

EXPLANATORY MEMORANDUM TO
THE IMMIGRATION AND NATIONALITY FEES REGULATIONS 2015

2015 No. 768

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

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

2. **Purpose of the instrument**

The purpose of this negative instrument is to specify fees for functions in connection with immigration and nationality. These Regulations replace the Immigration and Nationality (Fees) Regulations 2014, and the Immigration and Nationality (Cost Recovery Fees) Regulations 2014, as amended by the Immigration and Nationality (Cost Recovery Fees) (Amendment) Regulations 2014. They are to come into force on 6 April 2015.

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

- 3.1 These Regulations contain fees which have been reduced or frozen, or which have risen on average by 10%, which is above the rate of inflation. More detail is set out in section 7 of this memorandum.

- 3.2 The Home Office regrets that it has not been possible to give the usual 21 days' notice before this instrument takes effect. As stated, this instrument relies upon the Immigration and Nationality (Fees) Order 2015. There was an unexpected delay in there being a mention on the floor of the House of Lords so as to obtain final parliamentary approval for the Order. Considerable efforts were made to gain final approval in good time, but this did not prove possible. Unfortunately, this meant that this negative SI was also delayed. It is important that this instrument comes into effect on 6 April 2015. Any delay beyond that date will result in a loss of income to the Home Office of £2m for each week of delay.

4. **Legislative context**

- 4.1 These are the first fees regulations made under the fees provisions in the Immigration Act 2014. These Regulations rely on the Immigration and Nationality (Fees) Order 2015, which sets out those functions in connection with immigration and nationality for which fees can be charged and the maximum amount that can be charged for those functions during the life of the Order.
- 4.2 Previously, fees to be charged at or below cost recovery were set out in regulations subject to the negative procedure, with all other fees set out in an

affirmative instrument. All of the fees set out in this negative instrument are set at or below the maximum amounts stated in the 2015 Order.

5. Territorial extent and application

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

6. European Convention on Human Rights

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

7. Policy background

What we are doing and why:

- 7.1 The Home Office aims to generate an appropriate contribution to its agreed running costs from the income generated from visa, nationality and immigration applications. By doing this, the Home Office seeks to reduce the financial obligation on the UK taxpayer to subsidise the immigration system. As a direct result of the fees referred to in this instrument, the Home Office will be able to generate sufficient income to support the immigration system, maintain public confidence and ensure that migration is controlled for the benefit of the UK.
- 7.2 By charging above the cost of administration for certain functions or applying targeted increases, the Home Office is able to achieve its strategic policy objective to protect routes connected with economic growth, small businesses and charities, from more significant fee increases while generating the additional revenue needed to fund further improvements to the immigration system.
- 7.3 Charging fees above the cost of administration also helps raise the revenue required to cross-subsidise fees set below cost recovery where a lower fee supports government objectives.
- 7.4 Where fees in this instrument are set above cost recovery, this is a reflection of either the value of the benefits and entitlements conferred by a successful application, or (in the case of premium service fees) a contribution to the cost of providing other immigration functions. The available benefits and entitlements may include:
- unrestricted access to the UK labour market;
 - the ability to bring dependants to the UK who also have unrestricted access to the UK labour market;
 - unrestricted access to state education for their dependants;
 - the option, at a later date, to apply for settlement in the UK.

7.5 This year, the Home Office is proposing a range of fee increases. The routes most strongly associated with economic growth will increase by no more than 4%, while increases for other growth routes are set at 8%. The increase for most of the remaining routes, not associated with economic growth, will be up to 12%. For a small number of routes we are proposing other targeted changes that better reflect the entitlements, improve consistency within the fees framework or cross-subsidise the lower increases for the growth routes.

These changes are:

A 36% reduction in the fee for Tier 1 (Exceptional Talent) applications. This reduction is in recognition of the importance of Tier 1 (Exceptional Talent) as a growth route and supports the message that the Home Office welcomes applications from the brightest and best talent.

A 40% reduction for applications from representatives of overseas businesses made in the UK (which includes media representatives). The proposed fee aligns with the Tier 2 (General) fee as the routes and benefits are similar.

A targeted increase of 2.4% for the short-term visitor route which reflects a cross government commitment to limit the fee for visit visas to £85, a level significantly below the cost of administration. This policy is intended to contribute towards maintaining the UK as a prime destination for overseas visitors by setting a fee that compares favourably to comparator countries and competitor destinations.

An 8% increase for settlement and 'other' leave to remain visa applications. This increase is lower than that applied to other non-growth routes, so protects families from the higher increases.

An 8-10% increase for most Tier 2 routes. This proposed increase will align UK fees more closely with those charged by comparator countries for comparable products, and raise additional income to fund the immigration system and cross-subsidise other functions.

A 17% increase for the UK super premium service. The proposed increase to this optional service for applicants will raise additional income to fund the immigration system and cross-subsidise other functions.

An 18% increase for documents issued under the Immigration (European Economic Area) Regulations 2006. Article 25(2) of Directive 2004/38/EC establishes the power to charge for documentation issued to EEA nationals and their family members exercising free movement rights in the UK and determines that any such charge shall not exceed that imposed on nationals for the issuing of 'similar documents'. The original fee level was set following advice from the European Commission and after balancing consideration of various factors, including the charges for similar documents issued to British citizens (the UK passport and the British Nationality Status Letter). The proposed increase in the fee level (to £65) reflects the new fee level of one of these 'similar documents' (the British Nationality Status Letter) as well as a consideration of the other relevant factors.

A 20% increase for overseas priority visa services. The proposed increase to these optional services will raise additional income to fund the immigration system and cross-subsidise other functions.

A 37% increase for indefinite leave to remain applications. This is the highest value product in terms of additional entitlements afforded to the applicant: the right to stay indefinitely in the UK with full access to the UK labour market, education and healthcare. The proposed increase is in line with the broad policy that fees should reflect the benefits conferred by a successful application and the need to subsidise other routes.

A 50% increase to the fee paid by licensed sponsors when issuing Certificates of Sponsorship (employers) and Confirmations of Acceptance for Studies (educators). This proposed increase sits alongside a freeze on the fee for sponsor licences. The Home Office believes that this approach is a fair way to recover costs and better reflects the broad policy that those (employers and educators) who use the sponsorship system the most, should pay the most.

A 71% increase for Tier 1 (Investor) applications. This increase is in line with the entitlements afforded to the applicant, including accelerated routes to settlement, and the niche nature of the route. The visa fee remains small in comparison to the required investment, and other fees and costs incurred by successful applicants.

- 7.6 There are proposed fee freezes for the following application types:
- Tier 2 shortage occupation applications. This recognises the importance of the Shortage Occupation list to filling temporary gaps in the UK labour market.
 - Sponsor licence applications. Applying increases to fees for certificates of sponsorship and confirmations of acceptance of studies is a fairer way of covering the cost of the sponsor licensing system, which protects smaller users of the system.
 - 10-year visitor visa applications. The fee has been frozen for a second successive year to incentivise this route.
 - Direct Airside Transit visa applications. This follows a fee reduction in 2014-15, and is intended to maintain the UK's competitiveness as a transit hub.
- 7.7 The Home Office has published indicative unit costs for each application, for the 2015-16 financial year. The unit cost is the estimated average cost to the Home Office of processing each application. This information is provided to Parliament to ensure transparency. Although they are not fixed over the financial year, published unit costs enable applicants to see which fees are set over or under cost and by how much.
- 7.8 The tables below set out the current fee levels, estimated unit costs for 2015-16 and the new proposed fees, for all functions:

VISA FEES

PRODUCTS	2014-15 Fees (£)	Unit Cost for 15-16 (£)	Proposed Fee for 15-16 (£)
Non PBS Visas – applications made outside the UK			
Short term visit visa (6 months or less)	83	122	85
Long term visit visa (for a period of 2 years)	300	122	324
Long term visit visa (for a period of 5 years)	544	122	588
Long term visit visa (for a period of 10 years)	737	122	737
Visiting academic, (more than 6 months but not more than 12 months)	83	122	162
Private Medical Treatment (more than 6 months but not more than 11 months)	289	122	162
Short term student (adult or child) – 6 months or less	NEW	122	85
Short term student (more than 6 months but not more than 11 months)	150	122	162
Parent of a child at school, up to 12 months	300	166	324
Settlement visa	885	592	956
Settlement visa – Dependant Relative	1,982	592	2,141
Settlement visa – Refugee Dependant Relative	378	592	592
Settlement visa – Armed Forces Dependant Indefinite Leave to Enter	1,093	433	1,500
Certificate of Entitlement	289	592	324
Other visa	289	166	324
Transit visa (Direct Airside)	30	156	30
Visitor in transit (Landside)	54	156	56
Transit visa, member of crew joining a ship or aircraft	54	156	56
Transfer of Conditions Vignette Transfer	109	166	122
Representative of Overseas Business (includes Media Representative)	514	160	535
Call out/out of hours (per hour)	130	130	130
Single entry visa to replace Biometric Residence Permit (Overseas)	72	81	81
Receiving, preparing and forwarding documents on behalf of Commonwealth Countries/Overseas Territories	115	115	115

PRODUCTS	2014-15 Fees (£)	Unit Cost for 15-16 (£)	Proposed Fee for 15-16 (£)
PBS Visas – applications made outside the UK			
Tier 1 (Entrepreneur), main applicant* and all dependants	874	298	944
Tier 1 (Investor), main applicant and all dependants	874	298	1,500
Tier 1 (Exceptional Talent), main applicant* initial application	437	298	281
	Approval letter	437	n/a**
Tier 1 (Exceptional Talent), main applicant* subsequent application	874	298	562
Tier 1 (Exceptional Talent), dependant	874	298	562
Tier 1 (General), dependant	874	298	944
Tier 1 (Graduate Entrepreneur), main applicant* and all dependants	310	298	335
Tier 1 (Post Study Work), dependants	518	298	559
Dependant of a student under paragraphs 76-81 of the Immigration Rules	310	358	322
Tier 2 (General), Tier 2 (Intra-Company Transfer) - Long term staff, Tier 2 (Sportsperson) & Tier 2 (Minister of Religion), up to 3 years , main applicant* and all dependants	514	160	564
Tier 2 (Intra-Company Transfer) – Short Term Staff, Graduate Trainee and Skills Transfer, main applicant* and all dependants	428	160	445
Tier 2 (General), Tier 2 (Intra-Company Transfer) – Long term Staff, over 3 years , main applicant* and all dependants	1,028	160	1,128
Tier 2 (General), shortage occupation, up to 3 years, main applicant* and all dependants	428	160	428
Tier 2 (General), shortage occupation, over 3 years, main applicant* and all dependants	856	160	856
Tier 4 main applicant and all dependants	310	358	322
Tier 5 Temp Work & Youth Mobility, main applicant* and all dependants	208	98	225
* A Council of Europe Social Charter(CESC) reduction of £55 will be applied to the stated figure, where appropriate			
** fee set in line with estimated unit cost or other reference point.			
N.B. Applications to the Channel Islands under employment and study routes attract Tier 2 and 4 visa fees and costs respectively.			

PRODUCTS	2014-15 Fees (£)	Unit Cost for 15-16 (£)	Proposed Fee for 15-16 (£)
Optional premium services outside the UK			
Priority visa – Settlement	300	6	360
Priority visa – Non-Settlement	100	6	120
Super priority visa service	600	100	600
User-Pays Application Centre	59	70	70
Passport Passback	40	40	40
Prime-time visa application appointment	50	35	50
International Contact Centre: Webchat	4 (per 10 min session)	n/a*	4 (per 10 min session)
International Contact Centre : Live calls	1.37 per minute	n/a*	1.37 per minute
Optional premium services in the UK			
Application in person – Premium Service Centre	400	n/a*	400**
Appointment booking fee – Premium Service Centre	100	n/a*	100
Priority Postal	300	n/a*	300***
Provision of Super Premium Service	6,000	2,211	7,000
Applications made under the Super Premium Service	400	n/a*	400
User-Pays Application Centre	NEW	n/a*	70
Discretionary services at the border			
Registered Traveller Service – annual subscription	50	n/a*	50
Registered Traveller Service – registration of initial documents	NEW	n/a*	20
Registered Traveller Service – registration of further documents	20	n/a*	20
Fast Track – Heathrow terminals 1, 2, 3 and 4	3.60	n/a*	3.60
Fast Track – other	NEW	n/a*	3
<i>*fee set in line with estimated unit cost or other reference point</i>			
<i>**For applications made in person, the total fee is the relevant standard fee plus £400 per person (this includes the £100 appointment booking fee, which may be retained should the applicant fail to attend their appointment without good reason.</i>			
<i>***To use the priority service, the total fee is the relevant standard application fee plus £300 per person. Currently offered for Tier 2 applications only.</i>			

PRODUCTS	2014-15 Fees (£)	Unit Cost for 15-16 (£)	Proposed Fee for 15-16 (£)
Applications made in the UK			
Indefinite Leave to Remain	1,093	433	1,500
Leave to Remain (where no other fee is specified)	601	299	649
Leave to Enter (persons who have been granted temporary admission/release under para 21 or 22 of Schedule 1 to the Immigration Act 1971 and are physically present in the UK)	NEW	299	649
Transfer of conditions or application for a document confirming identity and nationality or immigration status - limited leave to remain	107	183	183
Transfer of conditions or application for a document confirming identity and nationality or immigration status - indefinite leave to remain	104	260	260
Application for a document confirming identity and nationality or immigration status – asylum/humanitarian protection	40	92	45
Travel documents: Certificate of Travel (applicant aged 16 or over)	246	382	382
Travel documents: Certificate of Travel (applicant aged under 16)	157	244	244
Travel documents: Convention Travel Document (applicant aged 16 or over)	69	107	72
Travel documents: Convention Travel Document (applicant aged under 16)	46	76	46
Travel documents: Stateless Person's Travel Document (applicant aged 16 or over)	69	107	72
Travel documents: Stateless Person's Travel Document (applicant aged under 16)	46	76	46
Travel documents: Document of identity (applicant aged 16 or over)	69	107	72
Travel documents: Document of identity (applicant aged under 16)	46	76	46
Enrolment of biometrics	19.20	19.20	19.20
Biometric Residence Document.	40	92	45
Further Leave to Remain – Representative of an Overseas Business (includes Media Representative)	1,093	299	651
European Residence Document – Registration certificate.	55	70	65
European Residence Document – Certifying permanent residence	55	70	65

PRODUCTS	2014-15 Fees (£)	Unit Cost for 15-16 (£)	Proposed Fee for 15-16 (£)
Applications made in the UK			
European Residence Document – Residence card & Derivative Residence card	55	70	65
European Residence Document – Permanent Residence card	55	70	65
Accession Residence Card	55	70	65
Work Permit Technical changes	22	n/a*	25
<i>*fee set in line with estimated unit cost or other reference point</i>			

PRODUCTS	2014-15 Fees (£)	Unit Cost for 15-16 (£)	Proposed Fee for 15-16 (£)
Applications made in the UK			
Naturalisation (UK Citizenship)	826	223	925
Naturalisation (British overseas territories citizen)	661	223	740
Nationality (UK citizenship) Registration – adult	743	223	833
Nationality (UK citizenship) Registration – child	669	223	749
Arrangement of a citizenship ceremony (including the administration of an oath and pledge)	80	80	80
Administration of a citizenship oath and pledge where not administered at a citizenship ceremony or by a justice of the peace	5	5	5
Nationality Registration (British overseas territories citizen, British overseas citizen, British subject, British protected person) – adult	595	223	666
Nationality Registration (British overseas territories citizen, British overseas citizen, British subject, British protected person) – child	536	223	599
Renunciation	144	223	223
Certificate of entitlement	144	223	223
Nationality right of abode	144	223	223
Nationality – review of application	80	223	80
Status Letter (Nationality)	85	162	162
Non Acquisition Letter (Nationality)	85	162	162
Nationality correction to certificate	85	162	162
Administration of life in the UK tests	50	n/a*	50
<i>* fee set in line with estimated unit cost or other reference point</i>			

PRODUCTS	2014-15 Fees (£)	Unit Cost for 15-16 (£)	Proposed Fee for 15-16 (£)
Applications made in the UK			
Tier 1 (General), dependant	1,607	217	1,736
Tier 1 (Entrepreneur), main applicant* and all dependants	1,093	370	1,180
Tier 1 (Investor), main applicant and all dependants	1,093	370	1,500
Tier 1 (Graduate Entrepreneur), main applicant* and all dependants	422	370	456
Tier 1 (Exceptional Talent), main applicant* initial application	437	370	281
Approval letter	437	n/a**	281
Tier 1 (Exceptional Talent), main applicant* subsequent application	1,093	370	562
Tier 1 (Exceptional Talent), dependant	1,093	370	562
Tier 2 (General), Tier 2 (Intra-Company Transfer) – Long Term Staff – over 3 years , main applicant* and all dependants	1,202	266	1,302
Tier 2 (General), Tier 2 (Intra-Company Transfer) - Long term staff, Tier 2 (Sportsperson) & Tier 2 (Minister of Religion), up to 3 years , main applicant* and all dependants	601	266	651
Tier 2 (Intra-Company Transfer) – Short Term Staff, Graduate Trainee, Skills Transfer, main applicant* and all dependants	428	266	445
Tier 2 (General), shortage occupation, up to 3 years, main applicant* and all dependants	428	266	428
Tier 2 (General), shortage occupation, over 3 years, main applicant* and all dependants	856	266	856
Tier 4, main applicant and all dependants	422	238	439
Tier 5, main applicant* and all dependants	208	281	225
Representative of an Overseas Business (includes Media Rep)	1,093	299	651
Retired person of independent means	1,093	299	1,224
Administrative review	80	n/a**	80
* A Council of Europe Social Charter(CESC) reduction of £55 will be applied to the stated figure, where appropriate			
**fee set in line with estimated unit cost or other reference point			

PRODUCTS	2014-15 Fees (£)	Unit Cost for 15-16 (£)	Proposed Fee for 15-16 (£)
Sponsorship			
Premium sponsor service, large sponsors	25,000	n/a*	25,000
Premium sponsor service, small sponsors	8,000	n/a*	8,000
Premium sponsor service, Tier 4	8,000	n/a*	8,000
Tier 2 Large Sponsor licence	1,476	2,291	1,476
Tier 2 Small Sponsor licence	536	2,291	536
Tier 4 Sponsor licence	536	2,291	536
Tier 5 Sponsor licence	536	2,291	536
Add Tier 2 to an existing Tier 4 and/or Tier 5 licence (large sponsor)	940	2,291	940
Tier 4 Sponsor status	536	2,291	536
Sponsorship Action Plan	1,476	2,291	1,476
Tier 2 CoS	184	183	199
Tier 5 CoS	14	21	21
Tier 4 CAS	14	21	21
Tier 4 Permission to change sponsor**	160	n/a*	179
<i>CoS = Certificate of Sponsorship</i>			
<i>CAS = Confirmation of Acceptance for Study</i>			
<i>* fee set in line with estimated unit cost or other reference point</i>			
<i>**applies only where current leave was granted under the rules in place between 31/3/2009 and 4/10/2009</i>			

7.09 The following paragraphs set out new fees proposed for 2015-16.

Applications to extend leave made by failed asylum seekers.

7.10 The Home Office has reviewed its policy on further leave applications made by failed asylum seekers, who do not need international protection but want to extend or renew leave granted for other reasons, for example, leave for family or private life or discretionary leave granted outside the Immigration Rules. These Regulations remove an automatic fee exemption and require that applicants are charged for their extension application in the same way as all other persons applying to extend their leave.

Provision for children of unmarried British fathers

7.11 The Home Office is making amendments to the British Nationality Act 1981. These Regulations make changes affecting a specific cohort of children born to British fathers before 1 July 2006 who cannot currently apply for citizenship because their parents were unmarried. This cohort will now be able to make a charged application for citizenship, including any citizenship ceremony fee.

Renunciation of Nationality – British National (Overseas) Status

- 7.12 These Regulations include the addition of a fee for the renunciation of British National (Overseas) status and concern persons with a connection to Hong Kong who acquired that status prior to sovereignty being returned to China. The Home Office now intends to charge for these applications at the same rate as for other renunciation applications.

Persons granted temporary admission or release

- 7.13 These Regulations apply a new fee to applicants physically present in the UK under the 10-year partner, parent and private life routes who are on temporary admission or temporary release (and thereby deemed not to have “entered” the UK), and who are granted leave to enter rather than leave to remain if they meet the relevant requirements.

Optional premium services for applicants

- 7.14 The Home Office is expanding the number of premium services it offers both in and outside of the UK. The fee for existing optional ‘User-Pays’ Application Centres overseas (currently run under contract) is revised to enable costs to be recovered where the service is run by the Home Office in any country where the contractor is unable to operate due either to concerns about security, or concerns about commercial viability.
- 7.15 These Regulations also include a new provision for a User-Pays service to be offered in the UK in future. This optional service is not currently available in the UK but is under consideration by the Home Office. The inclusion of this provision will allow a service for the acceptance and processing of an application to be charged, should the Home Office wish to introduce it at a later date.

Discretionary services at the border

- 7.16 Fees for some Border Force premium services may be charged under the Immigration and Asylum Act 1999. Fees for the Border Force Fast Track service have been brought into these Regulations to ensure transparency. This is a discretionary, premium service for passengers who want access to a faster queue at the border. Passengers currently access this service through their airline, who purchase the service from Border Force, although direct charges to passengers, not permitted under current legislation, would be possible under the 2014 Act. Over time, the Home Office will bring further fees for premium services offered at the border, into these Regulations.

8. Consultation outcome

- 8.1 The Home Office conducted a targeted public consultation between 12 November and 3 December 2013 on how the current charging strategy works in practice to help inform and shape the approach to charging in the future.

The responses have been analysed and reflected in the proposals that have formed these Regulations.

The government response to the consultation has been published on the GOV.UK website at <https://www.gov.uk/government/consultations/fees-and-charging-immigration-and-visas-consultation>

9. Guidance

- 9.1 Full details of each fee and guidance to general members of the public on how to apply under each route will be made available on the GOV.UK website.

10. Impact

- 10.1 The impact on businesses, charities and voluntary bodies is estimated to be zero net cost as explained in the full impact assessment prepared for the Immigration and Nationality Fees Order 2015, which has been published at www.legislation.gov.uk

- 10.2 The impact on public services is explained in Annex 6 of the impact assessment.

11. Regulating small business

- 11.1 The legislation applies to small businesses who use the optional Premium Sponsor service for small sponsors, or issue Certificates of Sponsorship for Tier 2 migrants.
- 11.2 To minimise the impact of the requirements on small businesses, we have maintained our approach of charging a lower fee for small businesses who apply for either the standard sponsor licence or the optional premium sponsor services. The lower fee for the standard sponsor licence is set below cost.

12. Monitoring & review

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

13. Contact

- 13.1 Annie Wattam at the Home Office, Fees and Income Planning, Financial Planning Unit, Tel: 0114 207 2290 or email: Annie.Wattam@homeoffice.gsi.gov.uk can answer any queries regarding the instrument.