



Home Office

# Workers and Temporary Workers: guidance for sponsors

## Sponsor a Scale-up Worker

Version 04/24

This document forms part of the collection 'Workers and Temporary Workers: guidance for sponsors'. It provides information for employers on how to sponsor a worker on the Scale-up immigration route.

This version of the guidance is valid from 4 April 2024.

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# About this guidance

This document provides information for employers on how to sponsor a worker on the Scale-up immigration route.

The Scale-up route allows employers who are in a sustained period of high growth to recruit people to work in the UK in highly skilled roles.

The worker must have a high-skilled job offer from a qualifying Scale-up sponsor at the required salary level for a minimum period of 6 months.

## 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](#) – this contains detailed information on how to apply for a sponsor licence and how we assess applications
- [Part 2: Sponsor a worker](#) – this contains detailed information on how to sponsor Workers and Temporary Workers, including how to request and assign Certificates of Sponsorship, immigration requirements, and conditions of stay
- [Part 3: Sponsor duties and compliance](#) – this contains detailed information about your duties as a licensed sponsor and the action we can take if you fail to meet these duties
- any relevant annexes or appendices referred to in the above documents

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 (including this document) at the beginning of [Part 1: Apply for a licence](#).

For a definition of ‘occupation code’, ‘SOC 2020 occupation code’ and ‘SOC 2010 occupation code’, see the glossary in [Part 2: Sponsor a worker](#).

The following additional terms are used in this document:

### **Qualifying Scale-up sponsor**

This has the meaning given in [section SC2](#) of this document.

## Scale-up route

This means the route in [Appendix Scale-up](#) to the Immigration Rules.

## Scale-up Worker

This means a person who is applying for, or has been granted, entry clearance or permission to stay on the Scale-up route; or who you are sponsoring, or intend to sponsor, on that route.

## Sponsored application

An application made by a Scale-up Worker who requires a sponsor to make a valid application. See [section SC3](#) for further information.

## Un-sponsored application

An application made by a Scale-up Worker who does not require a sponsor – this applies mainly to extension applications. See [section SC3](#) for further information.

## Contacts

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

If you have read this guidance, and the guidance referred to above, 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 when this version of the guidance was published:

- version 04/24
- published on 4 April 2024

You can view [previous versions of this guidance](#) on the National Archives website.

## Changes to this guidance

This version replaces version 12/23 (published on 7 December 2023). The guidance has been updated to reflect changes to the Immigration Rules coming into force on 4 April 2024 (as set out in [Statement of Changes HC 590](#), published on 14 March 2024). Details of the changes are set out below:

- SC1.2, SC5.6, SC5.11, SC5.12, SC5.18: updated to reflect the new general salary threshold (£36,300) for the Scale-up route for Certificates of Sponsorship (CoS) assigned on or after 4 April 2024
- SC2.19: references to the requirement for sponsors on other routes to renew their licence after 4 years deleted, as this is no longer a requirement for

sponsors whose licence expires on or after 6 April 2024; clarification added that sponsors can only be licensed once on the Scale-up route

- SC3.23 (note), SC3.31 (note): notes regarding the implementation date of previous rules changes deleted
- SC3.38: dates in example updated
- SC4.2 to SC4.5, SC5.1, SC5.14 to SC5.17, SC6.11: updated to reflect the transition from SOC 2010 occupation codes to SOC 2020 occupation codes for CoS assigned on or after 4 April 2024; references to tables in Appendix Skilled Occupations also updated
- other minor housekeeping changes

## [Contents](#)

# SC1. Sponsoring a Scale-up Worker: overview

This section provides an overview of the Scale-up route and the sponsorship requirements you must meet.

## What is the Scale-up route?

- SC1.1. The Scale-up route allows UK businesses that meet the definition of a [qualifying Scale-up sponsor](#) to recruit talented individuals.
- SC1.2. The worker must have the skills needed to enable the business to continue to grow. This means they must:
- have a job offer at the [required skill-level](#) (graduate level or above)
  - be paid at least £36,300 per year or the 'going rate' for the occupation code, whichever is the higher of these figures – see [salary requirements](#) for further details
  - be expected to work for you for at least the first 6 months of their permission
  - speak, understand, read and write [English to the required standard](#)
- SC1.3. A worker can make either a ['sponsored' or an 'unsponsored' application](#). An applicant applying for the first time on this route must make a sponsored application. This means they must have a valid [Certificate of Sponsorship](#) from a [qualifying Scale-up sponsor](#).
- SC1.4. A sponsored Scale-up Worker who makes a successful application on the route will be [granted for 2 years initially](#). However, they will only be sponsored for the first 6 months of their permission. You (as the sponsor) will no longer sponsor the worker after this period, even if you continue to employ them. After this period, the worker can:
- continue working for you without being sponsored
  - change job or employer without requiring new sponsorship, provided they continue to meet the requirements of the Scale-up route
- SC1.5. At the end of the 2-year grant of permission, the worker can make an [unsponsored application](#) and be granted permission on the route for a further 3 years. After 5 years' continuous residence in the UK on this route (or in combination with another eligible route, or eligible routes), they can [apply to stay permanently in the UK](#).
- SC1.6. A Scale-up Worker can be accompanied or joined by their partner or children if they meet the [relevant requirements for dependants](#).



## Who needs to be sponsored on the Scale-up route?

SC1.7. You will need to sponsor any overseas national you wish to employ if they are not a 'settled worker', are not eligible to make an unsponsored application, or do not otherwise have immigration permission to work for you in the UK. This includes most [EU, EEA](#) and Swiss nationals who arrived in the UK after 31 December 2020.

SC1.8. You do not have to sponsor certain categories of worker, including:

- Irish citizens
- people who have been granted status under the [EU Settlement Scheme](#)
- people with indefinite leave to enter or remain in the UK (also known as 'settlement')
- Scale-up Workers who are eligible to make [an 'unsponsored application'](#)

SC1.9. This is not a complete list. For further information on who does, and does not, need sponsorship, see section S1 of [Part 2: Sponsor a worker](#).

## What are the sponsorship requirements for the Scale-Up route?

SC1.10. If you wish to sponsor a Scale-up Worker, you must:

- hold a [valid sponsor licence](#) for the Scale-up route
- understand the general requirements for sponsoring a worker – see [Part 2: Sponsor a worker](#)
- satisfy yourself the worker can meet the [immigration requirements](#) for this route
- only sponsor workers in [genuine employment](#) which meets the [skill-level](#) and [salary requirements](#) of this route
- assign a valid [Certificate of Sponsorship \(CoS\)](#) to the worker you wish to sponsor and pay the [CoS fee](#)
- keep records for each worker you sponsor, including information on how you recruited the worker – see [Appendix D](#) to the sponsor guidance for details
- have eligible Key Personnel in place to manage your licence and assign or apply for CoS – see section L4 of [Part 1: Apply for a licence](#) for details
- understand [your sponsorship responsibilities](#) for each worker you sponsor
- otherwise understand and comply with all of your sponsor duties – see [Part 3: Sponsor duties and compliance](#) for details

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## SC2. How to get a Scale-up sponsor licence

This section tells you the requirements you must meet to be eligible for a Scale-up sponsor licence.

### General requirements

- SC2.1. If you wish to sponsor a Scale-up Worker, you must hold a valid sponsor licence for the Scale-up route. If you do not already hold such a licence, you must apply for one by completing the [online application form](#), paying the relevant [application fee](#), and submitting any required supporting evidence or information.
- SC2.2. Before applying for your licence, you should read:
- [Part 1: Apply for a licence](#) for detailed information on the general requirements and the application process
  - this section for guidance [specific to the Scale-up route](#)
- SC2.3. If you already hold a valid licence to sponsor workers, you can apply to add the Scale-up route to that licence. For further information on adding routes to your licence, see section L10 of [Part 1: Apply for a licence](#). In this section, any reference to “applying for a Scale-up licence” includes adding that route to an existing licence.
- SC2.4. The Scale-up route is classified as a ‘Temporary Worker’ route for sponsor licensing purposes. This means you will pay the standard Temporary Worker fee for a sponsor licence or to assign a [Certificate of Sponsorship](#) on this route. See the [UK visa fees](#) page on GOV.UK for further information. You will have to pay an additional fee if applying under the ‘[endorsing body pathway](#)’. There is no Immigration Skills Charge for this route.

### Specific requirements for a Scale-up licence

- SC2.5. In addition to the general requirements for a sponsor licence set out in [Part 1: Apply for a licence](#), to be eligible for a Scale-up sponsor licence, you must:
- be solvent – we will check Companies House and insolvency registers to confirm this
  - be able and intend to offer employment that:
    - meets the [skill-level](#) and [salary requirements](#) for this route
    - is [genuine](#)
    - where relevant, meets the rules on [third-party working](#)
    - will comply with [National Minimum Wage and the Working Time Regulations](#)

- meet the definition of a [qualifying Scale-up sponsor](#)

## Definition of a ‘qualifying Scale-up sponsor’

SC2.6. There are two ways you can meet the definition of a ‘qualifying Scale-up sponsor’:

- the [standard pathway](#) (where we automatically assess your employment growth and/or turnover growth, based on information you have submitted to HMRC)
- the [endorsing body pathway](#) (where an approved endorsing body confirms your eligibility to apply for a sponsor licence)

## The standard pathway

SC2.7. To qualify under the standard pathway, you must:

- have an annualised growth of at least 20% for the 3-year period before your application based on either employment (your staff count) or your turnover; and
- have had a minimum of 10 employees at the start of the 3-year period

SC2.8. We will securely access Pay As You Earn (PAYE) information and/or VAT return information you have submitted to HMRC and apply rules to this data to automatically assess whether you meet this definition. See [Annex SC1](#) for detailed information on how this assessment is made.

SC2.9. You must give us the following information when you complete your online sponsor licence application form:

- your Companies House reference number, if you are required to be registered with Companies House, or your Unique Taxpayer reference number, or numbers
- your VAT registration number
- all PAYE reference numbers through which your workers pay income tax and national insurance

SC2.10. You must provide all PAYE reference numbers through which you make income tax or national insurance deductions for your employees (including any settled or unsponsored workers) so automated checks can confirm:

- you had at least 10 employees at the start of the 3-year assessment period (this is required for both [employment growth](#) and [turnover growth](#) assessments); and
- whether your employment count has increased by at least 20% for the 3-year period (this is required to pass the [employment growth assessment](#))

SC2.11. If you fail to provide all relevant PAYE reference numbers, your application is likely to be delayed or refused.

SC2.12. You will not normally need to send any documents with your sponsor licence application, unless you are either:

- applying at the same time to be licensed on another route, or other routes, in which case you must submit any documents or information relevant to that route, or those routes, as set out in [Appendix A](#) to the sponsor guidance
- required to be registered with, or inspected or monitored by, a regulatory body to operate lawfully in the UK, in which case you must submit the relevant evidence for such organisations specified in [Table 2 of Appendix A](#) (we can normally check this online if you tell us where to find the information)

### The endorsing body pathway

SC2.13. The endorsing body pathway is for organisations who are unable to qualify under the standard pathway because their HMRC history is not long enough. To be eligible, you must first obtain an endorsement from a Home Office-approved endorsing body. You will have to [pay an additional fee](#) to the endorsing body to obtain this endorsement.

SC2.14. An organisation can only issue an endorsement for the Scale-up route if they are included on the [Home Office list of authorised endorsing bodies](#).

SC2.15. To qualify for an endorsement, you must satisfy the approved endorsing body that you meet the each of the following requirements. You must:

- have a minimum of 10 employees who pay income tax and national insurance through a PAYE scheme operated by you
- be registered for VAT
- be solvent and trading in the UK
- have an HMRC footprint of less than 4 years
- be able to demonstrate a potential growth rate consistent with the requirements of the Scale-up route and be reasonably expected to meet the Home Office definition of a qualifying Scale-up sponsor under the standard pathway within the next 4 years
- have sufficient finance to offer [appropriate salaries](#) to individuals working in roles that meet the [skill level of this route](#)
- have a UK-registered corporate bank account

SC2.16. In addition to the requirements above, you must also meet at least three out of the following 5 criteria:

| Criterion | Requirements  |
|-----------|---|
| 1. Growth | You must be able to show more than 20% growth in turnover or employment per year over a 2-year period |

| Criterion   | Requirements   |
|---|--|
| 2. Participation in a relevant Government programme or receipt of relevant Government funding | <p>You must have:</p> <ul style="list-style-type: none"> <li>participated in a recognised scale-up programme, such as Innovate UK EDGE or DCMS Creative Scale-up</li> <li>received an Innovate UK loan or grant; or</li> <li>participated in the Small Business Research Initiative</li> </ul> |
| 3. Finance  | You must have raised a minimum of £1 million in equity finance in a single round in the 12 months immediately before the date of application to the endorsing body   |
| 4. International  | You must have global offices or operations and be generating a minimum threshold of 10% of turnover from exports   |
| 5. Research and development expenditure   | <p>Your expenditure on research, development or innovation must be either</p> <ul style="list-style-type: none"> <li>10% of your overall operating costs per year for 3 years; or</li> <li>15% in one of the last 3 years</li> </ul>   |

SC2.17. Once you have obtained your endorsement, you can apply for your sponsor licence. You must tell us your valid endorsement reference number when you complete your online sponsor licence application form. We will check this online. You will not normally need to submit any documents with your application, unless you are either:

- applying at the same time to be licensed on another route, or other routes, in which case you must submit any documents or information relevant to that route, or those routes, as set out in [Appendix A](#) to the sponsor guidance
- required to be registered with, or inspected or monitored by, a regulatory body to operate lawfully in the UK, in which case you must submit the relevant evidence for such organisations specified in [Table 2 of Appendix A](#) to the sponsor guidance (we can normally check this online if you tell us where to find the information)

SC2.18. You must apply within 3 months of being endorsed for your endorsement to be valid. We will reject your application if your endorsement was issued more than 3 months before the date of your sponsor licence application. If you still wish to apply, you will need to obtain a new endorsement.

## How long your licence is valid for

SC2.19. You can only be licensed once on the Scale-up route. Your sponsor licence will be valid for 4 years, unless you surrender it or it is revoked before then. You cannot renew it beyond 4 years, or reapply for a Scale-up licence if you surrender it (or it's revoked) before 4 years. If you wish to continue to have the option of sponsoring overseas workers after this period, you must apply to be licensed on another route (for example, Skilled Worker), if you have not already done so.

## How to keep your licence

SC2.20. If you are granted a licence, you must comply with all of your sponsor duties. If you do not, we may take action against you, including:

- downgrading your licence rating
- suspending your licence
- revoking your licence
- reporting you to the police or other relevant authorities

SC2.21. For details, see [Part 3: Sponsor duties and compliance](#).

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# SC3. Immigration requirements for Scale-up Workers

This section tells you about the immigration requirements Scale-up Workers must meet and where you can find further information.

## Overview

- SC3.1. People who wish to come to the UK on the Scale-up route must meet all of the validity, suitability and eligibility requirements of [Appendix Scale-up](#) to the Immigration Rules.
- SC3.2. These requirements include that the applicant:
- is aged at least 18 or over on the date of application
  - meets the [points requirement](#)
  - meets the [genuineness requirement](#)
  - if they were previously an [officially-sponsored student](#), has the consent of that sponsor to making the application
  - meets any other relevant requirements relating to [entry clearance](#), [extension of stay](#) or [switching](#)
- SC3.3. This is not a full list of requirements – you must refer to the relevant [Immigration Rules](#) for these.

## Sponsored and unsponsored applications

- SC3.4. An applicant must make either a ‘sponsored application’ or an ‘unsponsored application’.
- SC3.5. The applicant must make an unsponsored application if they have been employed as a Scale-up Worker by a licensed Scale-up sponsor for at least 6 months in a previous grant of permission on the Scale-up route and they either:
- have permission as a Scale-up Worker on the date of application; or
  - last had permission as a Scale-up Worker and either:
    - if they are applying for entry clearance, that permission expired less than 6 months before the date of application
    - if they are applying for permission to stay, an exception in [paragraph 39E](#) of the Immigration Rules applies
- SC3.6. In all other cases, the applicant must make a sponsored application. Unless otherwise stated, the remainder of this guidance covers only those making a sponsored application. For further information on making an unsponsored application, see the [Scale-up Worker visa](#) guidance on GOV.UK.

## Points requirement

SC3.7. If the applicant is making a sponsored application as a Scale-up Worker, they must score 70 'points' as follows:

- 50 points for:
  - [sponsorship](#)
  - job at an [appropriate skill level](#)
  - being paid [an appropriate salary](#)
- 10 points for [English language](#)
- 10 points for meeting the [financial requirement](#)

SC3.8. If an applicant does not score 70 points against these criteria, their application will be refused and you will not be able to employ or sponsor them.

## Sponsorship requirement

SC3.9. The applicant must have a valid [Certificate of Sponsorship for the job they are planning to do](#), issued by a licensed Scale-up sponsor. The sponsor must be A-rated. The role the applicant is being sponsored for must:

- be [genuine](#)
- meet the rules on [working for a third party](#) (if relevant)
- comply with [National Minimum Wage and the Working Time Regulations](#)

## Genuine role requirement

SC3.10. We will not award points for sponsorship if we have reasonable grounds to believe that the job role you are sponsoring the worker for:

- does not exist
- is a sham; or
- has been created mainly so the worker can apply for entry clearance or permission to stay

SC3.11. If you assign a CoS for a role which is not genuine, we will refuse the worker's application and we may take action against you.

SC3.12. For further information, see 'Genuine vacancy: definition' in section C1 of [Part 3: Sponsor duties and compliance](#).

## Working for a third party

SC3.13. You must not assign a CoS to a worker for a role which amounts to either:

- the hire of the worker to a third party who is not the sponsor to fill a position with that party, whether temporary or permanent
- contract work to undertake an ongoing routine role or to provide an ongoing routine service for a third party who is not the sponsor,



regardless of the nature or length of any arrangement between the sponsor and the third party

SC3.14. If we have reasonable grounds to believe you have done so, we will not award points for sponsorship. If that happens, we will refuse the worker's application and may take action against you.

SC3.15. For further information on working on a contract basis, see section S1 of [Part 2: Sponsor a worker](#).

## Compliance with National Minimum Wage and the Working Time Regulations

SC3.16. The role you are sponsoring the worker for must always comply with the National Minimum Wage Regulations 2015 and the Working Time Regulations 1998. We will refuse any application for entry clearance or permission where we have reasonable grounds to believe it does not. We will also consider revoking your sponsor licence if we find you are breaching these Regulations.

SC3.17. For further information, see 'Compliance with National Minimum Wage and the Working Time Regulations' in section S4 of [Part 2: Sponsor a worker](#).

## English language requirement

SC3.18. The applicant must prove they have English language skills at level B1 or above on the [Common European Framework of Reference](#) for languages in all 4 components (speaking, listening, reading, writing) – see [Knowledge of English](#) on GOV.UK for further information.

## Financial requirement

SC3.19. If the applicant is applying for entry clearance from outside the UK, or has been in the UK for less than one year at the date of application, they must show they have enough funds to support themselves and any family members in the UK. This is known as the 'financial requirement'.

SC3.20. You can certify this requirement is met when you assign a CoS to them (known as 'certifying maintenance'). Otherwise, the applicant must provide evidence of funds as specified in [Appendix Finance](#) to the Immigration Rules.

SC3.21. If the applicant is applying for permission to stay and has been in the UK with permission for 12 months or longer on the date of application, they will automatically meet the financial requirement and do not need to show funds.

SC3.22. For further information, see 'Financial requirement' in section S7 of [Part 2: Sponsor a worker](#).

## Genuineness requirement

SC3.23. The applicant must:

- genuinely intend, and be able, to do the role for which they are being sponsored; and
- not intend to take employment other than in the role for which they are being sponsored, or as otherwise permitted by their conditions of stay (see section S8 of [Part 2: Sponsor a worker](#) for more information on conditions of stay)

## Former officially-sponsored students

SC3.24. If the applicant has, in the 12 months before the date of application, received an award from a Government or international scholarship agency covering both fees and living costs for study in the UK, they must provide written consent to their application from that Government or agency. If they do not, their application will be invalid and we may reject it.

## Entry requirement

SC3.25. Applicants who are outside the UK must apply for entry clearance (a visa) before coming to the UK on this route. If they arrive in the UK without the relevant visa, they will be refused entry, even if they otherwise meet the requirements.

## Extension of permission

SC3.26. Those already in the UK with permission as a Scale-up Worker can apply to extend their stay if they meet the relevant requirements. Unless the worker wishes to change employer or sponsor during their first 6 months of sponsored employment, any extension application will normally be as an [un-sponsored Scale-up Worker](#). See section S9 of [Part 2: Sponsor a worker](#) for further information on extension and change of employment applications.

## ‘Switching’ to the Scale-up route

SC3.27. People in the UK on another immigration route can ‘switch’ (change route) to the Scale-up route if they meet all the relevant immigration requirements and were not last granted permission:

- as a Visitor
- as a Student, unless they meet the additional rules for people [switching from the Student route](#) (as set out below)
- as a Short-term student
- as a Parent of a Child Student
- as a Seasonal Worker
- as a Domestic Worker in a Private Household
- outside the Immigration Rules

SC3.28. If a worker you wish to sponsor is in the UK on any of the above routes, they will normally need to leave the UK and apply for entry clearance as a Scale-up Worker.

## Switching from the Student route

SC3.29. If the person you wish to sponsor will be applying for permission to stay (from within the UK) and they have, or last had, permission as a Student (including as a Tier 4 (General) Migrant), they must meet one of the following conditions on the date they make their application to be allowed to switch to the Scale-up route:

- they must have completed the course of study for which they were being sponsored as a Student
- they must be studying a full-time course of study at degree level or above with a higher education provider which has a track record of compliance, and the start date on their CoS must be no earlier than the course completion date
- they must be studying a full-time course of study leading to the award of a PhD with a higher education provider which has a track record of compliance, and the start date on their CoS must be no earlier than 24 months after the start date of their PhD

SC3.30. A 'higher education provider with a track record of compliance' will be shown on the [Register of student sponsors](#) with the type 'Higher Education Institution (HEI)' and with the status 'Student Sponsor – Track Record'.

SC3.31. If you wish to sponsor a worker who has, or last had, permission as a Student, you must carefully check they can meet one of the above conditions before you assign a CoS to them. If they do not meet one of these conditions, they will not be permitted to switch.

## Period and conditions of grant

SC3.32. If the applicant makes a successful application for entry clearance or permission to stay as a sponsored Scale-up Worker, they will be granted entry clearance or permission for 2 years.

SC3.33. For the first 6 months of their permission, a sponsored Scale-up Worker must work for their sponsor in the employment stated on their CoS (subject to any permitted changes to that employment, as set out in section S9 of [Part 2: Sponsor a worker](#)).

SC3.34. If the worker wishes to change employer, sponsor or occupation code during this 6-month period, they will need a new CoS and have to make a further application for entry clearance or permission as a sponsored Scale-up Worker before they can start this new employment.

SC3.35. A sponsored Scale-up Worker can do other work (including self-employment and voluntary work), for you or another employer, in addition

to the work for which they are being sponsored, but they must not work as a professional sports person or sports coach. For further information, on conditions of stay, see section S8 of [Part 2: Sponsor a worker](#).

## Your responsibilities for the first 6 months of permission

- SC3.36. You must ensure you understand your sponsorship responsibilities for each worker you sponsor on this route.
- SC3.37. Your responsibilities for each sponsored worker begin on the date you assign a CoS to that worker and continue while the worker's application for entry clearance or permission to stay is pending. If the worker is granted permission, your responsibilities continue for the first 6 months of their permission (unless you stop sponsoring them for any reason before that period ends).
- SC3.38. The 6-month period is calculated in calendar months from the date the worker's entry clearance becomes effective (the 'valid from' date on their visa) or the date they are notified they have been granted permission to stay. For example, if a Scale-up Worker is granted entry clearance valid from 1 October 2024, you will have sponsorship responsibility for that worker until 11:59 pm on 1 April 2025.
- SC3.39. You must tell us the date a sponsored Scale-up Worker actually starts working for you as soon as possible. You do this by logging into your SMS account and using the 'Report migrant activity' function. For further information on reporting worker activity, see [SMS Manual 9](#) on GOV.UK.
- SC3.40. During the period for which you have sponsorship responsibility for the worker, you must also tell us if they fail to start their employment, are absent from work without permission, or there are any significant changes to the nature of their work or salary, or to your organisation. For further information on your sponsor duties, see section C1 of [Part 3: Sponsor duties and compliance](#).
- SC3.41. You must also keep records for each worker you sponsor as specified in [Appendix D](#) to the sponsor guidance. You will need to retain these records for the period stated in that Appendix.
- SC3.42. If you fail to meet these duties, we may revoke your sponsor licence.

## What happens after 6 months

- SC3.43. At the end of the 6-month period referred to in the [preceding subsection](#), you will no longer sponsor the worker. You do not need to do anything – your sponsorship responsibility for that worker will automatically end at this point.
- SC3.44. The worker can continue working for you in the same or different employment, or they can change employer, without needing to make a new

application for permission, provided they continue to meet the requirements of this route.

## After 2 years

SC3.45. At the end of the initial 2-year grant period, a Scale-up Worker can apply for an extension of permission (as an unsponsored Scale-up Worker). If successful, they will be granted permission for a further 3 years. There is no limit on the number of times a person can be granted on the Scale-up route.

## Settlement

SC3.46. People who have been lawfully resident in the UK for a continuous period of 5 years or more on the Scale-up route (or another eligible route, or combination of routes) may apply to [settle in the UK permanently](#) (known as 'settlement' or 'indefinite leave to remain'). For details of the requirements, see paragraphs SCU 13.1 to SW 19.2 of [Appendix Scale-up](#).

## Further information

SC3.47. You can find more information on the [Scale-up Worker visa](#) page on GOV.UK.

SC3.48. You should also refer to sections S7 to S9 of [Part 2: Sponsor a worker](#) for further information on immigration requirements, conditions of stay, extension applications and change of employment applications.

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## SC4. Skill-level for Scale-up Workers

This section tells you how to ensure that any jobs you wish to sponsor workers for on the Scale-up route are at the appropriate skill level.

- SC4.1. All applicants applying on the Scale-up route must have an offer of employment for a job at the appropriate skill level.
- SC4.2. To meet this requirement, the applicant must:
- be sponsored in a job in an eligible SOC 2020 occupation code
  - if relevant, meet the [ATAS requirement](#)

### Eligible occupation code

- SC4.3. The job the applicant is being sponsored to do must be in a SOC 2020 occupation code listed as eligible for the Scale-up route in either Table 2 or Table 3 of [Appendix Skilled Occupations](#). If the job is not in these tables, or is not specified as eligible for the Scale-up route, you cannot sponsor them on this route.
- SC4.4. Eligible jobs are considered to be level 6 or above (graduate level) on the Regulated Qualifications Framework for England and Northern Ireland (or the equivalent level in Scotland or Wales). This does not mean the worker has to have a graduate-level qualification but the work they do must be at that level.
- SC4.5. When you assign a Certificate of Sponsorship (CoS) to a Scale-up Worker, you must choose the appropriate occupation code for the job from Appendix Skilled Occupations. It is your responsibility to ensure you choose the correct occupation code. The University of Warwick has developed a [Computer Assisted Structured Coding Tool \(CASCOT\)](#) which can help you choose the correct SOC 2020 code. There is also guidance in section S3 of [Part 2: Sponsor a worker](#).
- SC4.6. We will not award points to an applicant (and so will refuse their application) if we have reasonable grounds to believe you have chosen a less appropriate occupation code for either of the following reasons:
- the most appropriate occupation code for the job is not eligible for the Scale-up route
  - the most appropriate occupation code for the job has a higher going rate than the salary you propose to pay the worker
- SC4.7. When assessing if you have chosen a less appropriate occupation code, we may consider a number of factors, including, but not limited to:
- whether you have shown a genuine need for the job as described

- whether the applicant has the appropriate skills, qualifications and experience needed to do the job as described in the CoS
- your history of compliance with the immigration system including, but not limited to, paying your sponsored workers appropriately
- any additional information you may provide

SC4.8. If we find you have provided false, misleading or otherwise incorrect information about the skill level of the job on a CoS, we will take compliance action against you.

## ATAS requirement

SC4.9. When you assign a CoS to a Scale-up Worker, you must check and confirm whether the worker needs to apply for an [Academic Approval Technology Scheme \(ATAS\) certificate](#) from the Foreign, Commonwealth and Development Office before they can start working for you.

SC4.10. A Scale-up Worker will need an ATAS certificate if all of the following are true:

- you are also licensed as a Student sponsor
- the worker is not an [exempt national](#)
- you are sponsoring the worker in a [relevant occupation code](#)
- the work involves research at PhD level or above in a [relevant subject area](#)

See Annex S1 of [Part 2: Sponsor a worker](#) for a definition of the terms 'exempt national', 'relevant occupation code' and 'relevant subject area'.

SC4.11. If the worker needs an ATAS certificate, you should encourage them to apply for one as soon as possible, as they will need to include a copy of the certificate with their application for entry clearance or permission to stay. If they fail to do so, we will refuse their application and you may lose your sponsor licence (or licences).

SC4.12. For further information on the ATAS requirement, and your responsibilities in relation to it, see under 'ATAS requirement' in section S7 of [Part 2: Sponsor a worker](#).

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# SC5. Salary requirement for Scale-up Workers

This section tells you how much you must pay a Scale-up Worker, how we check you are complying with this requirement, and what happens if the worker takes unpaid leave or their salary is reduced.

## Overview

- SC5.1. You must ensure any worker you sponsor on the Scale-up route is paid in line with the salary rates set out in the Immigration Rules and in this guidance. The relevant Immigration Rules are contained in paragraphs SCU 7.1 to SCU 7.6 of [Appendix Scale-up](#). The applicable 'going rates' are set out in Tables 2, 3, 4 and 5 of [Appendix Skilled Occupations](#).
- SC5.2. These rates have been set to make sure the resident labour market is not undercut. They will be reviewed and updated regularly to reflect the latest available salary data.
- SC5.3. If the amount you intend to pay the worker is below these rates, we will refuse their application for entry clearance or permission to stay.
- SC5.4. If we grant permission to a Scale-up Worker, but we later find that you stop paying, or have never paid, them in line with these rates, we will take action against you – this could include [revoking your sponsor licence](#).
- SC5.5. In addition to [compliance checks](#), we will make regular checks with HMRC to ensure you are paying at least the salary you stated on the sponsored worker's [Certificate of Sponsorship \(CoS\)](#), in any sponsor note you have added to the CoS, or in any other notification of a change in salary. You must therefore provide a [PAYE reference number](#) for each worker you sponsor on this route, so we can make these checks.

## How much do you have to pay a Scale-up Worker?

- SC5.6. The salary you must pay to a Scale-up Worker must equal or exceed both of the following amounts:
- the 'general salary threshold' (based on a maximum 48-hour week) – this is currently £36,300 per year
  - the full 'going rate' for the occupation code, as specified in [Appendix Skilled Occupations](#)
- SC5.7. If the going rate for the occupation code is higher than the general salary threshold, you must pay the worker at least the going rate. If the going rate is lower than the general salary threshold, you must pay the worker at least the general salary threshold. There are limited, specified circumstances in which the worker can temporarily be paid less than the usual salary thresholds – see:



- [Absence without pay or on reduced pay](#)
- [Salary otherwise reduced](#)

## Calculation of salary

SC5.8. You must ensure you understand the rules on calculation of salary (including allowances and pro-rating).

## Allowances

SC5.9. We will only take into account guaranteed basic gross pay (before income tax and including employee pension and national insurance contributions). We will not take into account other allowances, pay or benefits (even if they are guaranteed), such as any of the following:

- pay which cannot be guaranteed because the nature of the job means the hours fluctuate
- additional pay such as shift allowance, or overtime or bonus pay, whether or not it's guaranteed
- employer pension and employer national insurance contributions
- any allowances, such as accommodation or cost of living allowances
- in-kind benefits, such as equity shares, health insurance, school or university fees, company cars or food
- one-off payments, such as 'golden hellos'
- any payments relating to immigration costs, such as the application fee or [Immigration Health Charge](#)
- payments to cover business expenses, including (but not limited to) travel to and from the worker's home country, equipment, clothing, travel or subsistence

SC5.10. When you enter the worker's gross salary on their CoS, you must not include any allowances, such as those listed above, in the figure. If we find you have done so, we may revoke your licence.

## Calculation of annual salary

SC5.11. The general salary threshold and going rates refer to annual salaries. If you will be employing the worker for less than 12 months, and you enter their annual salary on the CoS, you should ensure you pro-rate this accordingly. For example, if the worker will be paid £3,500 per month, this would equate to a gross annual salary of £42,000.

## Calculation of general salary threshold

SC5.12. When considering if the general salary threshold of £36,300 per year is met, we will only take into account salary for up to a maximum of 48 hours per week, even if the applicant works for longer than this. For example, an applicant who works 60 hours a week for £12.50 per hour will be considered to have a salary of £31,200 (£12.50 x 48 x 52) per year and not

£39,000 (£12.50 x 60 x 52), and will therefore not meet the salary requirement for this route.

SC5.13. If the applicant will be working part-time, we will only consider their actual gross earnings to determine if they are being paid at least the general salary threshold – we will not pro-rate their salary to the equivalent full-time earnings. For example, if the applicant works 20 hours per week for £25 per hour, their annual salary will be £26,000 (£25 x 20 x 52) and they will not meet the salary requirement for this route.

## Calculation of going rate

SC5.14. When assessing whether the applicant is being paid the going rate, we will take into account their full weekly working hours, as stated by you on their CoS, and pro-rate accordingly. This applies even if the applicant works more than 48 hours per week. The calculation we use for the going rate depends on whether the occupation code is listed in Table 2 or Table 3 of [Appendix Skilled Occupations](#).

## Occupation code in Table 2

SC5.15. Going rates for occupation codes listed in Table 2 of [Appendix Skilled Occupations](#) are based on a 37.5-hour week and will be pro-rated as follows:

(the going rate for the occupation code stated in Table 2 of Appendix Skilled Occupations) x (the number of weekly working hours stated by the sponsor ÷ 37.5)

SC5.16. This means, for example:

- an applicant who works 60 hours a week in an occupation code in Table 2 with a going rate of £45,500 must be paid at least £72,800 (£45,500 x 60 ÷ 37.5) per year to meet the going rate requirement
- an applicant who works 30 hours per week in an occupation code in Table 2 with a going rate of £45,500 must be paid at least £36,400 (£45,500 x 30 ÷ 37.5) per year to meet the going rate requirement

## Occupation code in Table 3

SC5.17. If the applicant is being sponsored for a job in one of the health or education occupation codes listed in Table 3 of [Appendix Skilled Occupations](#), the going rate will be pro-rated according to the number of weekly working hours stated by you on the CoS and the rules set out in Tables 3, 4 and 5 of Appendix Skilled Occupations.

## Calculation of salary: irregular working patterns

SC5.18. The following rules apply where the applicant's working hours vary each week, resulting in uneven pay:

- work in excess of 48 hours in some weeks can be considered towards the general salary threshold (£36,300), provided the average over a regular cycle (which can be no more than 17 weeks) is not more than 48 hours a week
- any unpaid rest weeks will count towards the average when considering whether the salary thresholds are met
- any unpaid rest weeks will not count as [absences from employment](#)

SC5.19. For example, an applicant who works a pattern of 60 hours a week for £25 per hour for two weeks, followed by an unpaid rest week, will be considered to work 40 hours a week on average and have a salary of £52,000 (£25 x 40 x 52) per year.

## PAYE reference numbers

SC5.20. When you assign a CoS to a Scale-up Worker, you must tell us the [Pay As You Earn \(PAYE\) scheme](#) reference number through which the worker will pay income tax and national insurance. We will use this information to check with HMRC that you are paying the worker the amount you said you would. You cannot sponsor a Scale-up Worker if they will not be enrolled on a PAYE scheme.

SC5.21. Before you assign any CoS, we recommend you first add all relevant PAYE scheme reference numbers to your licence, using the 'PAYE References' tab in your sponsorship management system (SMS) account. You will then be able to select the relevant PAYE scheme when you assign a CoS to a sponsored worker.

SC5.22. If the PAYE scheme through which the worker pays income tax and national insurance changes, you do not need to report this to us in relation to the individual worker. You must, however, ensure that the new PAYE scheme is listed in your SMS account.

SC5.23. For further information on managing PAYE reference numbers, see Guide 9 in [SMS Manual 2: manage your sponsorship licence](#).

## Absence without pay or on reduced pay

SC5.24. You must normally stop sponsoring a worker if they are absent without pay, or absent on reduced pay, for more than 4 weeks in total, according to their normal working pattern, during the period in which you are sponsoring them, unless the absences are due to one or more of the following:

- statutory maternity, paternity, parental, shared parental or adoption leave
- sick leave
- assisting with a national or international humanitarian or environmental crisis, with your agreement
- taking part in legally organised industrial action
- jury service

- attending court as a witness

See 'Absence from work without pay or on reduced pay' in section S4 of [Part 2: Sponsor a worker](#) for more information.

## Salary otherwise reduced

SC5.25. If the worker's salary is reduced for a reason not related to absence, their revised salary must not be below [minimum rates](#) for this route. The only exception to this is if the reduction coincides with a temporary reduction in the worker's hours, or a phased return to work, for individual health reasons, provided:

- this is supported by an occupational health assessment; and
- the reduction does not result in their hourly rate falling below any hourly rate requirement which applied when the worker obtained their most recent grant of permission

SC5.26. During the period in which you have [sponsorship responsibility](#) for the worker, you must tell us if the worker's salary has been reduced for any reason (and what their revised salary is) via your [SMS account](#). However, provided their salary continues to meet the requirements of this route, you do not need assign a new CoS and the worker does not need to make a new application for permission.

SC5.27. If the worker's salary is reduced below the [minimum rates](#) for this route, and an exception does not apply, you must stop sponsoring the worker and tell us you have done so within 10 working days via your [SMS account](#).

SC5.28. Remember, we will make regular checks with HMRC to ensure you are paying the worker appropriately. If we find you are paying the worker less than the amount that would be eligible for points on the Scale-up route, we will [revoke your licence](#).

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# SC6. Certificate of Sponsorship for Scale-up Workers

This section tells you how to assign a valid Certificate of Sponsorship to a Scale-up Worker.

## Overview

- SC6.1. If you have read and understood all the rules in this guidance and you wish to sponsor a Scale-up Worker, you must assign them a valid Certificate of Sponsorship (CoS) using your [sponsorship management system \(SMS\)](#) account.
- SC6.2. Before assigning a CoS, you should satisfy yourself that the worker can meet the relevant [immigration requirements](#).
- SC6.3. You must be an A-rated sponsor to assign a CoS to a Scale-up Worker. You cannot assign a CoS if you are B-rated. For further information on licence ratings, see section L8 of [Part 1: Apply for a licence](#).
- SC6.4. For more information on what a CoS is, and CoS allocations, see section S2 of [Part 2: Sponsor a worker](#).
- SC6.5. You can find detailed technical guidance on how to assign a CoS in [User manuals: sponsorship management system \(SMS\)](#) on GOV.UK – see in particular Manual 8.

## Fees

- SC6.6. You must pay the standard Temporary Worker fee for each CoS you assign to a Scale-up Worker – see the [UK visa fees](#) page on GOV.UK for information on current fee levels.

## Use of the CoS

- SC6.7. Once you have assigned a CoS, the worker must use it within 3 months to apply for:
- entry clearance (a visa) if they are outside the UK
  - permission to stay if they are in the UK and [eligible to switch](#) to the Scale-up route, or need to [make a change of employment application](#) as a sponsored worker
- SC6.8. If the CoS was issued more than 3 months before the date of application, we may reject their application and not consider it.
- SC6.9. The worker must not apply for a visa or permission to stay more than 3 months before the start date recorded on their CoS. If they do, we will refuse their application.

SC6.10. We will also refuse the application if the CoS:

- has been withdrawn by you or cancelled by the Home Office – see section S6 of [Part 2: Sponsor a worker](#) for information on when a CoS can be withdrawn or cancelled
- was used in a previous application that was refused

## What the CoS must confirm

SC6.11. For a CoS to be valid, it must confirm all of the following:

- that you are sponsoring the worker on the Scale-up route
- the worker's personal information (such as their name, date of birth, nationality), passport details and contact details
- the [start date](#) of the worker's employment (you do not have to enter an end date but the worker must be expected to work for you for at least the [first 6 months of their permission](#))
- how many hours they will work each week – enter an average figure if this varies
- where the worker will carry out their employment – this should include their main work address and any other regular work addresses, if relevant
- whether you used an agent (such as a recruitment agency, employment business or other intermediary) to find the worker and, if so, details of that agent
- the job title
- the relevant SOC 2020 occupation code for the role (choose from the drop-down list under 'Job type') – see section S3 of [Part 2: Sponsor a worker](#) for more information on occupation codes
- the main duties of the role for which the worker is being sponsored (enter these in the 'Summary of job description' box)
- details of the worker's salary – this must not include any [allowances or bonuses](#)
- whether the job is on a client contract and, if so, details of that contract
- that the job is in an occupation code listed as eligible for the Scale-up route in either Table 2 or Table 3 of [Appendix Skilled Occupations](#)
- professional registration details of the worker, if there is a legal requirement for them to be registered with a professional or other official organisation in the UK (for example, a doctor must be registered with the GMC)
- whether you wish to [certify maintenance](#) for the worker (and, if relevant, their dependants)
- whether the worker needs [an Academic Technology Approval Scheme \(ATAS\) certificate](#)
- the [Pay As You Earn \(PAYE\) scheme reference number](#) through which the worker will pay income tax and national insurance

## Confirming the start date

- SC6.12. When you assign a CoS to a Scale-up Worker, you must enter a start date for their employment – see section S3 of [Part 2: Sponsor a worker](#) for more information on entering start dates.
- SC6.13. If the worker is granted entry clearance or permission to stay, you must also tell us the date they actually start working for you by using the 'Report migrant activity' function in the SMS.

## Minimum period of employment

- SC6.14. You do not have to enter a work end date on the CoS. However, by assigning a CoS to a Scale-up Worker, you are confirming that if the worker is granted permission, they are expected to work for you for at least the first 6 months of that permission.

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# Annex SC1: Standard pathway assessment

This annex tells you how we apply rules to data held by HMRC to assess whether an organisation meets the definition of a ‘qualifying Scale-up sponsor’ under the standard pathway, and other checks we make.

## Overview

To meet the definition of a ‘qualifying Scale-up sponsor’ under the [standard pathway](#), your HMRC records must show you:

- have an annualised growth of at least 20% for the previous 3-year period for either your employment (staff count) or your turnover; and
- had a minimum of 10 employees at the start of this 3-year period

We use application programming interfaces (APIs) to securely access information (data) held by HMRC that organisations have submitted to HMRC. We then apply rules to the data we receive to automatically assess whether an organisation meets the definition of a qualifying Scale-up sponsor (“passes a Scale-up assessment”).

We will also check Companies House records or (if you are not listed on Companies House) insolvency registers to confirm you are solvent. We will make additional checks, and may ask you for further information, if HMRC are unable to match the details you have provided with their records.

We will refuse your application if:

- we are unable to match the details you have provided with your application to HMRC records
- we are unable to confirm you are solvent
- you do not have at least 37 months’ worth of history with HMRC
- you did not have at least 10 employees at the start of the assessment period (known as the “base month”)
- there are gaps (periods without data) within the 37-month assessment period

If you satisfy all of the above checks, automated checks will then assess whether you meet the specific criteria for either [employment growth](#) or [turnover growth](#). If you satisfy either of these checks, you will pass the Scale-up assessment.

It is your responsibility to ensure that your records with HMRC are accurate, complete and up-to-date. If there are gaps in your records, you are likely to fail the Scale-up assessment.

## How HMRC data is used to assess employment growth

To pass a Scale-up assessment based on employment growth, our checks must show you meet all of the following criteria:



- you must be solvent
- you must have a minimum of 37 months of PAYE history with HMRC
- you must have had a minimum of 10 employees in the [base month](#) (Month 37 in the assessed range)
- there must be no gaps in your PAYE data (between Month 1 and Month 37 in the assessed range)
- your average employment count in the most recent 12-month period must show a growth rate of at least 20% per year since the [base month](#)

## Data used to calculate employment growth

Our automated checks use Pay As You Earn (PAYE) information you have submitted to HMRC via Real Time Information (RTI) submissions to determine if you pass the Scale-up employment growth assessment.

If you operate multiple PAYE schemes, the checks will calculate an aggregate figure for all schemes for (see the [worked example for employment growth](#) below). It is therefore essential that, when you complete your online sponsor licence application form, you provide details of all PAYE schemes through which you make income tax and national insurance deductions for your employees (including all settled and unsponsored workers), otherwise you are likely to fail the assessment.

## The period we assess for employment growth

Our automated checks will use PAYE information you have submitted to HMRC in the most recent 12-month period and compare it with a “base month” to determine if you pass the Scale-up employment growth assessment.

The most recent 12-month period will normally start in the calendar month immediately before the month in which the Scale-up assessment is run. We also refer to this as “Month 1” or the “starting month”. For example, if the assessment is run in March 2023, the starting month (Month 1) will be February 2023.

The base month (also known as “Month 37”) will be the month that is 36 months before the starting month. For example, if the starting month is February 2023, the base month will be February 2020.

To allow for situations where the most recent PAYE information from HMRC is not yet available, up to 2 further checks will be run with a starting month 2 or 3 months before the assessment date. For example, if the assessment is run in March 2023, the following periods will (if necessary) be checked:

- a starting month of February 2023 and a base month of February 2020
- a starting month of January 2023 and a base month of January 2020
- a starting month of December 2022 and a base month of December 2019

Each of these checks must show a minimum count of 10 employees in the base month for the individual check to have a chance of being successful.

## Worked example of an employment growth assessment

The assessment is run in March 2023.

The starting month (Month 1) will be February 2023.

The most recent 12-month period (Months 1 to 12) will cover February 2023 to March 2022.

The base month (Month 37) will be February 2020.

The table below shows the staff count for the most recent 12-month period:

| Month          | Staff under PAYE scheme 1 | Staff under PAYE scheme 2 | Staff under PAYE scheme 3 | Total in-month employment |
|----------------|---------------------------|---------------------------|---------------------------|---------------------------|
| February 2023  | 30                        | 5                         | 3                         | 38                        |
| January 2023   | 27                        | 5                         | 3                         | 35                        |
| December 2022  | 27                        | 4                         | 3                         | 34                        |
| November 2022  | 25                        | 4                         | 3                         | 32                        |
| October 2022   | 23                        | 4                         | 3                         | 30                        |
| September 2022 | 27                        | 4                         | 3                         | 34                        |
| August 2022    | 27                        | 4                         | 3                         | 34                        |
| July 2022      | 27                        | 4                         | 3                         | 34                        |
| June 2022      | 27                        | 4                         | 3                         | 34                        |
| May 2022       | 27                        | 4                         | 3                         | 34                        |
| April 2022     | 27                        | 4                         | 3                         | 34                        |
| March 2022     | 25                        | 4                         | 0                         | 29                        |
| -              | -                         | -                         | <b>Total:</b>             | <b>402</b>                |

To determine your average in-month employment for the period, the following calculation is performed:

- total in-month employment for the 12-month period (402 in this example) / 12 = average (33.5 in this example)

The table below shows the staff count for the base month:

| Month         | Staff under PAYE scheme 1 | Staff under PAYE scheme 2 | Staff under PAYE scheme 3 | Total in-month employment |
|---------------|---------------------------|---------------------------|---------------------------|---------------------------|
| February 2020 | 17                        | 0                         | 0                         | 17                        |

To determine whether there has been an increase in employment growth of at least 20% for the relevant 3-year period, the following calculation is performed:

- base month employment x 1.2 x 1.2 x 1.2

This will give the required average in-month employment threshold. You must meet or exceed this threshold to pass the Scale-up employment growth assessment.

The table below shows the full calculation based on the figures above. Note that our automated checks do not round up or down when performing these calculations:

| Base month employment | Scale up calculation                               | Required average employment | Actual average employment | Result              |
|-----------------------|--|-----------------------------|---------------------------|---------------------|
| 17                    | Base month employment<br>[17] x 1.2 x 1.2<br>x 1.2 | 29.376                      | 33.5                      | Scaled-up<br>(Pass) |

## How HMRC data is used to assess turnover growth

To pass a Scale-up assessment based on turnover growth, our automated checks must show that you meet all of the following criteria:

- you must be solvent
- you must have a minimum of 37 months of VAT submissions history with HMRC
- you must have had a minimum of 10 employees in the [base month](#) (Month 37 in the assessed range)
- there must be no evidence of gaps or overlaps within the 37-month assessment period (this could be entire periods or days that are not covered, or are double-counted, in your submission history)
- there must be a positive turnover figure in the [base month](#)
- there must be no 'central assessments' present in the 37-month assessment period (see below)
- there must be no 'inbound correspondence requests' present in the 37-month assessment period (see below)
- there must be no evidence of unaccepted frequency types for your VAT submissions (such as an annual submission) within the 37-month assessment period (accepted frequency types are monthly or quarterly, allowing for adjustments if you [change your reporting frequency](#))
- your turnover in the most recent 12-month period [must show an average growth of at least 20% per year since your base year](#)

### Central assessments

A central assessment is issued by HMRC when the expected VAT submission is overdue. If there are any central assessments in the 37-month assessment period, you are considered to be in breach of your due diligence and will fail the Scale-up turnover assessment.

### Inbound correspondence requests

An inbound correspondence request is issued by HMRC when a VAT submission is expected but not yet received. If the most recent period has a status of 'inbound correspondence request' our turnover assessment will start with the period immediately before that.

## Data used to calculate turnover growth

Our automated checks will use the information you have submitted to HMRC in 'Box 6' of your monthly or quarterly VAT return to assess your turnover. Box 6 shows the total value of sales and all other outputs, excluding any VAT.

You must submit your VAT returns on a monthly or quarterly cycle to have a chance of passing the turnover assessment. Annual returns are not being used to assess turnover growth due to the low number of organisations submitting these and the majority not reaching the turnover threshold required for registering for VAT. A Scale-up turnover assessment will therefore not pass if there is an annual return present in the assessment period.

The deadline for submitting a VAT return online is usually one calendar month and 7 days after the end of your tax period (also known as an "accounting period"). The accounting period can be monthly or quarterly. This means VAT submission deadlines are on the 7<sup>th</sup> of each month when submitting monthly, or on the 7<sup>th</sup> of each third month when submitting quarterly.

Quarterly returns can cover different return periods or 'stagers' that end with the following months:

- June, September, December, March
- July, October, January, April
- August, November, February, May

## The period we assess for turnover growth

Our automated checks will use information you have submitted to HMRC in the most recent 12-month period and compare it with a 'base period' to determine if you pass the Scale-up turnover assessment. The assessment will use the number of days in the most recent 12-month period (365 days, or 366 days if the most recent 12-month period includes a leap year).

## How the base month and base period are determined for turnover growth

The base month (Month 37) will always be the month that is 36 months earlier than the most recent month (Month 1) of the most recent accounting period. This could be any of the following:

- a complete submission, if your reporting period is monthly
- part of a 3-month submission, if your reporting period is quarterly (that is, part of a base period)
- part of an irregular submission, for example part of a 5-month submission (that is, part of a base period), if you are changing your quarterly stagger or you are changing your reporting frequency from monthly to quarterly or vice versa

Our automated checks will also use the [base month from the employment growth assessment](#) to confirm you meet the minimum requirement of employing at least 10 people in the base month.

## How the base year value is calculated from the base period

To determine the base year turnover value from the base period submission value, the following calculation is performed:

$$\text{(Days in most recent 12-month period / number of days in base period) x turnover in base period}$$

### Example 1: monthly submissions

Most recent 12-month period: December 2023 to January 2023 (365 days)

Base period: December 2020

Number of days in base period: 31 days

Turnover in base period: £50,000

Base year turnover value is  $(365/31 = 11.77) \times £50,000 = £588,500$

### Example 2: quarterly submissions

Most recent 12-month period: December 2023 to January 2023 (365 days)

Base period: December 2020 to October 2020

Number of days in base period: 92 days

Turnover in base period: £150,000

Base year turnover value is  $(365/92 = 3.97) \times £150,000 = £595,500$

### Example 3: irregular submissions

Most recent 12-month period: December 2024 to January 2024 (366 days)

Base period: December 2021 to August 2021

Number of days in base period: 153 days

Turnover in base period: £250,000

Base year turnover value is  $(366/153 = 2.39) \times £250,000 = £598,039$

The table below gives a summary of the above examples:

| Days in most recent year | Days in base period | Calculation to find multiplier | Base period turnover | Base year calculation  | Base year turnover |
|--------------------------|---------------------|--------------------------------|----------------------|------------------------|--------------------|
| 365                      | 31                  | $365/31 = 11.77$               | £50,000              | $11.77 \times £50,000$ | £588,500           |
| 365                      | 92                  | $365/92 = 3.97$                | £150,000             | $3.97 \times £150,000$ | £595,500           |
| 366                      | 153                 | $366/153 = 2.39$               | £250,000             | $2.39 \times £250,000$ | £598,039           |

## How your most recent VAT return is identified

The most recent 12-month period will start in the final month of the accounting period to which your most recent VAT return relates.

HMRC provides a data extract to the Home Office each month which shows the organisation's VAT history as it was on the 17<sup>th</sup> day of the current month. This data is available to the Home Office via its turnover API (also known as the 'Scale-up service') on the 18<sup>th</sup> day of the current month. This means that any VAT returns you submit to HMRC after the 17<sup>th</sup> day of the current month will not be visible to the Home Office until the 18<sup>th</sup> day of the following month.

The table shows examples of the most recent data the Home Office can use in the turnover assessment:

| VAT return extract date | Scale-up service updated | Application assessment date         | Latest VAT return extract visible to the Home Office |
|-------------------------|--------------------------|-------------------------------------|--|
| -                       | -                        | 15 to 16 December 2023              | 17 November 2023                                     |
| 17 December 2023        | -                        | 17 December 2023                    | 17 November 2023                                     |
| -                       | 18 December 2023         | 18 December 2023 to 17 January 2024 | 17 December 2023                                     |
| 17 January 2024         | -                        | 17 January 2024                     | 17 December 2023                                     |
| -                       | 18 January 2024          | 18 January 2024 to 17 February 2024 | 17 January 2024                                      |

### Example 1: monthly submissions

You submit your VAT returns on a monthly basis. Your two most recent VAT returns were submitted on 5 December 2023 (for the period ending October 2023) and 5 November 2023 (for the period ending September 2023). You apply for a Scale-up sponsor licence on 10 December 2023 and your application is assessed on 15 December 2023.

The most recent VAT return visible to the Home Office will be the one for September you submitted on 5 November 2023 (that is, the most recent submission dated on or before 17 November 2023) and this will be the start of your most recent 12-month period. The return you submitted for October on 5 December 2023 will not be visible in the Scale-up service and will therefore not be taken into account.

### Example 2: quarterly submissions

You submit your VAT returns on a quarterly basis. Your two most recent VAT returns were submitted on 30 November 2023 (for the quarter ending in October 2023) and 31 August 2023 (for the quarter ending in July 2023). You apply for a Scale-up sponsor licence on 15 December 2023 and your application is assessed on 20 December 2023.

The most recent VAT return visible to the Home Office will be the one you submitted on 30 November 2023 for the quarter ending in October (the most recent submission

dated on or before 17 December 2023) and this will be the start of your most recent 12-month period.

As the above two examples show, the most recent return used in the Scale-up turnover assessment will normally be either your most recent submitted return or the return you submitted immediately before that.

## How the most recent 12-month turnover figure is calculated.

How your turnover for the most recent 12-month period is calculated depends on your filing frequency.

### Regular monthly submissions

If you regularly submit your VAT returns on a monthly (M) basis, the turnover assessment will use the sum of the 12 most recent 'Box 6' figures to determine turnover for the most recent 12-month period, as shown in the table below:

| Period end                    | Dec 23     | Nov 23 | Oct 23 | Sep 23 | Aug 23 | Jul 23 | Jun 23 | May 23 | Apr 23 | Mar 23 | Feb 23 | Jan 23 |
|-------------------------------|------------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|
| Days submitted                | 31         | 30     | 31     | 30     | 31     | 31     | 30     | 31     | 30     | 31     | 28     | 31     |
| Days elapsed                  | 31         | 61     | 92     | 122    | 153    | 184    | 214    | 245    | 275    | 306    | 334    | 365    |
| Submission month              | 1          | 2      | 3      | 4      | 5      | 6      | 7      | 8      | 9      | 10     | 11     | 12     |
| Filing frequency              | M          | M      | M      | M      | M      | M      | M      | M      | M      | M      | M      | M      |
| Months assessed               | 1          | 1      | 1      | 1      | 1      | 1      | 1      | 1      | 1      | 1      | 1      | 1      |
| Monthly turnover (£000s)      | 75         | 75     | 75     | 50     | 50     | 50     | 50     | 50     | 50     | 50     | 50     | 50     |
| <b>Total turnover (£000s)</b> | <b>675</b> |        |        |        |        |        |        |        |        |        |        |        |

We will then apply the following calculation:

$$\begin{aligned} & (\text{Standard year (365 days)} / \text{days elapsed}) \times \text{total turnover} \\ & (365 / 365 = 1) \times \text{£675,000} = \text{£675,000} \end{aligned}$$

### Regular quarterly submissions

If you regularly submit your VAT returns on a quarterly (Q) basis, the turnover assessment will use the sum of the 4 most recent 'Box 6' figures to determine turnover for the most recent 12-month period, as shown in the table below:



| Period                        | Dec 23 to Oct 23 | Sep 23 to Jul 23 | Jun 23 to Apr 23 | Mar 23 to Jan 23 |
|-------------------------------|------------------|------------------|------------------|------------------|
| Days submitted                | 92               | 92               | 91               | 90               |
| Days elapsed                  | 92               | 184              | 275              | 365              |
| Submission month              | 1                | 4                | 7                | 10               |
| Filing frequency              | Q                | Q                | Q                | Q                |
| Months assessed               | 3                | 3                | 3                | 3                |
| Quarterly turnover (£000s)    | 225              | 150              | 150              | 150              |
| <b>Total turnover (£000s)</b> | <b>675</b>       |                  |                  |                  |

We will then apply the following calculation:

$$\begin{aligned} & (\text{Standard year (365 days) / days elapsed}) \times \text{total turnover} \\ & (365 / 365 = 1) \times \text{£675,000} = \text{£675,000} \end{aligned}$$

### If you change your reporting frequency

If you change your reporting frequency (for example, from monthly to quarterly or vice versa) or your quarterly stagger, this could result in the most recent 12-month period containing more than 12 months of submitted data. To give you the best chance of passing the Scale-up turnover assessment, our checks will include the relevant number of immediate consecutive submissions and apply an average for the months that make up the most recent 12-month period, as shown in the table below:

| Period                        | Dec 23     | Nov 23 | Oct 23 | Sep 23 | Aug 23 | Jul 23 | Jun 23 | May 23 | Apr 23 | Mar 23 | Feb 23 | Jan 23 to Nov 22 |
|-------------------------------|------------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|------------------|
| Days submitted                | 31         | 30     | 31     | 30     | 31     | 31     | 30     | 31     | 30     | 31     | 28     | 92               |
| Days elapsed                  | 31         | 61     | 92     | 122    | 153    | 184    | 214    | 245    | 275    | 306    | 334    | 426              |
| Submission month              | 1          | 2      | 3      | 4      | 5      | 6      | 7      | 8      | 9      | 10     | 11     | 12               |
| Filing frequency              | M          | M      | M      | M      | M      | M      | M      | M      | M      | M      | M      | Q                |
| Months assessed               | 1          | 1      | 1      | 1      | 1      | 1      | 1      | 1      | 1      | 1      | 1      | 3                |
| Period turnover (£000s)       | 75         | 75     | 75     | 50     | 50     | 50     | 50     | 50     | 50     | 50     | 50     | 150              |
| <b>Total turnover (£000s)</b> | <b>775</b> |        |        |        |        |        |        |        |        |        |        |                  |



In this example, the organisation changed its filing frequency from quarterly to monthly in February 2023. As a result, the January submission covers 3 months (92 days), meaning that the turnover total for the most recent year must be derived from an actual period of 426 days.

We will then apply the following calculation to annualise the turnover figure:

$$\begin{aligned} & (\text{Standard year (365 days) / days elapsed}) \times \text{total turnover} \\ & (365/426 = 0.857) \times \text{£775,000} = \text{£664,026} \end{aligned}$$

## How the required turnover figure is calculated

To pass the Scale-up turnover assessment, your turnover in your most recent 12-month period must equal or exceed the following value:

$$\text{Base year turnover value} \times 1.2 \times 1.2 \times 1.2$$

The table below gives examples where the organisation's base year turnover was £250,000:

| Base year turnover | Scale-up calculation              | Required turnover for most recent year | Actual turnover in most recent year | Result                   |
|--------------------|-----------------------------------|--|-------------------------------------|--------------------------|
| £250,000           | Base year value x 1.2 x 1.2 x 1.2 | £432,000                               | £675,000                            | Scaled-up (Pass)         |
| £250,000           | Base year value x 1.2 x 1.2 x 1.2 | £432,000                               | £432,000                            | Scaled-up (Pass)         |
| £250,000           | Base year value x 1.2 x 1.2 x 1.2 | £432,000                               | £431,999                            | Not Scaled-up (Not Pass) |

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