

Palmerslaw

A Guide to Sponsor Licence Application for Employers

Moving forward
together >



What's included in this guide?

A sponsor licence is issued by the UK Home Office and gives your organisation permission to issue Certificates of Sponsorship (CoS) to eligible workers who wish to work in the UK. To apply, the employer has to make an application to the Home Office, evidencing their eligibility and that they meet the sponsorship compliance requirements.

For those unfamiliar with the UK visa sponsorship system, the sponsor licence process can quickly become overwhelming, with strict and extensive eligibility and procedural requirements, as well as ongoing compliance obligations and costs.

This guide will explain the step-by-step process of applying for a sponsor licence, including:

- Which businesses can apply
- Eligibility criteria
- Key personnel requirements
- Required documents
- Application fees
- Processing times
- Compliance obligations once the licence is granted

If you are looking for tailored support or guidance with your sponsor licence application, we would be happy to speak with you.

Get in touch: enquiries@palmerslaw.co.uk



What is a sponsor licence?

A sponsor licence is a legal requirement for UK organisations that want to hire non-UK resident skilled workers. The organisation is then known as a sponsor and only organisations, not people, can be recognised as sponsors.

Through the sponsor licence application process, the Home Office is looking for proof that:

- a.** You are a genuine organisation operating lawfully in the UK.
- b.** You have effective HR and recruitment systems and practices in place.
- c.** You are offering genuine employment that meets the relevant skill level and applicable salary threshold.
- d.** Your appointed key personnel, as identified in your application, are honest, dependable and reliable.

Once your business becomes a licensed sponsor, you can issue Certificates of Sponsorship (CoS) to eligible workers. This is an electronic record containing details of the job being offered, including the job title, salary, start date, and visa category. The worker will then be able to use their CoS reference number when submitting their visa application.

Not getting this step right will put your business and the employee at risk, as you cannot legally hire workers who require sponsorship under the UK immigration system without a valid sponsor licence.



Which businesses can apply for a sponsor licence?

Most legitimate UK organisations can apply for a sponsor licence.

However, you must meet the Home Office requirements and have a physical presence in the UK and a legitimate need to hire overseas workers.

Your organisation can be eligible if you are a:

- Limited company
- Public Limited Company (PLCs)
- Limited Liability Partnership (LLPs)
- Registered charity
- Sole Traders
- Partnerships (General)
- Overseas companies
- University and educational institution

Start-up businesses can also be eligible but you may just need to provide additional evidence if your business has been trading for less than 18 months.



Sponsor licence eligibility criteria

To qualify for a sponsor licence, your business must:

- Be registered and operating legally in the UK
- Show a genuine vacancy
- Be a suitable organisation
- Have appropriate HR and recruitment systems that are capable of monitoring employees
- Have appointed key personnel

The Home Office will then assess whether your organisation is honest and capable of fulfilling sponsor duties.

However, there are risks of your application being refused if your organisation has any previous immigration compliance breaches or a history of non-compliance with sponsorship rules.



What key personnel are required for a sponsor licence?

Every sponsor licence application must nominate individuals that you can trust to manage the licence and ensure you remain compliant with immigration rules.

These individuals are referred to as key personnel.

Authorising officer

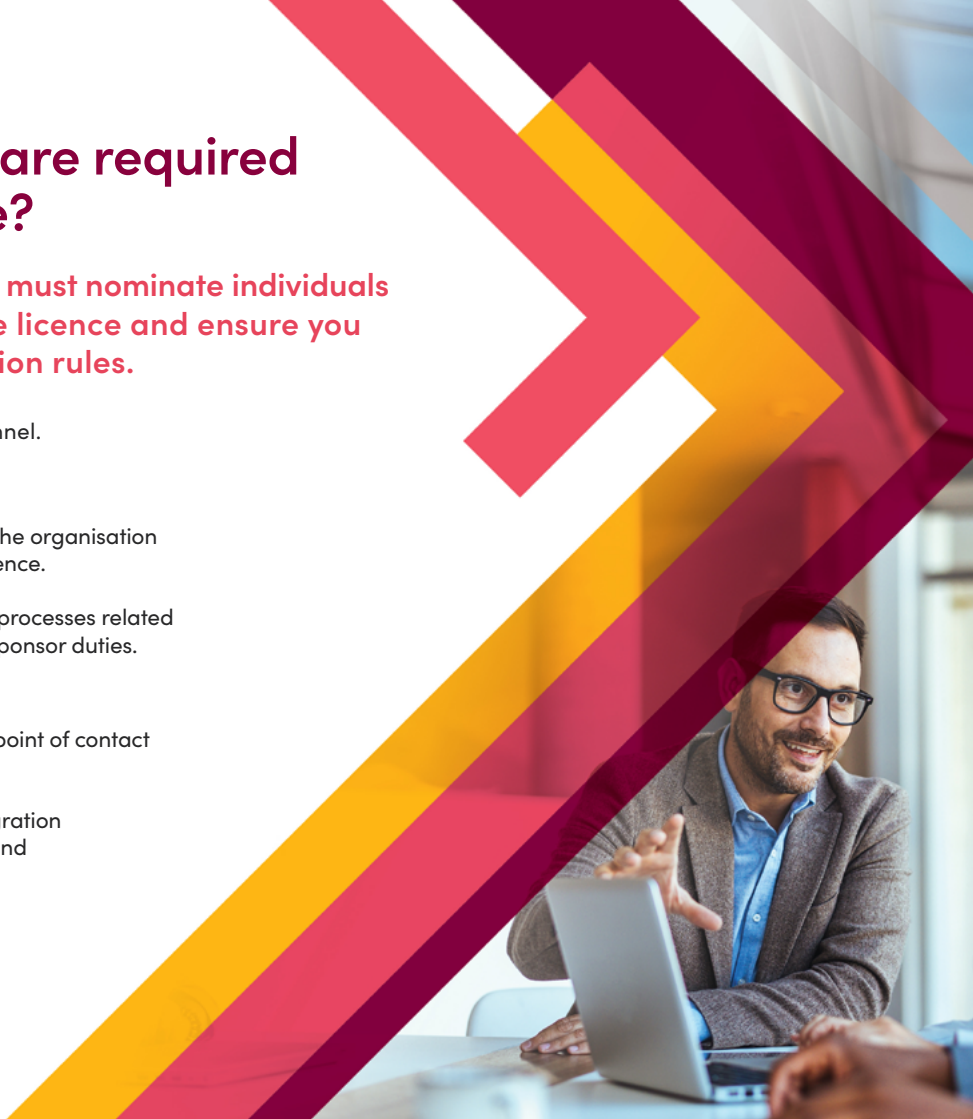
The authorising officer is a senior person within the organisation who has overall responsibility for the sponsor licence.

Their responsibilities also involve overseeing HR processes related to sponsorship and accepting responsibility for sponsor duties.

Key contact

The key contact acts as the organisation's main point of contact with the Home Office.

They will also handle communication with immigration authorities, requests for additional information and any compliance enquiries.



Level 1 and Level 2 users

Level 1 and Level 2 users will manage the Sponsorship Management System (SMS) used to administer the licence.

They will be responsible for assigning CoS, updating the employee records and reporting any changes to the Home Office.

All key personnel must pass suitability checks and must not have any unspent criminal convictions related to immigration or work practices. It is important to understand the purpose of each of these roles and who you can and critically cannot appoint. Those nominated and identified within the application will be subject to a background check by the Home Office. Any negligence with these key roles can lead to serious consequences such as downgrade of your licence or even revocation.



Types of sponsor licence

Your next responsibility is to assess which licence is appropriate and this will depend on the type of worker you intend to sponsor. There are two main categories to choose from. You can apply for both if you like.

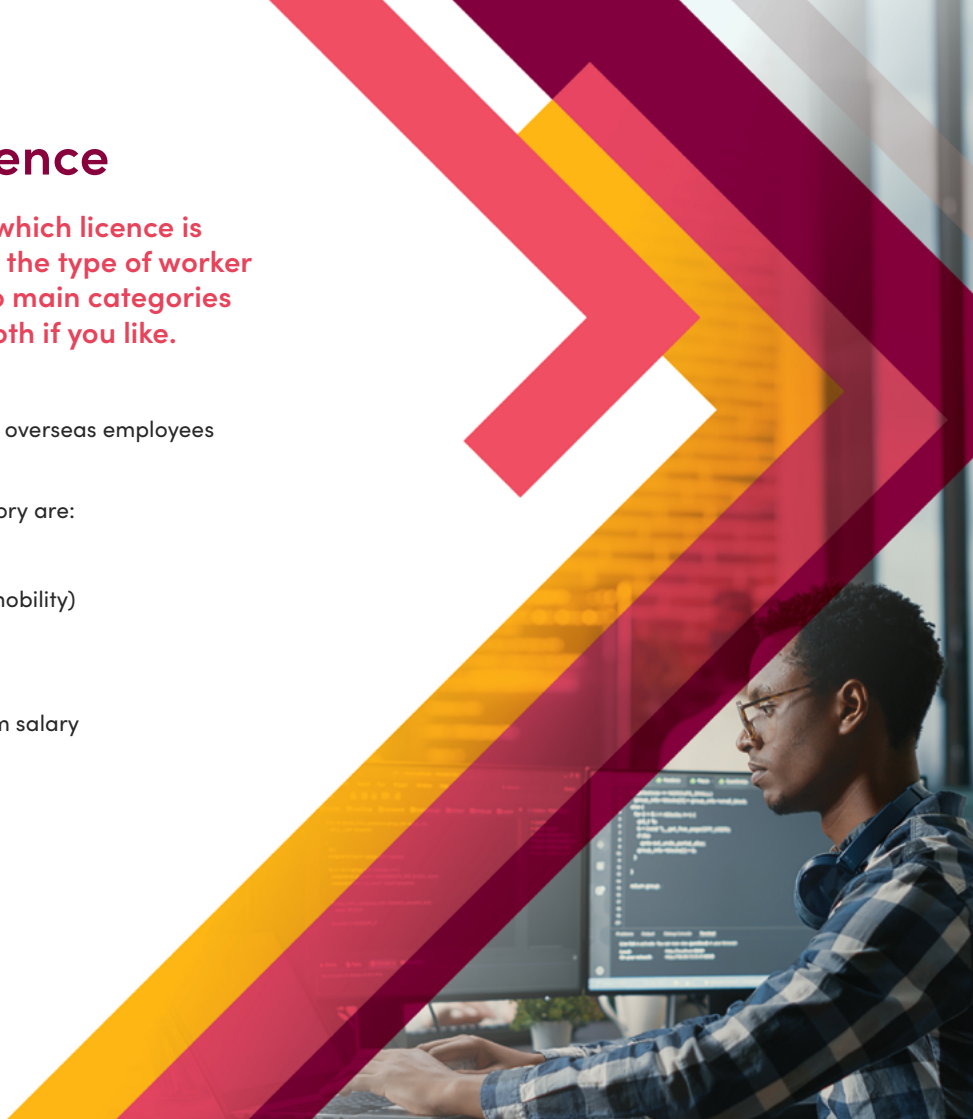
Worker licence

A worker licence allows organisations to recruit overseas employees for skilled or long-term positions.

The most common visa routes under this category are:

- Skilled worker visa
- Senior or specialist worker (global business mobility)
- Minister of religion visa
- International sports person visa

However, these roles have to meet the minimum salary and skill requirements.



Temporary worker licence

A temporary worker licence allows organisations to sponsor workers on short-term assignments. Workers will receive a temporary visa in which they can work in the UK for a limited period of time.

These are often a:



Creative
worker visa



Charity
worker visa



Religious
worker visa



Seasonal
worker visa



Government-
authorised
exchange visa



What is the sponsor licence application process?

1

Confirm eligibility

Before applying for a sponsor licence, you need to be sure that you meet the eligibility criteria.

You must be legally operating in the UK, have HR systems in place to monitor sponsored workers and have a genuine job vacancy that requires sponsorship, have key personnel appointed and having the ability to comply with sponsor duties. It is essential to ensure your company and its directors do not have any previous immigration breaches or criminal offences that could affect the application.

2

Choose a licence type

You must then decide which licence category you require and this depends on the role you intend to sponsor, such as a skilled worker role or a temporary project role.

Some organisations can also apply for multiple licence types simultaneously and it is important to seek legal advice to ensure this is done correctly.

3

Gather supporting documents

The next step is to prepare the required documents listed in Appendix A of the sponsor guidance.

Most applicants will need to provide documents, as a minimum, to prove that their organisation is eligible, genuine and financially stable.

While some documents will be mandatory, in most cases, we recommend providing further documents to evidence comprehensively that the organisation meets all of the requirements under the sponsor licence.

4

Submit an online application

You must then complete the online sponsor licence application through the Home Office system.

During the application process, you will need to provide detailed company details, select licence categories, nominate key personnel, types of roles you plan to sponsor and request an allocation of CoS.

You must ensure that the job roles you plan to sponsor align with the Home Office's Skilled Worker Visa requirements, including the appropriate job codes, skill levels and salary thresholds. Use the Standard Occupational Classification (SOC) codes 2020 to accurately categorise roles when selecting a SOC code, and cross-reference this with Appendix Skilled Occupations to verify the role is eligible for sponsorship.

5

Pay the application fee

The application fee will depend on the size of your organisation.

The typical fees are £574 for small businesses or charities and £1,579 for medium or large organisations.

It is not always easy to know if you are classed as a small business. To be sure, you will need to meet at least two of the following criteria:

- Annual turnover of £15 million or less
- Total assets of £7.5 million or less
- 50 employees or fewer

In addition to the initial application fee, businesses should also be aware of potential ongoing costs related to sponsoring workers, such as the Immigration Skills Charge.

6

Submit supporting documents

Supporting documents must be sent to the Home Office within five working days of submitting the online application.

Failure to submit these documents on time could put you at risk of your application being rejected.

7

Compliance visit

The Home Office may conduct a compliance visit to ensure that your organisation can fulfil its responsibilities as a sponsor.

Officials may review your HR systems, interview staff, examine employee records, and verify that your business is legitimate.

These inspections can occur before the licence is granted, during the licence period and if compliance concerns arise, so you must always be prepared and remain compliant.

If serious compliance issues are raised, enforcement action could follow.

8

Confirmation of your application

Most sponsor licence applications are processed within eight weeks.

If you have an upcoming start date and wish to speed up the process, you can request a faster decision using the priority processing service. This will usually provide a decision within ten working days for an additional £500 fee.

9

Receive your Sponsor licence

If your application is successful, you will be issued a sponsor licence number and added to the Register of Licensed Sponsors, allowing you to hire non-UK workers. You will receive an A-rated sponsor licence, which means you are fully approved to sponsor foreign workers.

You will also receive access to the Sponsor Management System (SMS), which is a secure online platform where you manage your sponsor licence. Through the SMS, you can assign CoS, report changes to workers' statuses and update your organisation's details.

If your application is refused, it means your organisation has not met the requirements for a sponsor licence. You will receive a refusal notice explaining why your application was rejected. There is generally no right to appeal a sponsor licence refusal but if there is a genuine error, you may request an administrative review.

Employers often underestimate how demanding and invasive the sponsor licence application process is. Researching the application, compiling the evidence, auditing and adapting internal capabilities. If the Home Office follows up with enquiries and inspections, the pressure can quickly mount. Therefore, seeking the right advice from the outset is crucial.



Certificates of Sponsorship (CoS)

When all the boxes have been ticked and your sponsor licence has been given the green light, you can then assign CoS to the worker you intend to hire.

A CoS will include the worker's details, job description, salary information and the start date of their employment.

Each certificate will also contain a Unique Reference Number (URN), which your employee will need when applying for their visa.

Defined Certificates of Sponsorship (CoS)

Defined CoS are used when a skilled worker applies for a visa from outside the UK. You will need to apply for approval for this before assigning this certificate.

Undefined Certificates of Sponsorship (CoS)

Undefined CoS are often used for workers already in the UK, visa extensions or other visa categories.

Businesses will be asked how many of these they will need in the first year of sponsorship.



Sponsor licence compliance duties

Holding a sponsor licence does create a legal responsibility for you and you must comply with the strict reporting and monitoring requirements on an ongoing basis. To stay compliant, sponsors must have robust HR systems.

Record keeping

You must maintain accurate records of your sponsored workers and this does include:

- Passport copies and right to work checks
- Employment contracts
- Contact details
- Evidence of qualifications and professional registrations required for the role

Monitoring employees

You must regularly monitor sponsored workers to ensure they are fulfilling their job roles. This includes tracking their attendance, any absences and documenting any change in their employment or right to work status.

Reporting changes

If there are any changes to your worker's job role or salary, these must be reported through the Sponsorship Management System, usually within 10 working days of the event.

You must also report if the employee leaves the company and if the business ownership changes. If you do fail to do this, you could be putting yourself at risk of enforcement action.



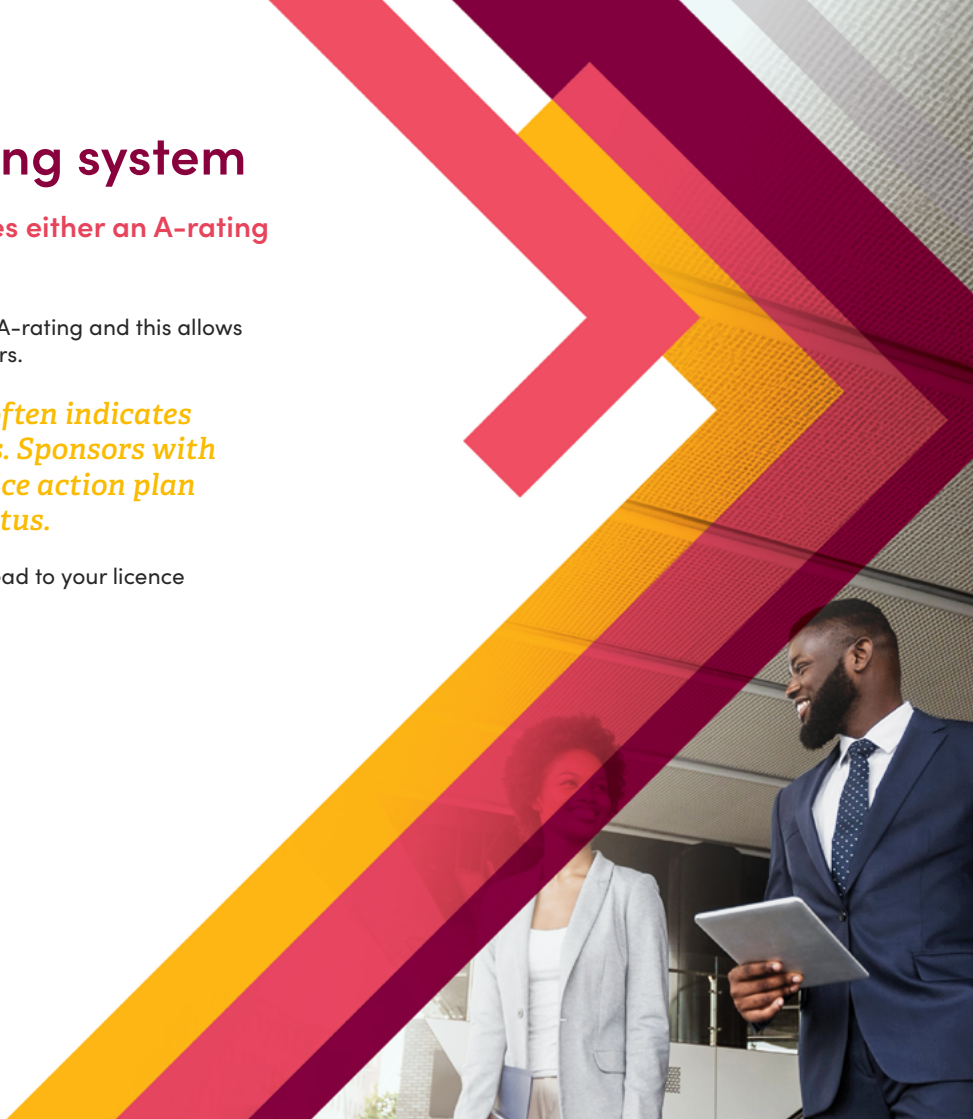
Sponsor licence rating system

Every sponsor licence holder receives either an A-rating or a B-rating.

New sponsors are most likely to be granted an A-rating and this allows them to assign CoS and recruit overseas workers.

If you are granted a B-rating, this often indicates that there are compliance concerns. Sponsors with a B-rating must follow a Home Office action plan before they can regain A-rating status.

If you fail to improve your compliance, it may lead to your licence being revoked.



How long does a sponsor licence last?

Sponsor licences previously had to be renewed every four years. However, reforms introduced in 2024 have removed this requirement.

Licences are now automatically extended for 10 years if they have an expiry date on or after 6 April 2024.

If your sponsor licence will expire before this date, you must comply with the previous guidelines until you apply for renewal under the new framework.

Speak to the experts

Having access to a global talent can offer a real advantage for your organisation, but it is crucial that you get the sponsor application right. You must also ensure you remain compliant for the entire time your worker is with your company and carry out your sponsor duties.

Our specialist immigration solicitor can guide you through every stage of the process and help you prepare your application alongside the necessary documentation in a stress free manner.

Whether it is reviewing your compliance procedures or supporting you during Home Office inspections, we are here to help you.

For tailored advice on your application, speak to our Immigration Law team.



Meet our immigration solicitor



We are delighted to welcome Pooja Kaur to our firm as the first member of our immigration team.

With nearly 20 years of experience in Immigration Law, Pooja brings extensive experience in supporting businesses and individuals through complex immigration processes.

Pooja advises on a range of immigration matters, including skilled worker visas, sponsor licence agreements, family and partner visas, investor visas, settlement and further leave to remain applications.

She also has experience handling appeals, judicial reviews and matters relating to deportation, visa overstays and immigration compliance.

In addition, Pooja regularly works with businesses seeking to recruit overseas talent, advising on sponsorship licences, employer compliance and the rights of dependants.

With a strong understanding of the needs of entrepreneurs and business leaders, she provides tailored guidance to help clients understand and manage the UK's immigration system.

Pooja has ambitions to grow our Immigration Law team and we are excited to have her client-focused approach, expertise and knowledge on board.

If you would like to learn more about how Pooja can support you, get in touch today.

**PoojaKaur@palmerslaw.co.uk
01268 240000**

Palmerslaw

Basildon

19 **Town Square**,
Basildon,
Essex, SS14 1BD

☎ 01268 240000

Rayleigh

105 High Street,
Rayleigh,
Essex, SS6 7QA

☎ 01268 988488

Basildon

Suite 1A, **Phoenix House**,
Christopher Martin Road,
Basildon, Essex, SS14 3EZ

☎ 01268 240000

Chelmsford

Palmers House,
75 Springfield Road,
Chelmsford, Essex, CM2 6JG

☎ 01245 320007

South Woodham Ferrers

Prospect House, 1/3 Brickfields Road,
South Woodham Ferrers,
Chelmsford, Essex, CM3 5XB

☎ 01245 322111

Thurrock

Ascension Chambers,
Fleming Road, Chafford Hundred,
Grays, Essex, RM16 6HH

☎ 01375 484444

palmerslaw.co.uk enquiries@palmerslaw.co.uk



Palmers Solicitors is the trading name of Palmers Law Limited (company registration England & Wales: 09464224) registered office 19 Town Square, Basildon, Essex SS14 1BD and is authorised & regulated by the Solicitors Regulation Authority, SRA No. 813805

This guide is not intended to be an exhaustive statement of the law and gives general information only. You should not rely on it as legal advice. We do not accept liability to anyone who does rely on its contents. This guide was correct at time of publication (April 2026) and is not a substitute for legal advice.

