

The logo for Fragomen Worldwide, featuring the word "FRAGOMEN" in a large, white, serif font with a small green triangle above the letter 'O', and the word "WORLDWIDE" in a smaller, white, sans-serif font below it.

FRAGOMEN
WORLDWIDE

Immigration benchmarking report

Helping business prepare for Brexit

www.fragomen.com/brexit



Nobody knows what Brexit will look like, but it is possible to be ready for it.

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Foreword

What should businesses be doing about Brexit and immigration?

This has been the question since 24 June. Whenever the law changes, our first job is to guide our clients on the legal and practical steps they need to follow and show how we can help them. We are used to providing definite and clear answers and can normally provide solutions in a short time frame. Normally even the least desirable immigration policies tend to be set out in law.

Brexit is different and no one knows what it will look like in practice. The phrase “Brexit means Brexit” is still fairly meaningless and “Leave means Leave” doesn’t help much either. What we do know is that the UK’s separation from the EU will probably change how we think about, and legislate for, immigration. The problem is the word “probably.” Yes everything might change but we can’t promise that it definitely will, and nor can we say how or when it will change.

This uncertainty is of course very bad news for Human Resources and Global Mobility professionals. How can you plan for change if you don’t know what that change will be?

This dilemma prompted our survey and report. So what has the report highlighted?

We knew from our clients that, while many businesses are deliberately waiting to understand more about Brexit, they are also nervous about their inaction. They want to understand what, exactly, everyone else is doing about Brexit before making a call on whether to act. We also know that some businesses are actively preparing for the unknown. They, too, have a simple question. Are we doing the right things and what have we missed?

One thing we can say for certain is that there is no right or wrong in this strange post-Referendum world. If you are holding off from taking any action you are in good company. Almost three quarters of the businesses we surveyed are waiting to know more before planning for the immigration consequences of Brexit. Interestingly, inaction clearly does not mean that there is confidence in the future. Businesses taking action now are mainly trying to understand their workforce and reassure both their EU staff in the UK, and British staff in the EU that for now at least nothing changes. When a Brexit immigration policy

is eventually published, it is likely that EU nationals will be subject to some form of immigration control. Businesses have not had to track their EU workers until now so they need to identify who could be affected.

Businesses are also using employee data to directly communicate with European staff in the UK and British staff in other European Member States. Those employees have one main question, will I need to leave the country after separation?

A lack of policy of course means it isn’t easy to answer that question, but it is possible to reassure staff without going too far.

Dealing with questions on an ad hoc basis is not normally efficient, particularly for larger businesses. Some businesses have also been running webinars, town hall sessions and immigration surgeries, amongst other solutions.

Lastly, we come to the most expensive question, should we be paying for our staff to regularise their stay in the UK? Again, there is no right or wrong here. Tellingly, our report shows that there isn’t a huge difference between the number of companies who will pay versus those that will not. The majority still aren’t sure.

We hope you find the report useful. It teaches us that whatever you are doing to prepare for Brexit, whether a lot or nothing at all, you are in good company. Once Article 50 is invoked, we’re certainly in for an interesting ride.



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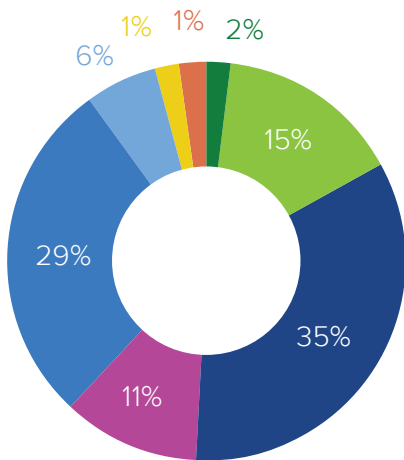
About the survey

Fragomen works with businesses of all sizes around the world. We received 140 responses from businesses in 20 sectors, with **technology and financial services amongst the most responsive industries.**



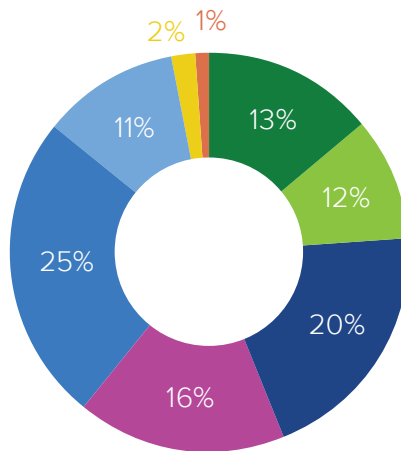
We worked with large and small businesses to understand what they are doing about Brexit and immigration.

Employees in the UK



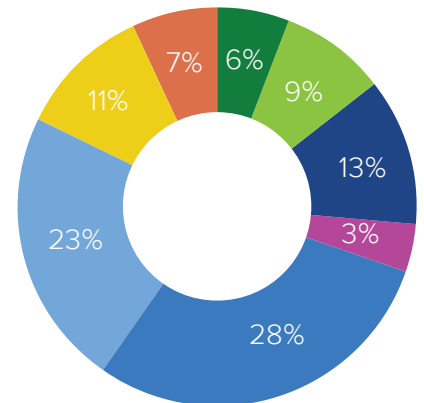
48% of those businesses have 500+ employees in the UK.

Employees in other Member States



55% of those businesses have 500+ employees in other EU Member States.

Employees outside the EU



In addition, **72% of those businesses** have 500+ employees outside of the EU.



The importance of recruiting staff in the European Union

Almost 48% of businesses see recruitment of EU nationals as very important for UK operations.

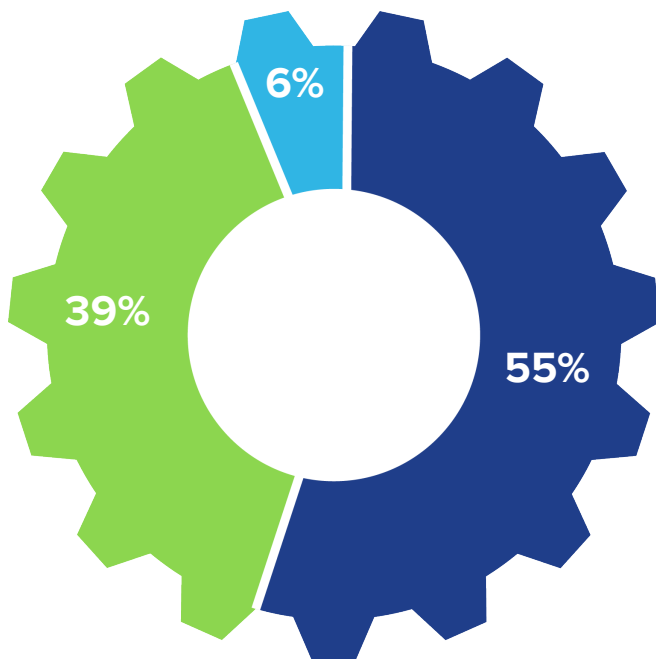


30% see the recruitment of UK nationals as very important for their EU operations, so reciprocal agreements with current EU Member States will be critical.



- Very important
- Reasonably important
- Helpful but not important
- Not important at all

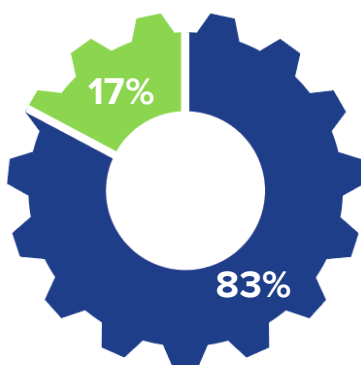
How have businesses reacted?



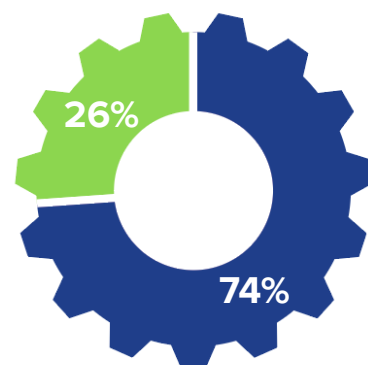
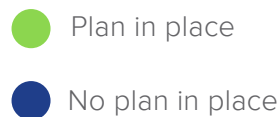
Just over half of businesses see immigration and access to talent as a major consideration when preparing for Brexit.

- A major consideration
- A consideration, but less of a concern than other implications of Brexit
- It is not a concern for my business

How can business plan if it doesn't know what it's planning for?



83% did not plan for the immigration consequences of Brexit ahead of the referendum.



74% of businesses do not currently have an immigration plan in place for Brexit. This can be attributed to a lack of clarity over what Brexit may ultimately look like, or a lack of willingness to commit too early to a process which may yet take years to complete.

Developing your own plan

We work with businesses of all sizes in all sectors. We were not surprised that many respondents were struggling to plan for Brexit. **That is why we ran our survey.**

Businesses that are planning for Brexit tend to be doing three things:

- Gathering data to understand who their people are and what they do, whether EU nationals in the UK or British nationals in Europe.
- Reassuring staff who are worried about what Brexit will mean for them and their families.
- Developing policies on financial support for applications for Residence Cards, Permanent Residence Cards and citizenship.

Understanding your workforce

Many businesses want to know which employees could be affected by Brexit. If and when the law changes, they may need to track their right to work. They might also need to think about whether any future employees from the EU would qualify for a work visa, potentially creating a need to present a case for different immigration policy to governments.

Even before then you may just need to contact staff and reassure them.



Getting that data might not be easy. 25% of businesses did not feel they have an accurate understanding of who their EU national workers are.

Don't leave this to the last minute. Gather your data early and make sure it is accurate.

Monitoring EU nationals: A new priority

Are you confident you could pull data on your employees quickly?
One fifth of businesses had difficulties.

80%

of businesses
have located
this data with
ease.



20%

of businesses
have struggled
to locate this
data.

We asked business if they are already using the data that they have been able to collect.

48%

of businesses
have not used
the data yet.



52%

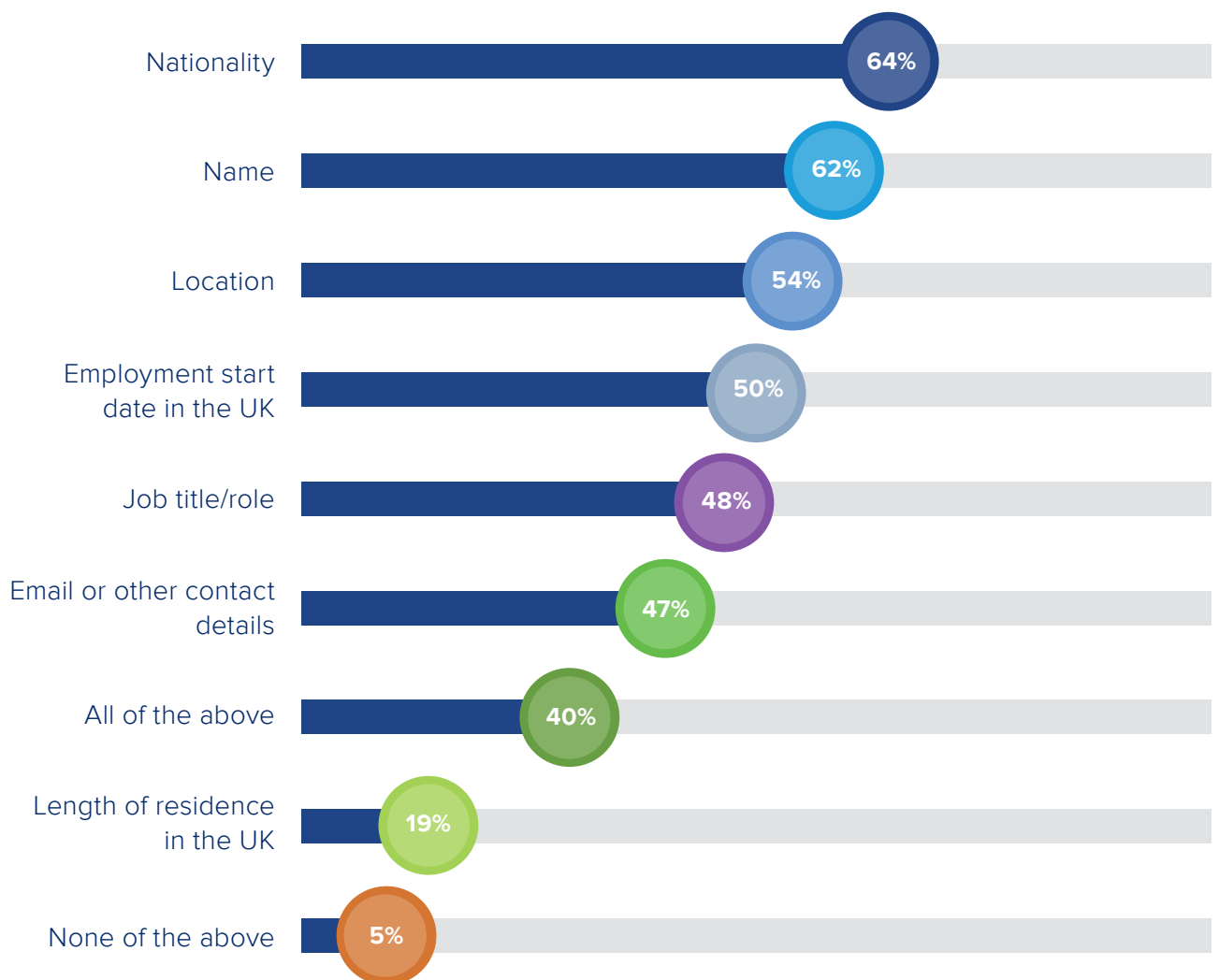
of businesses
have begun to
analyse and
action the data.

Fragomen tip:

Once you have the data, **use it.**

- Understand the numbers who might be impacted
- Understand how many EU nationals we employ
- Identify potential risk areas regarding immigration
- Communicate with impacted employees
- Understand whether the jobs they do would qualify for a work visa
- Send information and invitations to meetings

Businesses have been collecting a variety of data



Businesses do not tend to routinely capture length of residence in the UK. Asking this question can help to assess when an employee could apply for a Permanent Residence Card or citizenship.

Bring your passport to work day

We asked businesses whether they would ask all their employees to bring passports to work to confirm nationality and check employer records are correct.



16%

of businesses will

ask their employees to bring passports to work.

51%

of businesses definitely will not

ask their employees to bring passports to work.

33%

of businesses might

ask their employees to bring passports to work if policy changes.

A bring-your-passport-to-work day isn't straightforward. You don't want to spook people, so messaging needs to be carefully managed. You also need to think carefully about the data you want to end up with and how you will use it. Speak to Fragomen if you have any questions.



Supporting your staff

“I want to be able to guarantee [existing EU nationals] rights in the UK. I expect to be able to do that and I intend to be able to do that, to guarantee their rights. The only circumstances in which that would not be possible would be if the rights of British citizens living in other EU member states were not guaranteed.”

THERESA MAY

UK Prime Minister
Press conference with Matteo Renzi
27 July, 2016

Options available to Europeans in the UK

Broadly speaking, most Europeans based in the UK have three options:

Residence Card

A European national who is resident in the UK as a worker, student or self-sufficient person can apply to the UK authorities for a Residence Card to confirm their status here. The Residence Card will be valid for five years and at the end of this period the holder may be eligible to apply for Permanent Residence.

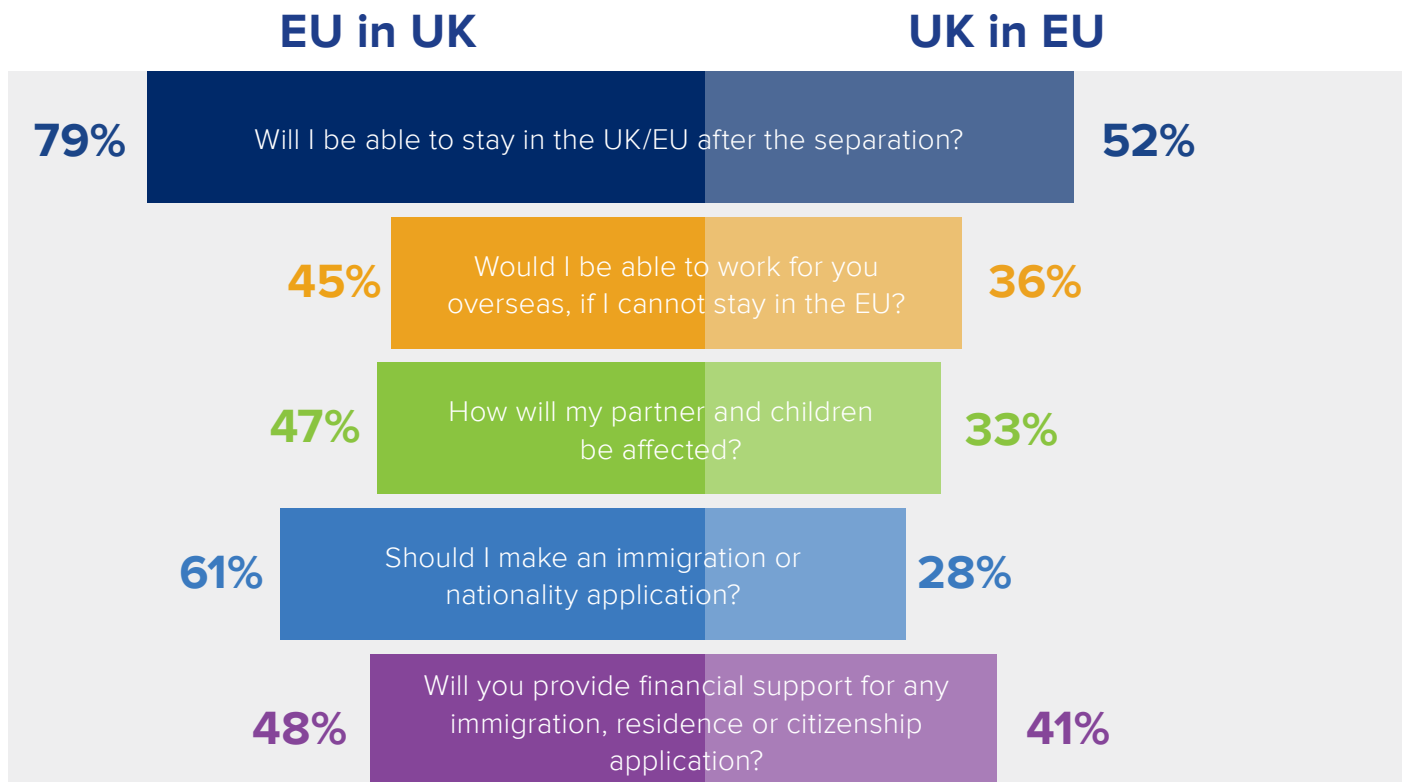
Permanent Residence

A European national who has lived in the UK for a continuous period of five years as a worker, student, or self-sufficient person (or a combination of these) may be eligible to apply for Permanent Residence in the UK. Permanent Residence allows the holder to remain indefinitely in the UK and is a pre-requisite for an application to naturalise as British.

Naturalisation

A European national who has held Permanent Residence for 12 months and has the appropriate documentation from the UK to show this may apply to naturalise as British. A naturalised British citizen has the same rights as someone who has been a British since birth.

We asked businesses what questions they are being asked by EU employees in the UK and UK employees in other EU member states.



37% of businesses were not confident they could respond to these questions. Fragomen can help you answer these questions.

There are lots of ways to convey the message

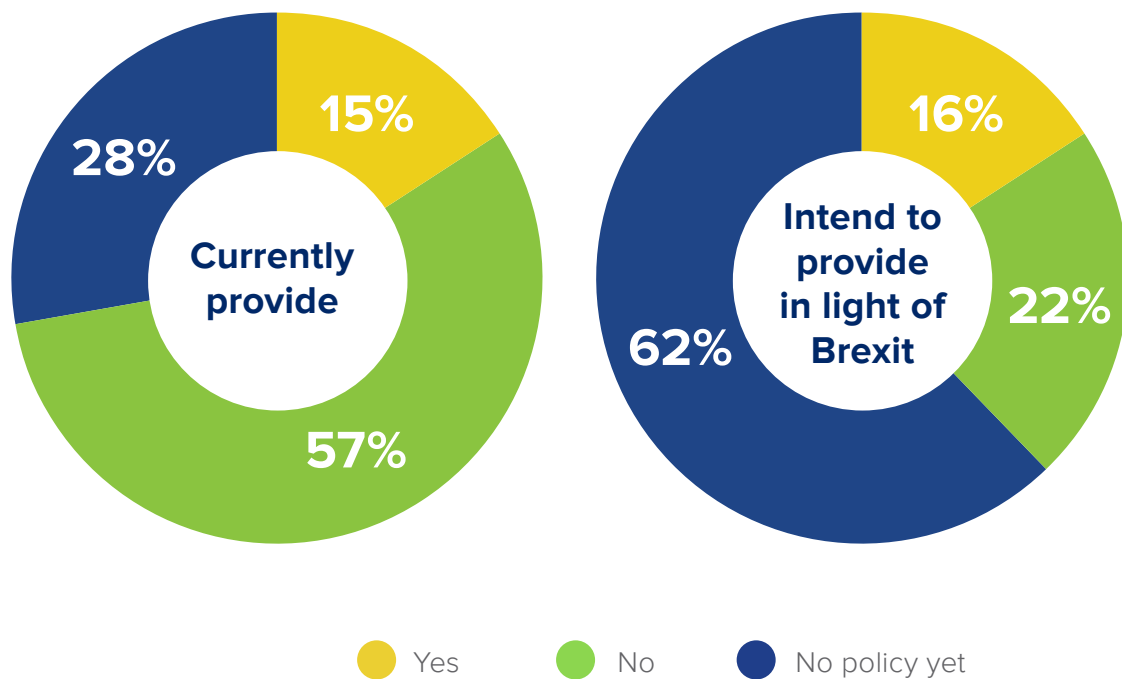


Some companies have also sent FAQs to their staff and managers or arranged for their CEO to email or speak to employees.

Some businesses are paying to regularise their employees' stay

We asked businesses if they provide, or intend to provide, financial support to European nationals wishing to regularise their stay or apply for citizenship in the UK and elsewhere in Europe.

A small proportion of businesses are paying for the applications now. That proportion may grow. Many companies have yet to decide.



Should you pay for employees to regularise their stay?

There is more than one way to operate a policy for financial assistance with immigration applications. You can:



Pay for everyone



Pay for nobody



Restrict to VIPs or by pay grade



**Restrict by staff or assignment/
restrict to certain applicants—residency
but not citizenship**



**Split the cost: We will pay the government fee if
you pay for legal advice**

What next

So, if you are working in immigration what can you be doing now in readiness for Brexit?

First off, you could choose to do nothing. It is a perfectly sensible response when there is no policy to respond to. You may risk finding yourself on the back foot if immigration policy changes substantially, but you may also save yourself unnecessary work.

Developing your plan

If you are inclined to act now then you might repeat some of the fairly practical and in the main straightforward steps that other companies are taking:

- 1. Check your data.** As sensible as doing nothing may be at the moment, do think carefully about your HR files for EU nationals. If you have any suspicion that they may not be accurate, we advise you to check them now. We know that 25% of businesses responding to our survey did not feel they have accurate records of EU nationals and 20% are having difficulty pulling general data on their employees. If you think you might be in either group, start checking your records, rather than risking a panic when things change.
- 2. If your data doesn't seem right you could hold a "Bring your passport to work day"** we always take a deep breath before suggesting this to clients. For one it could spook staff—"why do you need to see my passport?" Two, it could be a huge undertaking. On the whole, we wouldn't normally recommend these full checks just yet, though it might make sense if your records are not right. Otherwise, it could be a useful solution further down the line to best collect and store information.
- 3. Do what you can to answer questions from your staff.** You can't promise that Europeans living in the UK will be able to stay after Brexit and nor can you promise that British and Northern Irish colleagues will be able to stay in Europe. But every client I've spoken to tells us that taking the time to speak to staff has made a huge difference.
- 4. Find the best way to answer the questions.** How you speak to your staff will depend on the size of your company and your culture. It might be that one-on-one conversations work or that a webinar or intranet posting make more sense. Immigration surgeries and town hall sessions can also be eye openers.
- 5. Begin to cost out policy options** for financially supporting residence and citizenship applications. This isn't as simple as paying for every European to naturalise as British. Would it make sense to help by paying for residence cards but not for citizenship? Is it for everyone or just VIPs, assignees or another group? Do you merely contribute rather than cover the entire cost? This is not to say you should decide and publish a policy tomorrow, but things could get very busy when new immigration policy is announced. Now may be the right time to cost out policy options in readiness for new immigration policy.

These are the main components of the Brexit immigration plans for most of the companies we speak to. They aren't the only options, but should set you off in the right direction.

It doesn't stop here.

Remember, this is just the start of things. At some point in the future, maybe the very near future, the government will be talking about new policy and new priorities in immigration.

We will all need to listen closely when those discussions begin and make sure the Home Office understands what business needs. Right now, the immigration system does not cater for lower skilled workers—could that cause you problems if free movement ends?

The UK can issue visas quicker than most countries. Will that change if every European needs a visa and what would it mean for your business?

These are just two issues in a very long list. Many will fall away when the government announces its intention on immigration. Business will need to actually address whatever issues remain, we certainly will be.



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Only 26% of companies have an immigration plan for Brexit.

We can help you write yours.

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To learn more about how we can help you with your immigration needs and challenges, please visit: www.fragomen.com.

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