licence](#) for more information on the SMS.

## Guiding principles

- C1.3 Sponsorship is a privilege not a right. The sponsorship system reflects that those who benefit directly from migration (employers, education providers or other organisations who bring in overseas nationals) should play their part in ensuring the immigration system is not abused. Significant trust is placed in sponsors and they must ensure they comply with immigration law and wider UK law, and not behave in a manner that is not conducive to the wider public good.
- C1.4 To achieve these aims, all licensed sponsors must fulfil certain duties. Some of these duties apply to all sponsors, whilst others are specific to those licensed under certain routes.
- C1.5 The objectives of these duties include, but are not limited to:
- preventing abuse of immigration laws and sponsorship arrangements
  - capturing early any patterns of behaviour that may cause concern
  - addressing possible weaknesses in process which can cause those patterns
  - monitoring compliance with the Immigration Rules, all parts of the Worker and Temporary Worker sponsor guidance, and wider UK law (such as employment law)
  - ensuring sponsors do not behave in a way that is detrimental to the wider public good

## When do my sponsor duties start and finish?

- C1.6 Your responsibilities as a sponsor start on the day we grant your licence and will continue until:
- you [surrender your licence](#)
  - we make your licence dormant (for example, when you have been taken over by another organisation)

- we [revoke your licence](#)

C1.7 However, we reserve the right to take into account actions or behaviours (including immigration abuse, criminal conduct, or behaviour not conducive to the public good) that have occurred outside of the life-cycle of your licence.

C1.8 Your responsibility for each worker you sponsor starts on the day you assign a Certificate of Sponsorship (CoS) to them and ends as soon as any of the following events occurs (and you have reported the relevant event as required in the 'Reporting duties' subsection below):

- they leave the UK and their entry clearance or permission expires or lapses
- their application for entry clearance or permission is refused, or is cancelled, and any administrative review or appeal rights have been exhausted
- they are granted entry clearance or permission to work for a different sponsor
- they are granted settlement (indefinite leave to remain), or permission to stay on an immigration route that does not require sponsorship on the Worker or Temporary Worker routes
- you tell us that you are no longer sponsoring the worker for any other reason – for example, you have dismissed them or they have resigned

## What are my sponsor duties?

C1.9 Your duties as a licensed sponsor include:

- [reporting duties](#)
- [record-keeping duties](#)
- [complying with our immigration laws](#) and all parts of the Worker and Temporary Worker sponsorship guidance
- [complying with wider UK law](#)
- not engaging in behaviour or actions that are [not conducive to the public good](#)

C1.10 These are described in more detail below. If you fail to comply with your sponsor duties, we may take action against you. This can include any of the following sanctions:

- reducing your CoS allocation
- downgrading your licence rating
- suspending your licence while we investigate further
- revoking your licence
- reporting you to the police or other relevant authorities



## Reporting duties

C1.11 You must report certain information or events to us using the SMS within the time limits set below. Any information reported about a worker's non-attendance, non-compliance or disappearance may be used to take [enforcement action](#) against them.

## Changes you must report within 10 working days

C1.12 You must report the following within 10 working days of the relevant event occurring, or as specified below:

- if a sponsored worker does not start the role for which they are being sponsored – you must include in your report any reason given for their non-attendance, if known (for example, a missed flight, illness or bereavement)
- if a sponsored worker is absent from work for more than 10 consecutive working days without permission – you must report this within 10 working days of the 10<sup>th</sup> day of absence
- if a sponsored worker's contract of employment or contract for services, or any relevant professional registration ends earlier than shown on their CoS – for example, if the worker resigns or is dismissed
- if you stop sponsoring a worker for any other reason – for example:
  - their application for entry clearance or permission is refused
  - you become aware they have moved on to an immigration route that does not need a sponsor
  - they are absent from work without pay for more than 4 weeks and this absence is not covered by any of the exceptions specified in [paragraph 9.30.1 of the Immigration Rules](#) or the 'Unpaid leave' section in [Part 2: Sponsor a worker](#)
- if there are any significant changes in the sponsored worker's employment – for example:
  - a promotion or change in job title or core duties, other than those which need a change of employment application – see the 'Extensions, change of employment and settlement' section of [Part 2: Sponsor a worker](#) for more information on this
  - a reduction in salary from the level stated on their CoS – you do not have to report increases to salary
  - the location they are employed at changes – this includes where a worker is working at a different client's site or a sports player moves to another sports club on loan
- if a sponsored worker's employment is affected by [TUPE or similar protection](#)
- if a worker's sponsor changes but they will remain working for the same employer and in the same employment
- if the size or charitable status of your business changes – for example:
  - you were a large company but you now qualify as a small company or have gained charitable status
  - you were a small company but are now a large company
  - you previously held charitable status but have ceased to do so

C1.13 When you submit your report, you must also, where relevant, include the last recorded residential address and contact telephone number for the worker, and any personal email addresses you have for them.

## Changes you must report within 20 working days

C1.14 If there are any significant changes to your own organisation, you must report these within 20 working days of the change. Examples of significant changes include if you:

- change your company's name or the name of any of your branches
- sell all or part of your business
- are involved in a merger or are taken over
- stop trading or go into an insolvency procedure
- substantially change the nature of your business
- are convicted of a relevant offence as defined in Annex L3 of [Part 1: Apply for a licence](#)

See [Section C2, Section C3, and Section C4](#) for detailed guidance on what you need to report and how to do so.

## Other changes you must report

C1.15 You must give the police any information that suggests any worker you are sponsoring on any route may be engaged in terrorism or criminal activity.

## Record-keeping duties

C1.16 You must keep certain documents for each worker you sponsor. [Appendix D](#) of the sponsor guidance lists these documents and how long you must keep them. The documents can be kept in paper or electronic form. If kept electronically, you must make sure that all the relevant parts of the document are visible as described in Appendix D.

C1.17 You must give us, when asked, any documents relating to your sponsored workers or the running of your organisation that we consider relevant to assessing your compliance with your duties as a sponsor. We might, for example, ask for details of your recruitment practices so that we can make sure that a resident labour market test, where this is a requirement, was carried out correctly. If you fail to provide the documents when asked or within the timeframe we specify, we will take action against you.

C1.18 If you sponsor a child aged under the age of 18, you must keep a copy of a consent letter from their parents or legal guardian, or just one parent if that parent has sole legal responsibility for the child. This should contain their consent to the child's application, and to the child's travel, reception and care arrangements in the UK. Children aged 16 and 17 have the legal right to live independently in the UK, and may make their own arrangements for accommodation, but they need the consent of their parent(s)/legal guardian

to do this and to travel to the UK if applying from overseas.

- C1.19 Some of the documents you must keep as part of your sponsorship duties may also need to be kept for other purposes and, in some cases, for a longer period than that which required for sponsorship purposes (for example, to comply with legislation on [preventing illegal working](#)). You must meet any legal requirements for record keeping set by us or another government department.
- C1.20 You must also be aware of your responsibilities under the Data Protection Act 2018 and the General Data Protection Regulation. The '[Guide to the General Data Protection Regulation](#)' page on the Information Commissioner's Office website has information on this.

## Complying with our immigration laws

- C1.21 You must comply with our immigration laws and all parts of the Worker and Temporary Worker sponsor guidance. To do this, you must:
- only employ workers who are appropriately qualified, registered or experienced to do the job or will be by the time they begin the job – for example, if the worker will be sponsored as a doctor, you must make sure they have the correct registration that allows them to practise legally in the UK
  - keep a copy of any registration document, certificate or reference that confirms they meet the requirements of the specific job, and give this to us on request – we may request further information or evidence from you or the worker to confirm this requirement is met
  - not employ workers where they do not have the experience, qualifications or immigration permission to do the job in question, and stop employing any workers who, for any reason, are no longer entitled to do the job
  - not assign a CoS where there is no [genuine vacancy](#) or role which meets the Worker or Temporary Worker criteria – if you assign a CoS and we do not consider it is for a genuine vacancy, we reserve the right to [suspend](#) your licence, pending further investigation which may result in your licence being revoked
  - only allow the worker to undertake the roles permitted by the conditions of their stay – see the 'Conditions of stay' section of [Part 2: Sponsor a worker](#) for further information
  - only assign a CoS to workers who you believe will meet the immigration requirements of the route on which you propose to sponsor them, and are likely to comply with the conditions of their permission – see [Part 2: Sponsor a worker](#) and the relevant route-specific guidance
  - disclose (by adding a sponsor note) if you assign a CoS to a family member of anyone within the sponsor organisation if it is classed as a small or medium-sized business, or if you are aware you are assigning a CoS to a family member of anyone else within a sponsor organisation classed as a large business

- only assign a CoS to a worker if you are satisfied they intend to, and are able to, fill the role

## Genuine vacancy: definition

C1.22 A genuine vacancy is one which:

- requires the jobholder to perform the specific duties and responsibilities for the job and meets all of the requirements of the relevant route
- does not include dissimilar and/or predominantly lower-skilled duties
- is appropriate to the business in light of its business model, business plan and scale

C1.23 We may request additional information and/or evidence from you or the worker to establish this requirement has been met, and may refuse the worker's application if this is not provided within our deadline.

C1.24 Examples of vacancies that are not considered to be genuine include, but are not limited to:

- a role that does not actually exist
- one which contains an exaggerated or incorrect job description to deliberately make it appear to meet the requirements of the route when it does not, or is otherwise a sham
- a job or role that was created primarily to enable an overseas national to come to, or stay in, the UK
- advertisements with requirements that are inappropriate for the job on offer (for example, language skills which are not relevant to the job) or incompatible with the business offering the employment, and have been tailored to exclude settled workers from being recruited

C1.25 When you assign a CoS, the duration stated on the CoS must be an accurate reflection of the expected duration of the role. You must not assign a long-term CoS for a short-term role to enable the worker to be granted a longer period of permission.

## Complying with wider UK law

C1.26 You have a duty to comply with wider UK law (other than immigration law). This includes, but is not limited to:

- complying with [UK employment law](#), for example, National Minimum Wage and paid holiday entitlement
- complying with illegal working and right-to-rent legislation
- holding suitable planning permission, local planning authority consent or any legally required licence registration or approval to run your type/class of business at your trading address (where this is a local authority requirement)
- if you are a food business, being registered with or approved by the relevant food authority

- if you are required to be registered with or inspected or monitored by a statutory body to operate lawfully in the UK (such as a nursing or care home, financial or insurance business, or healthcare provider), ensuring you are registered with the appropriate body
- only employing a worker who has had a [Disclosure and Barring Service \(DBS\) check](#), where this is a requirement for the role
- where relevant, complying with our requirements on safeguarding children – see section L2 of [Part 1: Apply for a licence](#) for further information
- not engaging in any criminal activity

## Behaviour that is not conducive to the public good

C1.27 All sponsors have a responsibility to behave in a manner that is consistent with our fundamental values and is not detrimental to the wider public good. The Home Office will not license organisations whose actions and behaviour are non-conducive to the public good. Such actions and behaviour include but are not limited to:

- fostering hatred or inter-community division
- fomenting, justifying or glorifying terrorism
- rejecting the rights of, or discriminating against, other groups or individuals on the basis of their sex, age, disability, gender reassignment, sexual orientation, marital or civil partnership status, race, or religion or belief (including lack of belief)

C1.28 The Home Office will refuse a sponsor licence application or take the appropriate compliance actions if a prospective or existing sponsor is engaging, or has ever engaged, in such behaviour or actions. The compliance action taken will depend on the gravity of the behaviour and actions but could include compliance actions up to and including revocation of your licence.

### Related content

[Contents](#)

## C2. How to report changes to your organisation

This section tells you how to report a change in your or your organisation's circumstances, such as a change of address, changes to your key personnel, or if you are convicted of a relevant offence.

- C2.1 Before you read this section, ensure that you understand the definition of 'you' and 'your' in the glossary in [Part 1: Apply for a licence](#). You should also refer to the 'Key personnel' section in Part 1 to ensure you understand the roles of authorising officers, level 1 and level 2 users and key contacts.
- C2.2 You must tell us of any changes to your details. You can report most changes via the Sponsorship Management System (SMS). In limited cases, you will need to complete a 'sponsor change of circumstances' form instead. Once you have submitted details of the change or changes, we may ask you for further information and/or supporting evidence.

### Changes you must report via the SMS

- C2.3 Your level 1 user must access your SMS account and use the 'request changes to sponsor details' function to:
- replace your authorising officer or key contact
  - amend your current authorising officer's or key contact's details
  - amend your organisation's details, such as its name, address, contact details, or head office details
  - tell us about changes to your organisation's structure, such as more branches or sites, or new linked entities in the UK (or overseas if you are licensed under the Intra-Company routes))
  - tell us about a change in the status of any registration by a governing body that you need to hold
  - tells us if your organisation is subject to a [merger, takeover or similar change](#)
  - tell us if you are convicted of a relevant offence listed in Annex L3 of [Part 1: Apply for a licence](#)
  - tell us of any other changes to your circumstances, such as adding or removing a representative or [surrendering your licence](#)
- C2.4 There are circumstances when you have to complete more than one action on the SMS. For example, if you tell us of a change of address, you may also need to tell us of a change to the working address for your key personnel. You must request each change separately.
- C2.5 You can find guidance on how to request changes using the SMS under 'User manuals: sponsorship management system (SMS)' on the [Sponsorship: guidance for employers and educators](#) page on GOV.UK.

- C2.6 The following changes will normally automatically update in your SMS account once you have reported them:
- your main or head office address
  - the address of your authorising officer, key contact, or level 1 user, provided their new address matches your main or head office address (or, in the case of a key contact or level 1 user, the address of your representative)
- C2.7 Changes not listed in paragraph C2.6 above will not automatically update and (subject to paragraph C2.8 below) will be considered by a UKVI caseworker (decision maker).
- C2.8 If you were licensed before April 2009 and have had no compliance issues, you can replace your authorising officer or key contact and add new level 1 users immediately. We will undertake a number of checks on the new personnel and, where necessary, will deactivate level 1 users or instruct you to nominate a different authorising officer or key contact. We will notify you in writing if these automatic provisions apply to you. We may remove this facility from you if any compliance issues arise.
- C2.9 If you request a change to the name of your organisation on your licence, we will need to understand why you are changing it, because this will determine whether you have to apply for a new licence. If, for example, the only reason you are changing your name is because you are incorporating yourself for the first time, and nothing else is changing, we can change the name on your licence without a new licence application. If, however, your change of name is part of a wider change – for example, if you are involved in a [merger or takeover](#) – you may have to apply for a new sponsor licence.

## When you cannot use the SMS

- C2.10 You cannot use the SMS to report changes if you no longer have a level 1 user in place with SMS access (for example, if your only level 1 user has left your organisation). In such circumstances, you must fill in a [change of circumstances form](#) to do any of the following:
- appoint a new level 1 user
  - appoint a new level 1 user who is also the new authorising officer
  - appoint a new level 1 user who is also the key contact
  - appoint a new level 1 user who is also a representative where the representative has not yet been formally appointed
  - [surrender your licence](#)
- C2.11 Unless you are surrendering your licence, you must have at least one level 1 user in place at all times – see the ‘Key personnel’ section of [Part 1: Apply for a licence](#) for more information.

## Supporting evidence

- C2.12 When you send in the changes, either through the SMS or the change of circumstances form, you should also send us any relevant supporting evidence. We will tell you if we need additional documents or information to support your request. The documents may be ones other than those listed in [Appendix A](#) of the guidance for sponsors. When you request a change via SMS, a submission sheet will be produced as a PDF document if we need a signed declaration and/or any documents to validate your request. If you send the request using the [change of circumstances form](#), we will contact you in writing to tell you what, if any, documents we need.
- C2.13 You should scan or take pictures of your submission sheet and supporting documents and send them to the email address given on the submission sheet.
- C2.14 Files can be in PDF (preferred), JPEG or PNG format. File titles should be descriptive and no more than 25 characters long. To minimise file sizes, we recommend scanning in black and white or greyscale, not colour. Pictures taken by phone can be saved as Small or Medium size files. You should carefully check the quality of all scans or pictures before sending.
- C2.15 If you are unable to provide the submission sheet and supporting evidence digitally, you can contact us using the contact details given on the submission sheet.
- C2.16 Any affidavits or statutory declarations you send must have been witnessed by a qualified, independent person – for example, a solicitor, Notary Public, Justice of the Peace, Commissioner for Oaths, or (in Scotland only) a Councillor.
- C2.17 Any documents or other evidence we ask to see that are not in English or Welsh must be accompanied by a certified translation. The translator or translation company must confirm in writing on the translation:
- that it's a 'true and accurate translation of the original document'
  - the date of the translation
  - the full name and contact details of the translator or a representative of the translation company
- C2.18 In all cases, we reserve the right to ask you to send original documents (or certified copies) by post. See [Part 1: Apply for a licence](#) for guidance on certified copies.
- C2.19 You must send any declaration, supporting documents (if needed), and the submission sheet for requests made via your [SMS](#) account, to us within 10 working days. If we ask for more documents, you must also send these within 10 working days. If you do not send us the information by the given deadline, we will refuse your request and may [revoke your licence](#). If we refuse your request, you can make another one at any time, provided we



have not revoked your licence.

**Related content**

**[Contents](#)**

## C3. Insolvency procedures

This section tells you what you must do, as a licensed sponsor, if you enter an insolvency procedure.

### Administration or administrative receivership

- C3.1 If you go into administration, including special administration, or administrative receivership, you must:
- tell the administrator or administrative receiver that you are a licensed sponsor as soon as possible; and
  - tell us within 20 working days of going into administration or administrative receivership
- C3.2 The insolvency practitioner appointed as the administrator or administrative receiver must be appointed as your authorising officer (AO). This can be done in 2 ways:
- if they are content for your named level 1 user to stay in that role, then that level 1 user can use the 'request changes to sponsor details' function within your sponsorship management system (SMS) account to replace your AO
  - if they do not want your level 1 user to continue to access your SMS account, they must fill in a [change of circumstances form](#) to appoint themselves as your new level 1 user; they must write 'In Administration' or 'In administrative receivership' (as appropriate) across the top of the form so we can make sure that we can deal with the request quickly – once we have approved the change, they can then appoint themselves as the new authorising officer using your SMS account
- C3.3 There are different ways in which you can come out of administration or administrative receivership and some will have an impact on your continuing permission to hold a sponsor licence. A key factor will be whether or not you continue to own your business.

### Company voluntary arrangement or debt arrangement scheme

- C3.4 If you enter into a [company voluntary arrangement \(CVA\)](#), you must tell us within 20 working days of this being agreed and also tell us if it has resulted in a change of ownership. Where there is a change of ownership, we will treat this as if you have sold your business and will [revoke your sponsor licence](#). If you are sponsoring any workers when ownership changes and the new owner wants to continue employing them, they must apply for a sponsor licence within 20 working days of taking ownership. The '[Mergers, takeovers and similar changes](#)' section has more information on this.
- C3.5 If the CVA amounts to an agreement with your creditors, but no change in

ownership, then you can continue to hold your sponsor licence. Where relevant, you can also remove the administrator from the position of authorising officer and either re-appoint your original authorising officer or appoint a new one. You must do this using your SMS account.

- C3.6 If you enter into a [debt management plan](#) or a [debt arrangement scheme \(DAS\)](#) and there is no change in ownership, you can continue to hold your sponsor licence.

## Liquidation or sequestration

- C3.7 If you go into voluntary or compulsory liquidation, you must tell us within 20 working days of entering liquidation. If sequestration has been awarded or you have signed a Trust Deed and either of these means you stop trading, you must tell us within 20 working days of the date you finish trading. If you or any appointed insolvency practitioner cannot access your SMS account to report this, you must email the [Sponsor Compliance Team](#). We will then [revoke your sponsor licence](#).

## Sole traders

- C3.8 If you are a [sole trader](#) and you enter into an [individual voluntary arrangement \(IVA\)](#) or a [debt arrangement scheme \(DAS\)](#), you must tell us using your SMS account within 20 working days. If your IVA or DAS amounts to an agreement with your creditors where you remain sole owner of your business and continue to trade, you must also tell us about this. If this happens, you can keep your sponsor licence.
- C3.9 If your IVA or DAS results in your business being sold, you must tell us within 20 working days. We will then revoke your sponsor licence. If you are sponsoring any workers when your business is sold and the new owner wishes to continue sponsoring them, they must apply for a sponsor licence within 20 working days of taking ownership. The '[Mergers, takeovers and similar changes](#)' section has more information on change of ownership.
- C3.10 If you are a sole trader and a court issues a [bankruptcy order](#) against you, or sequestration has been awarded, you must tell us this within 20 working days. You will not be able to do this using your SMS account because you will not be permitted to access it. You must email the [Sponsor Compliance Team](#) telling us the date you finished trading. We will then [revoke your sponsor licence](#).

## Related content

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## C4. Mergers, takeovers and similar changes

This section tells you what action you must take if your organisation is involved in a change of ownership, merger, takeover, de-merger, or similar change, including if you lose or accept sponsored workers under [TUPE or similar protection](#).

### General principles

- C4.1 Your sponsor licence is not transferable and what happens to you, and your sponsored workers, will depend on whether:
- there is a change in direct ownership
  - you sell all or part of, or the controlling number of shares in, your organisation
  - you are partly or wholly taken over by another organisation
  - you are splitting out to form new organisations
- C4.2 Your level 1 user must report any of the above changes via your sponsorship management system (SMS) account within no more than 20 working days of the change taking place. If you fail to do so, we may [downgrade](#) or [revoke](#) your licence. If we revoke your licence, any workers sponsored by you may have their permission cancelled.
- C4.3 If your level 1 user is not available because you have been taken over or merged into another organisation, we will accept the report from the level 1 user at the new sponsor organisation.
- C4.4 Once you have reported the change, we will ask for and verify documents to support the change. These may be documents listed in [Appendix A](#) of the sponsor guidance, or we may ask for documents other than those in Appendix A, depending on the circumstances.
- C4.5 Where there is a change in direct ownership of your organisation or business – for example, if it is sold as a going concern, or a share sale results in the controlling number of shares being transferred to a new owner – your sponsor licence will be either [revoked](#) or, if sponsored workers have transferred to another sponsor's licence, made dormant. The new owners must then apply for a new sponsor licence, if they don't already have one, if they wish to continue employing any workers you were sponsoring.

### TUPE or similar protection

- C4.6 When a business changes owner or another business takes over part of it or a service it provides, its employees may be protected under the [Transfer of Undertakings \(Protection of Employment\) Regulations 2006](#) (as amended) ('TUPE'). In general terms, TUPE protection means that the employees' jobs transfer to the new company and their terms and conditions of

employment remain the same. You can find more information about [TUPE](#) on the GOV.UK website.

C4.7 Alternatively, where TUPE does not apply (for example, staff working in the public sector), employees may benefit from similar protection to TUPE. In this guidance, 'similar protection' to TUPE includes provisions such as:

- [Cabinet Office Statement of Practice on Staff Transfers in the Public Sector](#)
- [section 23 of the Public Bodies Act 2011](#)
- [the Transfer of Undertakings \(Protection of Employment\) \(RCUK Shared Services Centre Limited\) Regulations 2012](#)
- [the Transfer of Undertakings \(Protection of Employment\) \(Transfers of Public Health Staff\) Regulations 2013](#)
- [the Transfer of Undertakings \(Protection of Employment\) \(Transfer of Staff to the Department for Work and Pensions\) Regulations 2014](#)
- other similar staff transfer schemes provided for in legislation

C4.8 With the exception of transfers provided for in the Cabinet Office Statement of Practice, the transfer scheme must have a statutory basis to be considered as 'similar protection' – it does not include ad hoc arrangements.

C4.9 See [Example 8](#) in Annex C4 for guidance on what happens if there is a change of sponsor for reasons not related to TUPE or similar protection, but the sponsored worker remains working for the same employer and in the same employment (for example, where a company with multiple branches re-organises its licence).

## What this means for sponsored workers

C4.10 Workers who change employer under TUPE or similar protection do not need to make a new application for permission, and the new sponsor does not have to assign a new Certificate of Sponsorship (CoS) to the worker, provided:

- the new sponsor has a valid sponsor licence in the relevant route and has confirmed that it accepts responsibility for the worker, and
- the worker's duties remain unchanged

## What this means for you (the sponsor)

C4.11 If a sponsored worker moves to you under TUPE or similar protection, and you already have the appropriate sponsor licence, you will, from the date of the move, take up full responsibility for them as their new sponsor, and must meet all of the associated duties set out in this guidance. You must confirm that you will take responsibility for them via your SMS account.

C4.12 Where workers are being moved to you under TUPE or similar protection, but you do not already have a sponsor licence under the route needed to sponsor them, you must either make an application for a sponsor licence, or

apply to extend the scope of your existing sponsor licence. Your application must be made within 20 working days of the move taking place.

C4.13 If you:

- do not make a valid application within 20 working days, or
- do make a valid application, but that application is refused

all of the workers who moved to you, except any who can be sponsored under your existing licence if you have one, will have their permission cancelled.

## Processes you must follow

### Complete takeovers and mergers

C4.14 If you are completely taken over or merged into another organisation and your sponsored workers are moving to a new organisation, you must:

- report the change via your SMS account, including details of all of your sponsored workers who will be moving to the new organisation – you must make the report within 20 working days of the change
- use the migrant reporting facility on the SMS to report if any of your sponsored workers are not moving to the new sponsor – these workers' permission will be cancelled
- confirm if you need to [surrender your sponsor licence](#) – this can be done using your SMS account or (if you no longer have a level 1 user with SMS access) the [change of circumstances form](#)

C4.15 If you have completely taken over, or merged with, another sponsor organisation and their sponsored workers are moving to you, you:

- must make a valid application for a sponsor licence, or apply to extend the scope of your existing licence, if you do not already hold the relevant licence, within 20 working days of the date they move to you
- can use the [SMS to apply for an increase in your allocation of Certificates of Sponsorship \(CoS\)](#) if you already have a sponsor licence, and the change means you may need to recruit more workers in the future
- must report the change via SMS, including details of any workers you have accepted sponsorship responsibility for, if you already have a sponsor licence – you must make the report within 20 working days of the change taking place
- must request to make the previous sponsor's licence dormant

C4.16 We can give you limited access to the previous sponsor's licence on the SMS, so that you can report worker activity for those whose employment has transferred to you.

## Partial takeovers and de-mergers

C4.17 If you are partially taken over, or if you are splitting out to form one or more new organisations and some of your sponsored workers will be moved to a new organisation under [TUPE or similar protection](#), the action you must take will depend on whether you are the new sponsor or, if you are the old sponsor, you still have any sponsored workers.

### If you no longer have any sponsored workers

C4.18 If you are the existing sponsor and the change means that you will no longer have any sponsored workers, you:

- must report the change using the SMS, including details of workers moving to the new organisation, within 20 working days of the change
- may want to surrender your licence – this can be done by using the SMS or (if you no longer have a level 1 user with SMS access) the [change of circumstances form](#)

C4.19 If the change leaves you with no sponsored workers, but you are not sure whether you will need to sponsor any new workers in the future, you can keep your licence if you want to. If you do keep it, we will reduce your CoS allocation to zero. If you surrender your licence, but then need to recruit workers again in the future, you will have to apply for a new licence.

### If you still have sponsored workers

C4.20 If you are the existing sponsor, and you still have sponsored workers, you must:

- report the change via SMS, including details of workers who will be moving to the new organisation, within 20 working days of the change taking place
- tell us if you need to [amend your allocation of CoS via your SMS account](#) – for example, if you will need fewer CoS than was agreed before the change
- continue to report on any sponsored workers you are still employing (you will no longer have any responsibility for reporting on workers who moved to the new organisation)

C4.21 If you are unsure whether or when you may need to recruit any new workers in future, we will reduce your CoS allocation to zero.

### If you are the new sponsor

C4.22 If you are the new sponsor, you:

- must make a valid application for a sponsor licence within 20 working days of the date the workers move to you, if you do not already have a relevant sponsor licence

- can use the [SMS to apply to increase your allocation of CoS](#), if you already have a sponsor licence and the change means you may need to recruit more workers in the future
- must report the change via SMS, including details of any workers you have accepted full sponsorship responsibility for, within 20 working days of the change taking place

C4.23 As the new sponsor, you will not be able to report on the workers who have transferred to you from the old sponsor organisation through SMS because you will not have an SMS record for them. However, you must still report on these workers to meet your sponsor duties. To do this, you must email the [Tier 2 and 5 Migrant Reporting team](#) with the following information:

- previous sponsor organisation's name
- previous sponsor organisation's licence number, if known
- workers' details
- details of any other changes or relevant information – for example, if a worker is absent from work for 10 consecutive working days without permission

## Further guidance on mergers, takeovers and similar changes

C4.24 See [Annex C4](#) of this document for further guidance on how mergers, takeovers and similar changes may affect you and the action you need to take.

### Related content

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## C5. How to renew your licence

This section tells you about the processes you must follow to renew your sponsor licence when it has expired, or is about to expire, and what happens if we refuse to renew your licence.

### Overview

- C5.1 Your licence start and end date, and the date you can make an application to renew your licence, can be viewed using the 'Licence summary' function in your sponsorship management system (SMS) account. Your licence end date is the last date you can make an application to renew your licence. If you do not make your renewal application by this date, your licence will expire the following day. If we grant your application to renew your licence, your end date and future renewal date will be updated.
- C5.2 If you have been granted a licence and later applied for an extra route, the expiry date of the original licence will apply to all extra routes you added.
- C5.3 If you do not apply to renew your licence and it expires, you will no longer be a licensed sponsor from the date that it expired. This means:
- you will not be able to access your SMS account
  - you cannot assign any more certificates of sponsorship (CoS)
  - we will usually shorten the permission of any workers you are sponsoring to 60 calendar days if their visa doesn't expire before then
  - your details will be removed from the [Register of licensed sponsors: workers](#) on GOV.UK
- C5.4 If you have any sponsored workers working for you, you must renew your licence before it expires if you want them to continue working for you, even if you do not plan to sponsor any new workers.
- C5.5 It is your responsibility to renew your licence and you must make sure you apply in good time. We will send you reminders but if you leave it until the last minute and have a problem, such as if there is a problem with your internet service, we cannot stop your licence from expiring.

### When to renew your licence

- C5.6 You must apply to renew your licence using your SMS account. You will be able to make your renewal application from 90 days before the expiry date of your licence.
- C5.7 You must review the current version of the sponsor guidance to ensure you are aware of any changes that affect you. You must ensure you are compliant with any requirements that have been introduced since your first licence approval.
- C5.8 We will write to you 120 calendar days before the expiry of your licence to

confirm your licence expiry date and tell you that you will soon need to apply to renew it. We will write to you again 90 calendar days before the expiry of your licence to remind you to renew your licence. More reminders to renew your licence will be sent:

- 60 calendar days before it is due to expire
- 30 calendar days before it is due to expire
- 14 calendar days before it is due to expire

- C5.9 We recommend that you apply to renew your licence early, or at least one month before the expiry date. If you apply in good time, you will have the chance to apply again if your application is rejected. If your licence has expired when we make a decision to reject or refuse your application, you will not be able to make another application to renew your licence.
- C5.10 If you delay your renewal application and it is rejected, you risk the possibility that your licence expiry date will have already passed and you will not be able to make another application to renew because it will have expired.
- C5.11 If, for whatever reason, you fail to renew your licence in time, and you still wish to sponsor workers, you will have to apply for a new licence. Until that application is approved, you will be removed from the register of sponsors and your existing sponsored workers' permission will be cancelled – see paragraph C5.3 above for further information on the consequences of failing to renew your licence in time.

## How much it costs to renew your licence

- C5.12 The fee for renewing your licence is the same as it would be if you were applying for a licence for the first time. Fees can be found on the '[UK visa sponsorship for employers](#)' page on GOV.UK. If you do not pay the full fee, we will reject your application.

## How the renewal process works

- C5.13 The licence renewal function in your SMS account can only be accessed by a level 1 user. You should talk about your licence renewal with your authorising officer before a level 1 user sends your application. When the level 1 user sends the application, they will be confirming that they have the consent of your authorising officer.
- C5.14 At the end of the process, the level 1 user will be asked to make an online payment to cover the licence renewal fee and print off a summary sheet for your information. You do not need to send us any documents at this stage.

- C5.15 If you pay:
- the small licence fee when you should have paid the large fee, your application will be rejected and any fee you have paid will be refunded
  - the large fee when you should have paid the small fee, your application will be accepted and we will refund the difference
- C5.16 If your application is accepted, we will temporarily extend the expiry date of your licence to allow us time to conduct any checks we decide are necessary before deciding your application.
- C5.17 The checks we make could include asking you to send us some documents. These may be the same documents as those listed in [Appendix A](#) as mandatory for organisations applying for a new sponsor licence. We may also ask for other information or documents not listed in Appendix A. If we contact you to ask for any information or documents, you must send them within 5 working days.
- C5.18 You must normally send any supporting documents (if requested) by email to Sponsor Renewals mailbox. If you are unable to send documents electronically, you must contact us to make alternative arrangements.
- C5.19 If you do not send the documents within this time, we will take action against you. We may:
- reduce or remove your CoS allocation
  - [downgrade your licence to a B-rating](#)
  - [suspend your licence](#) pending further investigation
  - [revoke your licence](#)
- C5.20 We may visit you when you apply to renew your licence. If you are an A-rated sponsor at the time you apply and, on our visit, we have concerns about any of your actions as sponsor, we will either:
- grant your application to renew your licence but downgrade it to a B-rating, or
  - revoke your licence
- C5.21 If your licence is B-rated at the time you apply, you will remain under your sponsorship action plan and we will not make a final decision on your application until the period covered by your plan has passed.
- C5.22 If your licence is suspended but is due to expire, you must still apply to renew it. If you don't apply to renew it and the result of the suspension does not lead to your licence being revoked, we will not be able to reinstate your licence if it has expired.
- C5.23 If we have granted you access to a dormant sponsor licence because you have been involved in a [merger, takeover or similar change](#), you do not

need to do anything about that dormant licence expiring. You will continue to be able to access it until the last grant of permission for a worker sponsored under that licence has expired.

## If you do not wish to renew your licence

- C5.24 You may decide that you do not wish to renew your licence because you no longer sponsor any workers and do not intend to sponsor any in the future.
- C5.25 The renewal function in your SMS account includes an option to 'decline' to renew your licence. If you choose to decline and work through this process to its end, you will not be able to change your mind afterwards and your licence will expire on its due date. Nothing can be done to change or reverse this.
- C5.26 If you decline to renew your licence, either deliberately or in error, once it has expired we will shorten the permission of any worker you were sponsoring, normally to 60 calendar days, unless they have less than 60 days permission (in which case, we will not shorten their permission).
- C5.27 If you later successfully apply for a new licence, you cannot automatically continue sponsoring workers that you sponsored under your old licence. You must assign a new CoS to them and they must apply for new entry clearance or permission. For some routes, you may need to undertake a resident labour market test or follow specific codes of practice before you can assign a CoS to the worker – see the relevant route-specific guidance for information on this.
- C5.28 Workers who are in the UK must apply for permission to stay before their existing permission expires. If their permission has expired by the time they are ready to make an application, they will have to leave the UK or face enforced removal, unless any of the exceptions in [paragraph 39E of the Immigration Rules](#) apply.

### Related content

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## C6. How to surrender your licence

This section tells you what you must do if you decide to surrender your sponsor licence.

- C6.1 You can surrender your sponsor licence if you no longer wish to sponsor workers, and have no sponsored workers still working for you. You do this using your sponsorship management system (SMS) account, unless you have no level 1 users in place, in which case you must use the [Change of circumstances](#) form on GOV.UK. You will need to sign a declaration. You may also need to send supporting evidence – we will tell you if this is the case.
- C6.2 Once we have accepted your request to surrender your licence, we will remove your entry from the [Register of licensed sponsors: workers](#) on GOV.UK.
- C6.3 We will not refund any of your licence fee if you surrender your licence.
- C6.4 You may choose to surrender your licence in all routes in which you are licensed, or surrender only in certain routes. You must clearly state which route or routes you are surrendering when you request the change in your SMS account.
- C6.5 When you make this request, you must confirm that you no longer have responsibility for any workers whom you previously sponsored. If you do have any sponsored workers, we will revoke your licence and cancel the workers' permission in the UK.
- C6.6 If you surrender your licence, you can apply for a new sponsor licence at any time, provided we were not taking compliance action against you when you surrendered your licence. You will have to pay the correct fee and produce all relevant documents appropriate to the route, or routes, in which you are applying.
- C6.7 If you wish to surrender your licence while we are taking compliance action against you, you may do so but you will not be eligible to re-apply for your licence for 12 months from the date we accept your request to surrender your licence. See the 'Cooling-off period' section in [Part 1: Apply for a licence](#) for further information on this.

### Related content

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## C7. Compliance checks

This section tells you about the checks we make to ensure you are complying with your [sponsor duties](#) and the action we will take if we find you are not.

### Guiding principles

- C7.1 The ability to sponsor workers to work in the UK is a privilege that must be earned. When a sponsor is granted a licence, significant trust is placed in them. With that trust comes a responsibility for sponsors to act in accordance with our immigration law, all parts of the Worker and Temporary Worker sponsor guidance, wider UK law (such as employment law) and the wider public good. UKVI has a duty to ensure all sponsors discharge these responsibilities, and that a sponsor's actions (or omissions) do not create a risk to immigration control or are not conducive to the public good.
- C7.2 The majority of those who employ overseas workers are honest and willing to comply with their duties. However, because sponsorship transfers a significant amount of responsibility and trust to sponsors, we have a duty to ensure that we deal appropriately with the minority who do not comply with their duties. We place great weight on the importance of trust in the operation of the sponsorship system and the need to ensure that sponsors take their duties seriously.
- C7.3 We will continually monitor sponsors' compliance and take action against those who:
- pose, or may pose, a threat to immigration control
  - breach their [sponsorship duties](#), or otherwise fail to comply with the Immigration Rules or Worker and Temporary Worker sponsor guidance
  - are convicted of criminal offences or issued with certain civil penalties (such as those for employing illegal workers)
  - have engaged or are engaging in behaviour or actions that are not conducive to the public good
- C7.4 Compliance checks may be taken on the basis of a reasonable suspicion that you have breached your sponsor duties or are otherwise no longer suitable to hold a licence.
- C7.5 We have a range of measures to make sure that we enforce sponsors' duties and identify dishonest, incompetent, or otherwise inappropriate sponsors early on. Action we may take includes:
- reducing your certificate of sponsorship (CoS) allocation
  - [downgrading](#) your licence to a B-rating
  - [suspending](#) your licence
  - [revoking](#) your licence
  - cancelling the permission of your sponsored workers to remain in the UK

- where we believe a criminal or civil offence has taken place, reporting this to the police or other relevant authorities

## How we check you are complying with your sponsor duties

- C7.6 To check you are able and continuing to comply with the duties and responsibilities of a being a licensed sponsor, we may:
- ask you for additional documents or information
  - verify documents and information you have provided
  - visit you
  - make checks with other government departments, agencies or local authorities
  - consider any other information or evidence that comes to light – for example, during the course of considering applications from your sponsored workers or through allegations from members of the public
- C7.7 We will also make regular checks with HMRC to ensure you are paying your workers appropriately and in line with the Immigration Rules and sponsor guidance.
- C7.8 The purpose of these checks is to make sure:
- the information you have given is accurate and complete
  - you are able to offer genuine employment
  - you are genuine and trading or operating lawfully in the UK
  - there are no reasons to believe you represent a threat to immigration control or that you are engaging or have engaged in behaviour or actions that are not conducive to the public good
  - you are committed to, and actually are, complying with all the duties of sponsorship
- C7.9 We may check sponsors at any time, including before we make a decision on your licence application or after your licence has been granted. If we visit you, these visits can be announced or unannounced.

## Co-operating with us

- C7.10 You must co-operate with us and allow our staff full access to any premises or sites under your control on demand. If your sponsored workers perform their employment duties at a third party's office, it is your responsibility to ensure that the third party is aware we may carry out unannounced visits to, and conduct checks at, their premises. You must ensure their full co-operation. If any such third party is uncooperative, we will take action against you.

C7.11 We will not tolerate:

- abusive, intimidating or threatening behaviour
- conduct amounting to harassment based on a person's actual or perceived sex, age, gender reassignment, race, religion or belief, sexual orientation, pregnancy or maternity, marital or civil partnership status or disability
- attempts to use pressure or bribery to get information

C7.12 You must adhere to any action plan set by us. An [action plan for B-rated sponsors](#) may set out extra duties you must comply with.

C7.13 You must minimise the risk of immigration abuse by complying with any good practice guidance for sponsors produced with our agreement.

## What happens during a compliance check

C7.14 Our compliance officers will carry out relevant checks and may visit you and any physical addresses where your sponsored workers carry out their work (including a third party's offices).

C7.15 The compliance officer may want to:

- verify any information you gave in your sponsor licence application – this may include taking photographs of the location and the premises from which you are operating your business
- verify any information you gave in support of any worker's application for entry clearance or permission
- check you are complying with all of your sponsor duties, or will be able to comply if they visit you before your licence application has been decided
- speak to any sponsored workers, including any workers you may have previously sponsored
- speak to any of your employees or colleagues involved in the recruitment of sponsored workers
- inspect records and/or systems to ensure you are following your sponsor obligations and adherence to rules, such as those on record keeping set out in [Appendix D](#) of the sponsor guidance
- conduct checks on other workers to ensure you are complying with your obligation to [prevent illegal working](#)
- conduct checks (including criminal record and civil penalty checks) on anyone falling under the general definition of 'you' (see Glossary in [Part 1](#) of the sponsor guidance), or anyone else associated with you, such as employees in positions of responsibility who are not directors or key personnel, and financiers involved in the running of your institution

C7.16 We may also carry out checks on any licensed sponsor by telephone, or by letter, asking for evidence to support any information you have given us either before or after your licence was granted.



- C7.17 We may also make checks with other government departments.
- C7.18 The compliance officer will not give an indication of their assessment or your ability to comply with sponsor duties during the visit.
- C7.19 The compliance officer, or any third party working on our behalf, visiting your premises will have official Home Office identification. If you doubt that the official is genuine, you should call us on 0300 123 4699.

## Discrepancies or problems discovered during checks

- C7.20 If we find discrepancies on your application after a decision has already been made, we will investigate and, if appropriate, take action against you.
- C7.21 If we find evidence you, a representative, or a person employed by you who appears to act on your behalf, have knowingly deceived us, or if we cannot verify statements made or documents given to us by you or these individuals, we will assess the evidence we have and take the appropriate action against you. We may also take into account information gained in interviews with your employees.
- C7.22 If you use, or attempt to use, deception to get a licence, you may be committing a criminal offence. We may inform the relevant authorities and prosecute you, a representative or a person employed by you who appears to act on your behalf, under the relevant Immigration Acts or other legislation. We can refuse future applications involving the same individuals.

## Outcome of compliance checks

- C7.23 After we have completed our checks, we will consider what, if any, action to take against you. We will notify you of our decision in writing.
- C7.24 Where there has been a breach, or suspected breach, of your sponsorship duties, or if we consider you pose a threat to immigration control or are not conducive to the public good, we will assess the issue and decide on the most appropriate course of action to take.
- C7.25 Where the breach is a relatively minor issue and you are willing and able to correct it, we will, in most cases, support you in making the relevant improvements by [downgrading your licence to a B-rating](#) and issuing a [time-limited action plan](#) which sets out the steps you must take in order to retain your licence.
- C7.26 Where there is a more serious breach indicating:
- a significant or systematic failing
  - you no longer meet the eligibility or suitability requirements for holding a licence
  - you pose a serious threat to immigration control

- you are engaging, or have engaged, in behaviour or actions that are not conducive to the public good

we may decide either to:

- [suspend your licence](#), with a view to revocation, while we investigate further, or
- [revoke your licence](#) without prior suspension

## Sanctions for employing illegal workers

C7.27 Under [section 15 of the Immigration, Asylum and Nationality Act 2006](#), all employers have a duty to check their employees have the right to work in the UK and to undertake the work in question. We will take action against those who employ illegal workers and do not undertake the correct checks. You can protect yourself by conducting the correct document checks which are set out in published guidance on GOV.UK: [Right to work checks: employer guidance](#).

C7.28 You must do this check before the relevant employment starts. If you employ someone who has no restrictions on their right to be in the UK and work (for example, if they have indefinite leave to remain), you only need to make this check once. If the employee has restrictions on their right to be in the UK and to do the work in question (for example, if they have limited permission to enter or stay under a Worker or Temporary Worker route), you need to conduct follow-up checks.

C7.29 If you employ workers illegally, you may face the following penalties:

- we may issue you with a civil penalty of up to £20,000 for each illegal worker
- if we issue you with a civil penalty, we are likely to revoke your licence and you will not be eligible for a new licence until at least 12 months have passed since you have paid the civil penalty in full (this period could be up to 5 years if you are issued with more than one civil penalty)
- if we need to take action to enforce payment of a civil penalty, this could adversely affect your ability to obtain credit
- you may be prosecuted for knowingly employing an illegal worker, for which you can go to prison for up to 2 years and/or receive an unlimited fine
- you may be prosecuted for having in your possession or under your control an identity document (or a copy of it) that is false or improperly obtained and you may go to prison for up to 5 years and/or receive an unlimited fine
- you may be disqualified from acting as a company director
- you may be prosecuted for facilitation or trafficking and, if convicted, you may go to prison for up to 14 years and/or receive an unlimited fine

- if you are subject to UK immigration control, and liable for employing illegal workers, this will be recorded on Home Office systems and will be used in the consideration of future immigration applications

C7.30 We may also tell other bodies, such as:

- the Gangmasters and Labour Abuse Authority (GLAA)
- the Office of the Immigration Services Commissioner (OISC)
- the Insolvency Service
- HM Revenue and Customs
- any other relevant government department or agency

C7.31 We publish the details of employers of illegal workers on GOV.UK:  
[Employers: illegal working penalties.](#)

#### **Related content**

[Contents](#)

## C8. Downgrading your licence rating

This section tells you about the circumstances in which we can downgrade your licence to a B-rating. For information on licence ratings, see [Part 1: Apply for a licence](#).

### Overview

- C8.1 We may downgrade your licence from an A-rating to a B-rating – for example, if we believe you do not have the necessary processes in place to comply with your sponsor duties or have not provided information you held when we asked you to provide it.
- C8.2 In general, we will only downgrade your licence for relatively minor breaches of the sponsorship system that we believe can be resolved by issuing an action plan. In more serious cases, we will suspend or revoke your licence.
- C8.3 If we downgrade your licence to a B-rating, you will have to comply with a time-limited action plan, for which you must pay a fee, and you will not be allowed to sponsor any new workers until you have regained your A-rating. We will revoke your licence if you do not comply with the action plan or make the necessary improvements during the time limit.
- C8.4 If you were rated A (Premium) or A (SME+) before we downgraded your licence, we will end your customer services benefits package. We will also remove the provision to replace your authorising officer or key contact and add new level 1 users automatically, if these provisions had previously been granted on your licence.

### How we decide whether to downgrade your licence

- C8.5 We will consider downgrading your licence if any of the issues listed in [Annex C2](#) or [Annex C3](#) arise. We reserve the right to suspend or revoke your licence without first downgrading it.
- C8.6 If we consider downgrading your licence, we will write to you to tell you what action we propose and why, giving you 20 working days from the date of that letter to respond in writing. We may extend this period at your request if we are satisfied there are exceptional circumstances for doing so.
- C8.7 You may make any written statements you think necessary to respond, including sending evidence. We will not hold an oral hearing. If new evidence comes to light during that period, we will write to you again, giving you another 20 working days to respond to the new evidence.
- C8.8 When we receive a response from you, we will consider this and may ask a compliance officer, other law enforcement agency, government department, agency, local authority, the police, foreign government or other body, for information. We will tell you of our decision within 20 working days of receiving your response.

- C8.9 If we do not receive a response from you within the time allowed, we will go ahead with whatever action we believe to be appropriate.
- C8.10 We will inform you of the decision in writing. We will send the decision letter to you by Royal Mail Signed For delivery. If we decide to downgrade your licence, this will take effect from the date of the decision letter.
- C8.11 If we downgrade you to a B-rating, you will not be able to assign any CoS to sponsor new workers until you have:
- demonstrated your commitment to make improvements by signing up to the measures set out in an action plan
  - paid the action plan fee, and
  - had your A-rating restored

## Sponsorship action plans

- C8.12 A B-rating is a transitional rating. If you are a B-rated sponsor, you must improve your performance enough to be upgraded to an A-rating within a specified time limit, not exceeding 3 months. If you do not, your licence will be [revoked](#).
- C8.13 If you are downgraded to a B-rating, you must adhere to an action plan, which will set out the steps you must take to return to an A-rating. This may include, for example, making improvements to your record-keeping, improving your control over staff who assign CoS, or improving communication between your different branches so you know when a sponsored worker has not turned up for work.
- C8.14 There is a fee for an action plan – see the [‘UK visa fees’](#) page on GOV.UK for information. This fee covers the cost of preparing and supervising the action plan. Where we decide a B-rating is appropriate, we will notify you in writing, and request payment for the action plan fee. You will then have 3 options:

Option	What will happen
1. You accept the action plan and pay the action plan fee within 10 working days (using the ‘Action plan details’ function in your SMS account).	If you make your payment within 10 working days, you will continue to be a licensed sponsor and we will proceed as set out in paragraphs below this table.
2. You decline to pay the fee	If you are not sponsoring a worker, you can choose to <a href="#">surrender your licence</a> .  To do this you should select the ‘decline’ option in the ‘Action plan payments’ function in your SMS account. You must also sign

Option	What will happen
	<p>the declaration attached to the decision letter telling you of your B-rating – this confirms that you want to surrender your licence. You must return the declaration to us within 10 working days.</p> <p>If you select ‘decline’ but do not return the declaration to surrender your licence within 10 working days, we will <a href="#">revoke your licence</a>.</p>
3. You do nothing	If you ignore the notification of your B-rating and/or do not pay the action plan fee within 10 working days, we will <a href="#">revoke your licence</a> .

- C8.15 Once you pay the fee, we will send you your action plan. During the period covered by your action plan, you will not be able to add branches or a new route to your licence. You will also not be able to assign a CoS to any new workers. However, you may assign a CoS to a worker whom you are already sponsoring under the Worker or Temporary Worker routes if they need to, and are eligible to apply for permission to stay.
- C8.16 We will decide, under the terms of your action plan, how many CoS you can have to cover extension applications during the period of your action plan.
- C8.17 All action plans are set for a fixed period of 3 months. We believe 3 months is the maximum length of time needed to put right any issues that resulted in your failing to meet your sponsor duties.
- C8.18 After the end of this period, we will visit you to check whether you have met all of the requirements in your action plan. There are 3 possible outcomes at this stage:

Outcome	Action
You have not met the requirements of your action plan or more serious areas of non-compliance arise that justify immediate revocation of your licence	We will <a href="#">revoke your licence</a> .
We find other areas of non-compliance have arisen which are not addressed by the current action plan but are listed in <a href="#">Annex C2</a> or <a href="#">Annex C3</a> (but do not warrant immediate suspension or revocation)	A new, second action plan will be required, for which you must pay a new fee.
You have met all the requirements of your plan and we have no other concerns about you	We will restore your A rating. We will review your allocation of CoS where necessary so you are able

Outcome	Action
	to sponsor new workers again if needed.

- C8.19 If you request it, we will visit you before the end of the 3-month period, but you should only request this if you are certain that you have already met all of the requirements set out in your action plan. If you request an earlier visit, we will take the action set out in the table above, whether or not the 3-month period has ended.
- C8.20 We will normally visit you only once during the period covered by your action plan. However, we reserve the right to carry out additional compliance visits if we have information or evidence to suggest you may be failing to meet your sponsor duties for a reason not covered by your current action plan.
- C8.21 We will closely monitor your use of any CoS you assign whilst B-rated. If we find, either during the period of your action plan or later, that you have used any of those CoS to sponsor a new worker, we will revoke your licence.

## Number of times you can be B-rated

- C8.22 You can only be B-rated and subject to an action plan for a maximum of:
- 3 months at any one time in respect of any single action plan
  - twice during the validity period of your licence
- C8.23 The validity period of your licence is the 4-year period for which it was first granted and each subsequent 4-year period after a successful renewal.
- C8.24 If you have been B-rated and subject to an action plan twice within the validity period of your licence and we find that you again meet the criteria to be downgraded, we will [revoke your licence](#).
- C8.25 If you need to [renew your sponsor licence](#) while you are subject to an action plan, and you are still subject to that action plan when your licence is renewed, you will be treated as having been B-rated during your new licence. This will therefore count towards the number of times you are allowed to be B-rated during the period of your renewed licence.

### Related content

[Contents](#)

# C9. Suspending your licence

This section tells you about the circumstances in which we will, or may, suspend your sponsor licence.

## Overview

- C9.1 If we believe that you are breaching your sponsor duties and/or pose a threat to immigration control, or are engaging in behaviours or actions that are not conducive to the public good, we may suspend your licence while we make further enquiries.
- C9.2 You will not be able to assign any CoS while your licence is suspended. You must continue to comply with all [sponsor duties](#) and any requirements set out in this guidance throughout the period of suspension. If your licence is due to expire during the period of suspension, you must still [apply to renew it](#) if you want to keep it.
- C9.3 If your licence is suspended, it is suspended in all routes in which you are licensed and we will remove your entry from the public version of the register of sponsors during the suspension period.
- C9.4 Workers whom you are sponsoring at the time of the suspension will not be affected, unless or until we decide to revoke your licence.
- C9.5 If we decide to revoke your licence, we will write to you to tell you of this. There is no right of appeal and you will not be allowed to apply for a sponsor licence again until at least 12 months have passed since the date we notified you of the revocation.
- C9.6 If we decide not to revoke your licence, we will lift the suspension and reinstate your entry on the register of sponsors on GOV.UK.

## How we decide whether to suspend your licence

- C9.7 If any of the circumstances listed in [Annex C1](#) arise, we will either [revoke your licence](#) immediately or suspend your licence pending further investigation or consideration.
- C9.8 If any of the circumstances listed in [Annex C2](#) or [Annex C3](#) arise, we will first consider [downgrading your licence](#). However, we may decide to suspend your licence without first downgrading it. This could be where there has been sustained non-compliance over a period of time, or where there have been a number of breaches which are minor in themselves but, taken together, indicate a more serious or systematic failing.

## The process we will follow

- C9.9 Where we are satisfied that we have enough evidence to suspend your licence without further investigation, we will write to you giving reasons for



the suspension.

- C9.10 Where we have evidence that justifies your licence being suspended pending a full investigation, we will write to you giving our initial reasons for suspension and telling you that an investigation will take place. It may not be possible to say how long the investigation will take, but we will update you on our progress at regular intervals. During this period, you can make any written statements to respond, including sending evidence. Any statement or evidence will be taken into account during the investigation.
- C9.11 You have 20 working days from the date of the written notification to respond to our letter. This is your opportunity to seek a review of our decision and to set out any mitigating arguments you believe exist. Your response to us must be in writing and set out, with any relevant supporting evidence, which grounds you believe to be incorrect and why. We may give you more time to respond if we are satisfied there are exceptional circumstances. We will not hold an oral hearing.
- C9.12 If we identify any additional reasons for the suspension of your licence during that 20-day period, including any additional information gained during the course of discussions or interviews with workers to whom you have assigned a CoS, we will write to you again, giving you another 20 working days to respond in writing to the additional reasons.
- C9.13 When we receive a response from you, we will consider this and may ask a compliance officer, other law enforcement agency, government department, agency, local authority, the police, foreign government or other body, for information.
- C9.14 If we do not receive a response within the time allowed, we will go ahead with whatever action we believe is appropriate and tell you of our decision in writing.
- C9.15 Appropriate action may include one or more the following – we may:
- re-instate your licence with an A-rating
  - re-instate your licence with a B-Rating (and issue you with an action plan)
  - prevent you from assigning any new CoS
  - prevent the use of any assigned, but unused, CoS
  - revoke your licence
- C9.16 We will tell you of our final decision within 20 working days of receiving your response, unless the consideration is exceptionally complex or we are waiting for information from a third party, such as another government department. In this case, we will inform you of the delay.
- C9.17 Any action we take as a result of our decision will take effect from the date of the decision letter we send to you. We will send this letter by Royal Mail Signed For delivery or by email.

## How suspension affects your sponsor licence

- C9.18 You will not be able to assign any CoS while your licence is suspended.
- C9.19 If a worker makes an application supported by a valid CoS you assigned before your licence was suspended, or if you support a worker's application for indefinite leave to remain (settlement), we will not decide their application until the reason for suspension has been resolved, unless the application falls for refusal on other grounds.
- C9.20 If a worker has already been granted entry clearance on the basis of a CoS assigned by you before your licence was suspended, they will still be allowed to enter the UK and start working for you, provided your licence is not revoked by the time they travel. We advise all workers to check the [status of their sponsor's licence](#) before they travel.
- C9.21 While your licence is suspended, the function to replace your authorising officer or key contact and add new level 1 users automatically will also be suspended, if these provisions had previously been granted on your licence.

## What happens if we reinstate your licence

- C9.22 If your licence has been suspended and we do not later revoke it, we will reinstate it either as an A-rating or a B-rating.
- C9.23 If we reinstate your licence with a B-Rating, you will not be given a further 20 working days to reply as this process will have been completed during the period your licence was suspended.
- C9.24 Re-instatement with a B-rating means you must comply with an [action plan](#). We may also reduce, or set to zero, the number of CoS you are allowed to assign.

### Related content

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# C10. Revoking your licence

This section tells you about the circumstances in which we will, or may, revoke your sponsor licence.

## Overview

- C10.1 Certain circumstances can lead to your sponsor licence being revoked. These include, but are not limited to, where:
- you cease to have (or never had) a trading presence
  - you cease to meet the requirements of the route, or routes, in which you are licensed
  - there is a serious or systematic breach of your sponsor duties
  - you pose a threat to immigration control
  - you have been convicted of a relevant criminal offence (see Annex L4 of [Part 1: Apply for a licence](#)) or issued with a specified civil penalty
  - you are engaging or having engaged in behaviour or actions that are not conducive to the public good
- C10.2 If we revoke your licence, it will be revoked in all the routes in which you are licensed. You will not be able to sponsor any more workers and we will cancel the permission of any workers you are sponsoring. Your organisation's details will be removed from the public register of Worker and Temporary Worker sponsors.
- C10.3 We will tell you in writing if your licence has been revoked. There is no right of appeal against the decision and you will not be eligible to apply again for a sponsor licence until at least 12 months (longer in some circumstances) have passed since the date of revocation.

## How we decide whether to revoke your licence

- C10.4 [Annex C1](#) of this document sets out the circumstances in which we will revoke your licence – these are known as 'mandatory' grounds of revocation. If any of these circumstances arise, we may revoke your licence immediately and without warning. If we do not revoke your licence immediately, we will [suspend your licence](#) pending further investigation.
- C10.5 [Annex C2](#) of this document sets out the circumstances in which we will normally revoke your licence, unless there are exceptional circumstances.
- C10.6 We cannot define in which exceptional circumstances we may not revoke your sponsor licence but, when one of the circumstances listed in Annex C2 of this guidance applies, we view this as a serious matter. We will look for evidence you have adequate processes and procedures in place and have taken all reasonable steps to verify information you are required to obtain and hold in connection with your duties under this guidance, as well as any information that you send to us.

- C10.7 [Annex C3](#) of this document sets out the circumstances in which we may revoke your licence. Generally, we will not revoke your licence if only one of these circumstances arises, but we reserve the right to do so, depending on the gravity of the issue. The more of these circumstances that are present, the more likely it is that we will revoke your licence.
- C10.8 If any circumstances in Annex C2 or Annex C3 arise and we believe the evidence we have shows you are breaching your duties and/or pose a threat to immigration control, we will first [suspend your licence](#) while we investigate further.
- C10.9 If any circumstances in Annex C2 or Annex C3 arise and we do not believe it is necessary to suspend your licence, we may first [downgrade it to a B-rating](#) instead.

## How revocation affects your sponsored workers

- C10.10 If we revoke your licence, we will cancel (or shorten) the permission of any workers you are currently sponsoring on the Worker and Temporary Worker routes. The following table sets out the action we will take:

Situation	Action we will take
We believe the worker was actively and knowingly involved (complicit) in the reasons for the revocation of your licence – for example, if the worker agreed that you would arrange a non-existent job for them to enable them to come to the UK.	<p>We will immediately cancel all of their remaining permission, so that they have none remaining.</p> <p>This means that they will have to leave the UK immediately or face enforced removal.</p>
The worker was not actively or knowingly involved (complicit) in the reasons for revocation.	<p>We will normally shorten their remaining permission to 60 calendar days.</p> <p>We will not normally shorten the worker's permission if, at the time we consider cancellation action, they have no more than 60 calendar days' permission remaining.</p> <p>In either case, the worker will have to leave the UK or face enforced removal if, at the end of the 60 calendar days (or by the time their permission expires if it was not shortened), they have not made an application for permission to stay on a route for which they qualify.</p>

- C10.11 We will take enforcement action against any sponsored worker who was granted permission under the Worker or Temporary Worker routes and remains in the UK after their permission has expired. This may result in the worker being detained and removed from the UK and any application they make to come to the UK within the next 10 years being refused.
- C10.12 If your licence is revoked, any Certificates of Sponsorship (CoS) you have assigned automatically become invalid. This means any application for entry clearance or permission made on the basis of that CoS will automatically be refused.
- C10.13 Where a worker has already been granted entry clearance to the UK when we revoke your licence, and they have not yet travelled to the UK, their entry clearance will be cancelled under paragraph 9.28.1 in [Part 9 of the Immigration Rules](#).
- C10.14 If your licence is suspended while we are considering an application for settlement (also known as indefinite leave to remain) from a worker you are sponsoring, we will not decide their application until the outcome of the suspension is decided (unless the application falls for refusal on other grounds). If the licence is subsequently revoked, we will refuse the settlement application.

## Re-applying for your licence after it has been revoked

- C10.15 Once your licence has been revoked, you cannot make a further application for a sponsor licence until at least 12 months have passed since the date we notified you of the revocation. This is known as a 'cooling-off' period and may be longer than 12 months in some circumstances (for example, where the revocation was due to certain civil penalties or criminal convictions). If you do make an application before the cooling-off period has passed, it will be refused. The only exception to this is if your licence was revoked in error. If this happens, we will contact you to arrange for it to be reinstated.
- C10.16 The cooling-off period also applies if you [surrender your licence](#) while we were taking compliance action against you (but before we revoked your licence). In this case, the 12-month cooling-off period runs from the date we accepted your notification of surrender.
- C10.17 If you apply again after the cooling-off period, we will treat it the same as any other application. You will have to pay the correct fee and send in all relevant documents appropriate to the route in which you are applying. You must demonstrate you have addressed any reasons why your previous licence was revoked before you re-apply.
- C10.18 For further information, see 'Cooling-off period' in section L9 of [Part 1: Apply for a licence](#).

### Related content

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# Annex C1: circumstances in which we will revoke your licence

This annex sets out the circumstances in which we will revoke your sponsor licence. We may suspend your licence first while we consider the matter, but we reserve the right to revoke your licence immediately without suspending it. For further information, see [sections C9](#) and [C10](#) of this document.

Unless otherwise stated, 'you' or 'your' has the meaning given in the Glossary in [Part 1: Apply for a licence](#).

Reference	Circumstances
a.	We find, after your licence has been granted, you knowingly gave false information on your sponsor licence application, or in support of your sponsor licence application, and, had you given the correct information, we would have refused your application.
b.	You are convicted of, or we find you have an unspent conviction for, a relevant offence listed in Annex L4 of <a href="#">Part 1: Apply for a licence</a> .
c.	You stop having (or we find you never had) a trading or an operating presence in the UK. This could be for any reason, including, but not limited to: <ul style="list-style-type: none"><li>• you sell your business (this includes circumstances where this happens as a result of you becoming insolvent)</li><li>• you go into liquidation, or sequestration is awarded and you stop trading as a result</li><li>• a court issues a bankruptcy order against you</li><li>• you stop trading for any other reason</li></ul>
d.	You stop being accredited by or registered with any accreditation or regulatory body that you need to be accredited by or registered with to get a licence or to otherwise trade legally in the UK.
e.	You do not hold, or you stop holding appropriate planning permission or Local Planning Authority consent to operate your type/class of business at your trading address (where this is a Local Authority requirement).
f.	You are a food business that is required to be approved or registered by a relevant food authority and either you have never been approved or registered, or you have, but that approval has been withdrawn.

Reference	Circumstances
g.	<p>You are issued with a civil penalty or charge under any of the following provisions and you are still liable once your objection and appeal rights have been exhausted:</p> <ul style="list-style-type: none"> <li>• <a href="#">section 32 of the Immigration and Asylum Act 1999</a>: carrying clandestine entrants;</li> <li>• <a href="#">section 40 of the Immigration and Asylum Act 1999</a>: carrying passengers without proper documents; or</li> <li>• <a href="#">section 24 of the Counter-Terrorism and Security Act 2015</a>, or <a href="#">the Authority to Carry (Civil Penalties) Regulations 2015</a>: bringing a passenger to the UK in breach of an authority to carry scheme</li> </ul> <p>Note: you will not be eligible to re-apply for your licence until at least 5 years has elapsed since you paid the relevant penalty or charge in full.</p>
h.	<p>You:</p> <ul style="list-style-type: none"> <li>• have been issued with 2 or more civil penalties for employing illegal workers under either: <ul style="list-style-type: none"> <li>○ <a href="#">section 15 of the Immigration, Asylum and Nationality Act 2006</a>, or</li> <li>○ regulation 11 of <a href="#">the Accession of Croatia (Immigration and Worker Authorisation) Regulations 2013</a>; and</li> </ul> </li> <li>• remain liable for the penalties once your objection and appeal rights have been exhausted; and</li> <li>• the civil penalty for at least one of those workers remains at the maximum amount once your objection and appeal rights have been exhausted</li> </ul> <p>Note: you will not be eligible to re-apply for your licence until at least 12 months has elapsed since you paid the civil penalties in full.</p>
i.	<p>2 or more civil penalties have been issued to an owner, a director or an authorising officer of your organisation (either individually or collectively) under section 23 or section 25 of the <a href="#">Immigration Act 2014</a> for authorising occupation of premises under a residential tenancy agreement by an adult who is disqualified, because of their immigration status, and that person is (or those persons are, as the case may be) still liable for those penalties once their objection and appeal rights have been exhausted.</p> <p>Note: you will not be eligible to re-apply for your licence until at least 12 months has elapsed since those civil penalties are paid in full.</p>
j.	<p>You are issued with a civil penalty for employing an illegal worker for a first breach, where the civil penalty is below the maximum amount, and either:</p>

Reference	Circumstances
	<ul style="list-style-type: none"> <li>• you failed to pay the civil penalty in full or set up a payment instalment plan within 29 days of the date that: <ul style="list-style-type: none"> <li>○ you were notified of liability for a civil penalty (if you did not object to the civil penalty)</li> <li>○ your initial objection was rejected (if you did not subsequently appeal); or</li> <li>○ your appeal is dismissed; or</li> </ul> </li> <li>• you set up a payment instalment plan with us, but you default on that plan</li> </ul> <p>Note: you will not be eligible to re-apply for your licence until at least 12 months has elapsed since you paid the civil penalty in full.</p>
k.	<p>An owner, a director or an authorising officer of your organisation is issued with a civil penalty for authorising occupation of premises under a residential tenancy agreement by an adult who is disqualified, because of their immigration status for a first contravention, and either:</p> <ul style="list-style-type: none"> <li>• they failed to pay the civil penalty in full or set up a payment instalment plan within 29 days of the date that: <ul style="list-style-type: none"> <li>○ they were notified of liability for a civil penalty (if they did not object to the civil penalty)</li> <li>○ their initial objection was rejected (if they did not subsequently appeal); or</li> <li>○ their appeal was dismissed; or</li> </ul> </li> <li>• they set up a payment instalment plan with us, but they default on that plan</li> </ul>
l.	<p>You have been B-rated and have not met one or more of the requirements of your action plan within the specified period.</p>
m.	<p>You have been B-rated twice during the validity period of your licence and we would have downgraded you to a B-rating again, were it not for our policy that you cannot be B-rated more than twice during the validity period of your licence.</p>
n.	<p>You have been downgraded to, or given, a B-rating and have failed to pay the action plan fee within 10 working days, unless this is due to circumstances beyond your control.</p>
o.	<p>A sponsorship management system (SMS) user you have appointed assigns their own Certificate of Sponsorship (CoS) or assigns a CoS to a close relative or partner. By 'close relative or partner', we mean:</p> <ul style="list-style-type: none"> <li>• a spouse or civil partner</li> </ul>



Reference	Circumstances
	<ul style="list-style-type: none"> <li>• an unmarried or same-sex partner</li> <li>• a parent or step-parent</li> <li>• a son or step-son</li> <li>• a daughter or step-daughter</li> <li>• a brother, step-brother or half-brother</li> <li>• a sister, step-sister or half-sister</li> <li>• a nephew, niece, cousin</li> <li>• an aunt or uncle</li> <li>• a father-in-law, mother-in-law, brother-in-law, sister-in-law, son-in-law or daughter-in-law</li> </ul>
p.	You are a B-rated sponsor and we granted you a CoS specifically to extend an existing sponsored worker's permission to stay, but you use that CoS to sponsor a new worker instead.
q.	You use a CoS to fill a vacancy other than the one specified on the CoS you assign for that role, unless the change is permitted by the Immigration Rules or this guidance and you have notified us of the change – see section S9 of <a href="#">Part 2: Sponsor a worker</a> for further information on change of employment applications.
r.	You give false information in any application for, or request to assign, a CoS, or a request to renew your annual allocation of CoS.
s.	<p>The role undertaken by a worker you have sponsored does not match one or both of the following:</p> <ul style="list-style-type: none"> <li>• the occupation code stated on the CoS you assigned to them</li> <li>• the job description on the CoS you assigned to them</li> </ul>
t.	<p>You assign a CoS to a worker and on that CoS, or in the application for that CoS (if it is a Skilled Worker defined CoS or a Tier 2 (General) restricted CoS) you stated any of the following:</p> <ul style="list-style-type: none"> <li>• you had carried out a resident labour market test (where this is, or was, a requirement of the route in which you are, or were, sponsoring the worker) and either you did not carry out the test, or the test you carried out did not meet the requirements set out in this guidance</li> <li>• the job was exempt from the resident labour market test, but it was not</li> <li>• you had complied with the creative codes of practice (where required), but you did not</li> <li>• the vacancy was in an occupation listed in <a href="#">Appendix Shortage Occupation List</a> (or its predecessor, Appendix K) to the Immigration Rules, when it was not</li> <li>• the job is on the shortage occupation list for a specific country of the UK and the job is not based in that country</li> </ul>

Reference	Circumstances
u.	You fail to assign a new CoS, and where required, fail to properly carry out a resident labour market test or comply with a code of practice, to any worker who needs to make a change of employment application. (See section S9 of <a href="#">Part 2: Sponsor a worker</a> for guidance on when a change of employment application is needed.)
v.	Where you were required by this guidance, or the Tier 2 and 5 sponsor guidance previously in force, to carry out a resident labour market test for the job, or otherwise take into account the needs of the resident labour market, you assign a CoS to a migrant worker instead of employing a suitably qualified settled worker for the role (unless an exception to that requirement applies, or applied).
w.	You employ a worker in a job that does not meet the skill-level requirement for the route as set out in this guidance.
x.	You are, or you are acting as, an employment agency or business and you have supplied a worker you are sponsoring to a third party as labour.
y.	You are an employment agency or employment business and we grant a sponsor licence to you on this basis, but later find a worker you are sponsoring has been supplied to a third party as labour.
z.	<p>We have reasonable grounds to believe the role for which you have assigned a CoS is not genuine – for example, because it:</p> <ul style="list-style-type: none"> <li>• does not exist</li> <li>• is a sham (including but not limited to where the CoS contains an exaggerated or incorrect job description to deliberately make it appear to meet the requirements of the route you assigned it under when it does not); or</li> <li>• has been created mainly so the worker can apply for entry clearance or permission to stay</li> </ul>
aa.	<p>You pay a sponsored worker less than you said you would on the worker's CoS, and:</p> <ul style="list-style-type: none"> <li>• you have not notified us of the change in salary; or</li> <li>• the revised salary does not meet any minimum salary threshold or going rate for the route in which the worker is being sponsored</li> </ul>
bb.	We are satisfied on the balance of probabilities that you have artificially inflated the salary of a worker to enable them to obtain settlement (indefinite leave to remain).

Reference	Circumstances
cc.	You fail to meet one or more the requirements set out in the 'Safeguarding children' section of <a href="#">Part 1: Apply for a licence</a> .
dd.	<p>You sponsor a worker on the International Agreement Worker route as a contractual service supplier or an independent professional to service a contract which:</p> <ul style="list-style-type: none"> <li>• you have not told us about</li> <li>• you have told us about, but we have not yet confirmed that you can assign a CoS in connection with that contract; or</li> <li>• we have told you does not meet the requirements set out in this guidance for sponsoring International Agreement Workers</li> </ul>
ee.	Where it was a requirement at the time you assigned a CoS, you stated you would employ a worker in an occupation listed in Appendix K to the Immigration Rules then in force, but you did not meet one or more of the sponsor criteria under those provisions.
ff.	You have assigned a CoS to a sportsperson or coach on the T2 Sportsperson route or T5 (Temporary Worker) Creative or Sporting Worker route without having a current endorsement from the appropriate sports governing body.
gg.	You pay any worker sponsored on the Charity Worker route more than reasonable expenses as defined in section 44 of the National Minimum Wage Act 1998 (as amended from time to time).
hh.	<p>You are sponsoring workers on the Seasonal Worker route and within any 12-month period:</p> <ul style="list-style-type: none"> <li>• fewer than 95 percent of your sponsored workers are granted entry clearance (a visa);</li> <li>• 3 percent or more of your sponsored workers who obtain a visa fail to arrive at their place of employment; or</li> <li>• fewer than 97 percent of your sponsored workers who obtain a visa return overseas at the end of their stay</li> </ul>
ii.	You hold a licence for the Seasonal Worker route and the government department that supported your licence application withdraws their endorsement.
jj.	You hold a licence for the Seasonal Worker route and you fail to monitor, to our satisfaction, the welfare of the workers you are sponsoring.
kk.	You hold a licence for the Seasonal Worker route and you allow your sponsored workers to fill job roles that are not seasonal and/or not in the horticultural sector.

Reference	Circumstances
ll.	You hold a licence for the Seasonal Worker route and your licensing by the Gangmasters and Labour Abuse Authority is revoked.
mm.	You hold a licence for the Seasonal Worker route and you charge your sponsored workers fees in excess of those to cover the administration of the scheme.

**Related content**

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# Annex C2: circumstances in which we will normally revoke your licence

This annex lists the circumstances in which we will normally revoke your sponsor licence. We may downgrade or suspend your licence first while we consider the matter, but we reserve the right to revoke your licence immediately without downgrading or suspending it. For further information, see sections C8 to C10 of this document.

Unless otherwise stated, 'you' or 'your' has the meaning given in the Glossary in [Part 1: Apply for a licence](#).

Reference	Circumstance
a.	You fail to comply with any of your sponsor duties set out in section C1 of this document.
b.	As a result of information available to us, we are not satisfied you are using a process or procedure necessary to fully comply with your sponsor duties.
c.	<p>You:</p> <ul style="list-style-type: none"> <li>• have been issued with two or more civil penalties during the validity period of your licence for employing an illegal worker under either: <ul style="list-style-type: none"> <li>○ <a href="#">section 15 of the Immigration, Asylum and Nationality Act 2006, or</a></li> <li>○ regulation 11 of <a href="#">the Accession of Croatia (Immigration and Worker Authorisation) Regulations 2013; and</a></li> </ul> </li> <li>• remain liable for the penalty once your objection and appeal rights have been exhausted</li> </ul> <p>Note: if we revoke your licence, you will not be eligible to re-apply for your licence until at least 12 months has elapsed since you paid the civil penalty in full.</p>
d.	<p>You are employing a worker (whether sponsored or not) who is subject to immigration control and that person either:</p> <ul style="list-style-type: none"> <li>• does not have permission to enter or stay in the UK; or</li> <li>• they are working in breach of the conditions of their permission (leave) and you could reasonably have been aware of this breach</li> </ul> <p>We will also refer your case to the relevant Home Office team to consider issuing you with a civil penalty.</p>

Reference	Circumstance
e.	You fail to co-operate with a compliance visit, or delay compliance activity.
f.	You have provided a false statement or false information, or have not provided, when required, information that you held, to us or any other Government Department.
g.	You fail to provide a document listed in <a href="#">Appendix D</a> of the sponsor guidance or evidence you are required to keep for shortage occupations listed in <a href="#">Appendix Shortage Occupation List</a> (or its predecessor, Appendix K) to the Immigration Rules, when requested within the specified time limit.
h.	You do not supply when asked and within the specified time limit, any document we request to support any change you have reported via the SMS or the sponsor <a href="#">Change of circumstances form</a> .
i.	You have previously been named as ‘Key personnel’ at any sponsor organisation whose sponsor licence (of any type) has been revoked within the last 12 months – see <a href="#">Checks we make on your personnel</a> below this table.
j.	Any person who falls under the general definition of ‘you’ is legally prohibited from becoming a company director, unless: <ul style="list-style-type: none"> <li>• they are only disqualified due to being an undischarged bankrupt; and</li> <li>• that person has not been appointed as your director, authorising officer or level 1 user</li> </ul>
k.	We find you have no level 1 user in place who is able to undertake your day-to-day sponsorship activities or who meets the requirements set out in the ‘Key personnel’ section of <a href="#">Part 1: Apply for a licence</a> .
l.	You have no sponsorship management system (SMS) users in place.
m.	You have no authorising officer in place who meets the requirements set out in the ‘Key personnel’ section of <a href="#">Part 1: Apply for a licence</a> .
n.	You have an unspent conviction for an offence not listed in Annex L4 of <a href="#">Part 1: Apply for a licence</a> which we believe to be of relevance to you discharging your sponsor duties.
o.	You are or have been an owner, a director or an authorising officer of a sponsor institution that has been ordered to pay costs to the Home Office in any legal proceedings, and those costs have not been paid.

Reference	Circumstance
p.	You pay a sponsored worker in cash.
q.	You are, or were, liable to pay the Immigration Skills Charge in respect of a worker whom you are, or were, sponsoring, and you have asked that worker to pay some or all of the charge, or you have recouped, or attempted to recoup, some or all of the charge from them.
r.	If the European Union (EU) or United Nations (UN) has imposed sanctions on you which will be contravened by your continuing to have a sponsor licence.
s.	You assign a CoS to a Government Authorised Exchange Worker for a period longer than has been authorised for your scheme and it has been used successfully in an application for entry clearance or permission to stay.
t.	You sponsor more than 20 workers on the Intra-Company Graduate Trainee route (or its predecessor, the Tier 2 (Intra-company Transfer) Graduate Trainee subcategory) with start dates in the same financial year (6 April in one year to 5 April the following year).
u.	You assign an undefined Skilled Worker CoS (or an unrestricted Tier 2 (General) CoS) to a worker who requires a defined (or restricted) one.
v.	You engage in actions or behaviours that are <a href="#">not conducive to the public good</a> .

## Checks we make on your personnel

We do not routinely undertake checks on persons associated with sponsors who do not fall under the general definition of 'you' or 'your'. Such persons may include, for example, employees in positions of responsibility who are not directors or key personnel and financiers involved in the running of the institution. However, we reserve the right to do so and may ask you for information on such individuals as part of the application process and throughout the life of your sponsor licence. Where relevant, we may take into account the conduct of such persons in deciding what action to take.

Previous non-compliance may result in our revoking your licence where it is one of several grounds we have considered leading to the decision, or where it is warranted by the actions of that person and their previous organisation's revocation.

The action we take will depend on:

- the seriousness of the past conduct (including conduct that led to revocation of a licence) and what you have done to improve the situation
- how long it is since the conduct took place and any mitigating circumstances
- concerns we may have about any of your associated persons or employees, and the role they have within your organisation – in particular, where they have been employed or associated with an organisation that has been removed from the sponsor list for abuse or serious non-compliance within the last 5 years
- whether we believe your previous criminal conduct has a bearing on your suitability to be a sponsor

## **Related content**

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## Annex C3: circumstances in which we may revoke your licence

This annex lists the circumstances in which we will consider revoking your sponsor licence. Generally, we will not revoke your licence if only one of these circumstances arises, but we reserve the right to do so, depending on the gravity of the issue. The more of these circumstances that are present, the more likely it is that we will revoke your licence.

We may downgrade or suspend your licence first while we consider the matter, but we reserve the right to revoke your licence immediately without downgrading or suspending it. For further information, see sections C8 to C10 of this document.

Unless otherwise stated, 'you' or 'your' has the meaning given in the Glossary in [Part 1: Apply for a licence](#).

Reference	Circumstance
a.	<p>You:</p> <ul style="list-style-type: none"> <li>• have been issued a civil penalty (first breach) for employing an illegal worker under either: <ul style="list-style-type: none"> <li>○ <a href="#">section 15 of the Immigration, Asylum and Nationality Act 2006</a>; or</li> <li>○ regulation 11 of <a href="#">the Accession of Croatia (Immigration and Worker Authorisation) Regulations 2013</a>; and</li> </ul> </li> <li>• remain liable for the penalty once your objection and appeal rights have been exhausted</li> </ul> <p>Note: if we revoke your licence, you will not be eligible to re-apply for your licence until at least 12 months has elapsed since you paid the civil penalty in full.</p>
b.	An owner, a director or your authorising officer is issued with a civil penalty (first breach) for authorising occupation of premises under a residential tenancy agreement by an adult who is disqualified, because of their immigration status during the validity period of your sponsor licence, and they are still liable once objection and appeal rights have been exhausted.
c.	You have been issued with a civil penalty not mentioned elsewhere in this guidance and we believe this is of relevance to your ability to carry out your sponsor duties or suitability to hold a sponsor licence.
d.	You or any organisation that you have been involved with in a similar role has had its authorisation removed by the Office of the Immigration Services Commissioner (OISC) under the Immigration and Asylum Act

Reference	Circumstance
	1999. (This applies to individuals or organisations that give immigration advice or services.)
e.	We find that a worker you have sponsored or employed has not complied with the conditions (rules) of their permission to stay in the UK, other than conditions relating to employment, and you have not been following good practice guidance set out by us or a relevant sector body.
f.	Any of your level 1 or level 2 users disclose their sponsorship management system (SMS) password to another person.
g.	You have, or, as far as you are aware, any organisation that you have been involved with in a similar role has, been issued with a penalty for failure to pay VAT or duty within the last 5 years.

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# Annex C4: further help on mergers and takeovers

This annex gives examples of mergers, takeovers and similar changes to provide more information on the steps you need to take. You must also refer to the [Mergers, takeovers and similar changes](#) section of this guidance.

## Example 1 - a takeover when the new owner already has a licence

Company A is a licensed Skilled Worker sponsor.

Company A is taken over by Company B.

Company B is a licensed Skilled Worker sponsor.

All of Company A's workers move to Company B with [TUPE or similar protection](#).

Both sponsors must report this change to us within 20 working days of the takeover.

Company A must confirm to us the details of the sponsored workers that are moving to Company B and that they are content to have their licence made dormant.

Company B must confirm that they are taking full sponsorship responsibility for any workers moving to them from Company A and provide the supporting evidence.

We will make Company A's sponsor licence 'dormant'. We will grant Company B limited access to Company A's licence records, sufficient for them to be able to report against the sponsored workers who have transferred to them.

## Example 2 - a takeover when the new owner does not have a licence

Company A is a licensed Skilled Worker sponsor.

Company A is taken over by Company B.

Company B is not a licensed sponsor.

All of Company A's workers move to Company B with the [TUPE or similar protection](#).

Company A must report this change to us within 20 working days of the takeover.

Company A must confirm the details of their sponsored workers moving to Company B and confirm that they are content to have their licence made dormant.

Company B must make an application for a sponsor licence within 20 working days of the takeover.

Once their licence is granted, Company B must confirm with us that they are taking full sponsorship responsibility for any workers moving to them from Company A with the supporting evidence.

We will make Company A's sponsor licence 'dormant' and grant limited access to it to Company B, sufficient for them to be able to report against the sponsored workers who have transferred to them.

If Company B is unable to make a successful licence application, the sponsored workers' permission will be cancelled.

### **Example 3 - a partial takeover when the new owner already has a licence**

Company A is a licensed Skilled Worker sponsor.

Company A is taken over by Company B.

Company B is a licensed Skilled Worker sponsor.

Some of Company A's workers move to Company B under the [TUPE or similar protection](#), others remain with Company A.

Both sponsors must report this change to us within 20 working days of the takeover.

Company A must confirm to us the details of the sponsored workers that are moving to Company B, and that they wish to retain their licence and continue to report on the sponsored workers they will still be employing. Company A may also wish to amend their Certificate of Sponsorship (CoS) allocation.

Company B must confirm that they are taking full sponsorship responsibility for any workers moving to them from Company A and provide supporting evidence for the transfer. Company B may also wish to increase their CoS allocation.

Company B must report on the workers that have moved from Company A. They will do this by emailing us the details.

### **Example 4 - a takeover but the change is one removed from the sponsor**

Global Company G is selling part of its business. It will sell Company B, which owns Company A. Company B will remain the same company and will continue to own Company A.

Company A is a sponsor licence holder.

Company A does not have a new direct owner, as it is still owned by Company B - the change of ownership is one removed from Company A. (It is Company B whose ownership has changed, not Company A's.)

Company A must tell us of the changes via the SMS. It is likely that provided there is no change to Company A's operations and to the jobs, terms and conditions of its workers, Company A will not require a new licence and can carry on as before.

### **Example 5 - a takeover when the overall owner remains the same but the immediate owner changes**

Global Company G is restructuring. It owns 100% of Company A through a holding company (Company B).

Company A is a sponsor licence holder.

Global Company G establishes a new holding company (Company H) and transfers Company A to Company H.

Global Company G still owns 100% of Company A through Company H.

Company A has a new direct owner and must apply for a new licence to continue to employ the workers. [TUPE or similar protection](#) will not apply because there is no change of employer, but workers can be moved to the new licence without having to make a change of employment application.

Company A must report the change within 20 working days via the old licence.

Once the new licence is granted, Company A must confirm with us that they are taking full sponsorship responsibility for any workers under the new licence and provide the supporting evidence.

### **Example 6 - a takeover when TUPE is not triggered but employees can be transferred**

Company M is a sponsor licence holder. It transfers the controlling number of its shares to a private individual who has had no prior involvement with Company M.

Company M continues to trade and there are no other changes.

Company M must report this to us and must make a new application for a sponsor licence with 20 working days of this change taking place. [TUPE or similar protection](#) will not apply because there is no change of employer, but workers can be moved to the new licence without having to make a change of employment application.

Once the new licence is granted, Company M must confirm with us that they are taking full sponsorship responsibility for any workers under the new licence and provide the required evidence.

## Example 7 - restructuring where another branch can act as sponsor

Global Company G owns a portfolio of brands, trading across the world under the respective brand names where Company G is the ultimate parent company. Company G has several branches in the UK.

- Branch A, a licensed sponsor, is to be wound up. Its employees will move under [TUPE or similar protection](#) to Branch B
- Branch B is not a licensed sponsor
- Branch A will finish trading and must tell us of this within 20 working days of it finishing trading
- Branch B must apply for a sponsor licence, and send the supporting evidence, within 20 working days of Branch A's workers transferring to them

## Example 8 – sponsorship transfers to parent company but employer remains the same (non-TUPE)

A parent company, Company P, has 4 entities in the UK:

- Company A
- Company B
- Company C
- Company D

Company P, and each entity listed above, has its own sponsor licence. Each entity is also listed as a branch of Company P.

Company P wishes all sponsorship to be transferred to it. Therefore, workers who were previously sponsored by A, B, C or D will now be sponsored by P. However, they will continue working for the same employer (A, B, C or D) and there will be no other changes to their employment.

This is not a merger or takeover, rather it is a movement of human resources function to the parent company. We allow this but only if we are satisfied that the parent company is capable of effectively carrying out its sponsorship duties in respect of all the workers it now wishes to sponsor. We may need to ask for additional information from, or visit, the parent company to establish this.

If we approve the change, there is no requirement for the workers previously sponsored by A, B, C or D to make a new application for permission to stay, provided they are continuing to work for the same employer, and in the same occupation code, specified in the CoS that led to their last grant of permission, and they otherwise continue to meet the requirements of the route on which they are being sponsored (including any salary or skill-level requirements). See [Part 2: Sponsor a worker](#) for information on when sponsored workers need to make a 'change of employment' application.

Since Company P wishes to take over all sponsorship, each branch affected by the change will need to surrender its own licence and report, via SMS, the details of each worker whose sponsorship is being transferred to Company P. The branch licences will be made dormant to allow Company P to report on them. Company P must confirm to us that they are taking full sponsorship responsibility for any workers under their licence.

If, in the scenario above, Company P did not have its own licence in the relevant route, it would have to apply for one within 20 working days of the change, and that application would have to be approved before it could sponsor the affected workers.

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