

Workforce

The UK has left the EU and from 31 December 2020, free movement of people between the UK and EU will end. Currently, EU citizens have the right to move freely into the UK to live, work and study here. This will come to an end after the transition period and the UK will introduce a points-based immigration system.

The new system will change the way you hire from the EU and it is important you take the necessary steps to prepare. Anyone you want to recruit from outside the UK, excluding Irish citizens, will need to apply for permission first, and you will need to be registered as a licensed sponsor. Further information can be found below.

The new system will not apply to EU employees already working for you in the UK.

EU citizens and their family members living in the UK by 31 December 2020 can apply to the EU Settlement Scheme. Similarly, EU citizens who are employed, or self-employed in the UK, but live elsewhere, otherwise known as frontier workers, will be able to keep their status if they are frontier working in the UK by 31 December 2020, but they will need to apply for a permit. Irish citizens will not need a frontier worker permit but may apply for one if they wish. Additionally, EU citizens can continue to visit the UK for up to six months without applying for a visa and may also participate in a wide range of activities, including business-related activities, such as events and conferences. <https://www.gov.uk/guidance/frontier-workers-in-the-uk-rights-and-status>.

✓ Signpost your current employees to the EU Settlement Scheme

If you employ EU, EEA and Swiss citizens, you can signpost them to the information they need to apply to the EU Settlement Scheme, enabling them to secure their future in the UK. The deadline for applying is 30 June 2021. Find out more at: <https://www.gov.uk/settled-status-eu-citizens-families>;

✓ Comply with the new immigration policies for recruiting from overseas

From 1 January 2021, the UK will introduce a points-based immigration system. [The UK's points-based immigration system: information for EU citizens - GOV.UK \(www.gov.uk\)](#)

EU and non-EU citizens will be treated equally and will need to meet certain requirements to come to the UK to work. If you want to recruit workers from outside the UK from 1 January 2021, you will need to be a licensed sponsor.

Registering as a sponsor normally takes eight weeks and fees apply. To find out more about the new system, including how to register as a sponsor, visit: <https://pbisemployers.campaign.gov.uk/> [UK visa sponsorship for employers - GOV.UK \(www.gov.uk\)](https://www.gov.uk/guidance/uk-visa-sponsorship-for-employers)

✓ Check if a visa or work permit is required to travel to the EU for work purposes and apply if necessary.

If you travel to the EU for work purposes from 1 January 2021, you may need a visa or work permit. The country you are travelling to might also ask you to have other additional documents depending on the activity you perform. This advice may be relevant to anyone travelling to the EU for work purposes: this could include anyone working in the private, public or third sector, for example, professional and business services, manufacturing, charities, or the arts. For more information, visit: <https://www.gov.uk/visit-europe-1-january-2021>.

Providing Services

If you're a UK business or professional providing services in the EU or EFTA region, you will need to check the national regulations of the country you're doing business in to understand how best to operate. You will also need to have your UK professional qualification officially recognised if you want to work in a profession that is regulated in the EU or EFTA.

✓ Get your qualifications recognised now by EU regulators to be able to practise or service clients in the EU.

If you have a UK professional qualification you will need to have this officially recognised by the appropriate regulator for your profession in each country where you intend to work. You will need to do this even if you are only providing short-term or occasional professional services. If you do not do this, you may be unable to continue to practice or service clients in the EU from 1 January 2020.

There are different rules if you are a lawyer or an auditor. For more information, visit: www.gov.uk/guidance/providing-services-to-any-country-in-the-eu-iceland-liechtenstein-norway-or-switzerland-after-eu-exit#recognition-of-professional-qualifications

✓ If UK-adopted international accounting standards are not determined as equivalent to EU-adopted international accounting standards, UK businesses listed on EU markets may need to produce accounts that comply with EU adopted international accounting standards (or an equivalent) and UK-adopted international accounting standards.

Companies preparing IFRS accounts will need to use 'UK adopted IFRS' instead of 'EU adopted IFRS' for financial years beginning after the 1 January 2021. UK incorporated groups with securities admitted to trading on a UK regulated market will need to prepare accounts using UK adopted IFRS for all accounting periods beginning on or after 1 January 2021. UK incorporated companies listed on other EU markets will need to comply with the rules of those markets as well as preparing accounts that comply with the UK Companies Act 2006.

UK incorporated parent companies with a subsidiary in the EEA and UK companies with a presence in the EEA (for example a branch) need to check the reporting requirements in the country where the subsidiary, or branch, is based.

UK incorporated groups that issue debt from a subsidiary incorporated in the EU will need to comply with the rules of the country where the subsidiary is based as well as produce accounts that comply with the UK Companies Act 2006. More information is available at:

<https://www.gov.uk/guidance/accounting-for-ukcompanies-from-1-january-2021>

UK companies listed in the EEA need to secure an auditor who is registered as a third country auditor in the relevant EEA states to comply with local audit requirements. More information is available at:

<https://www.gov.uk/guidance/accounting-for-uk-companies-from-1-january2021>.

✓ Businesses should check if there are any changes to who can own, manage or direct companies in the sector(s) and country(ies) they operate in.

If you have a UK business or are a UK citizen, you might face restrictions on your ability to own, manage or direct a company registered in an EEA country or Switzerland from 1 January 2021. You should be prepared for: additional requirements on the nationality or residency of senior managers or

directors and/or limits on the amount of equity that can be held by non-nationals.

Find out more at: <https://www.gov.uk/guidance/providing-services-to-anycountry-in-the-eu-iceland-liechtenstein-norway-or-switzerland-after-eu-exit>.

✓ Businesses should check if there are any changes to the regulations for providing services remotely from the UK to the EEA. They should do this both for the sector they operate in, and the EEA country they wish to provide services to.

If you have a UK business or are a UK citizen, you might face changes to the regulations governing remote service provision from the UK into an EEA country e.g. providing consultation services over email or video call. Certain sectors may face additional information or authorisation requirements, or a requirement to establish a legal presence in the EU to continue providing such services. This will vary by sector, and also by member state.

If you provide a more highly regulated service, such as legal, accounting or healthcare related services, it is more likely there will be new requirements to consider. You should check the relevant member state sectoral regulation and seek legal advice if you require further guidance.

Find out more at: <https://www.gov.uk/guidance/providing-services-to-anycountry-in-the-eu-iceland-liechtenstein-norway-or-switzerland-after-eu-exit>.

✓ Legal professionals should understand the changes to the legal framework (including changes to civil judicial cooperation) and rights to practice after 31 December.

EU and EFTA legal professionals practising in the UK will no longer be able to carry out reserved legal activities in the UK under their home title after 31 December. The appropriate action will depend on the legal services you practise and your business model.

If you want to provide reserved legal activities, you will need to requalify as an English, Welsh or Northern Irish lawyer with the relevant regulator under routes for foreign lawyers. If you do not want to provide reserved legal activities but want to work jointly with an English or Welsh lawyer, you will need to register as a Registered Foreign Lawyer in England and Wales with the relevant regulator.

You can also work under the supervision of an English, Welsh or Northern Irish lawyer, or only undertake unreserved legal activities. You may still need to

register with another type of regulator depending upon the activities you choose to undertake, for example the OISC for immigration advice and FCA for claims management activities.

Find out more at: <https://www.gov.uk/government/publications/eu-lawyers-in-the-uk-from-1-january-2021/eu-lawyers-in-the-uk-from-1-january-2021>

Useful links:

- Checking passport validity: <https://www.gov.uk/checkpassport>.
- Employer resources for understanding the new points-based immigration system: <https://www.gov.uk/government/publications/uk-points-based-immigrationsystem-employer-information>.
- Entry Requirements for providing services and travelling for business to the EU: <https://www.gov.uk/government/collections/providing-services-to-eea-andefta-countries-after-eu-exit>.
- EU Settlement Scheme: <https://www.gov.uk/settled-status-eu-citizens-families>.
- European Commission's Regulated Professions Database: <https://ec.europa.eu/growth/toolsdatabases/regprof/index.cfm?action=regprofs>
- Frontier working in the UK: <https://www.gov.uk/guidance/frontier-workers-in-the-uk-rights-and-status>.
- Immigration status - [View and prove your immigration status - GOV.UK \(www.gov.uk\)](https://www.gov.uk/view-and-prove-your-immigration-status)
- Living in Europe - [Living in Europe - GOV.UK \(www.gov.uk\)](https://www.gov.uk/living-in-europe)
- Providing Services Abroad - [Providing services abroad within the EU - Your Europe \(europa.eu\)](https://ec.europa.eu/your-europe)
- Right to reside - [Right to reside - GOV.UK \(www.gov.uk\)](https://www.gov.uk/right-to-reside)
- Single Point of Contact: https://ec.europa.eu/growth/single-market/services/services-directive/inpractice/contact_en
- Staying in the UK - [Continue to live in the UK if you're an EU, EEA or Swiss citizen - GOV.UK \(www.gov.uk\)](https://www.gov.uk/continue-to-live-in-the-uk-if-youre-an-eu-eea-or-swiss-citizen)
- Travel Advice: <https://www.gov.uk/foreign-travel-advice>.
- UK Nationals in the EU - [UK nationals in the EU - GOV.UK \(www.gov.uk\)](https://www.gov.uk/uk-nationals-in-the-eu)
- UK Visa Sponsorship for Employers - [UK visa sponsorship for employers - GOV.UK \(www.gov.uk\)](https://www.gov.uk/uk-visa-sponsorship-for-employers)
- Visiting Europe from 1 January 2021: <https://www.gov.uk/visit-europe-1-january-2021/business-travel-extrarequirements>
- Work in the UK - [Browse: Work in the UK - GOV.UK \(www.gov.uk\)](https://www.gov.uk/browse/work-in-the-uk)