

10 steps to boost trade in services through business mobility

Innovations in business mobility will drive growth in services trade

Business mobility is a core enabler for services trade. From sending a UK lawyer to Frankfurt to oversee a merger, to bringing in an EU citizen to work on a film crew, business mobility is very wide ranging in what kind of activity can take place across the many services industries.

Global employers in the services sectors currently rely heavily on friction free short-term business travel between the UK and the rest of world. The ability to attract the world's best talent and to also send out employees to key markets is mission critical for UK-based services businesses. It is essential for the UK to remain a global hub for industry expertise and that it continues to produce the best and most innovative products and services. However, the UK's current short-term mobility frameworks make it hard for businesses to draw on the strengths of their global talent during short-term projects.

It has been an unprecedented period of change for mobility for UK services businesses – between the pandemic that halted all non-essential business travel and the introduction of the UK-EU Trade & Cooperation Agreement from 1st January 2021 that saw the UK's ending of EU Freedom of Movement, businesses are still only just returning to normal levels and are experiencing the new challenges.

To overcome these, and maximise opportunities for economic growth in services sectors, the UK should seize the opportunity to make short-term business mobility easier. This can be done through making innovations in the domestic operations, such as visa processes, as well as forging new pathways through negotiations with international partners. Importantly, it is not a zero-sum game. The UK wins competitive advantage by being open to global talent.

By expanding and innovating the UK's business mobility frameworks, services industries would be able to strengthen the UK's competitiveness and capacity for innovation and help underpin the UK's status as the world's leading international services hub. This in turn will increase UK business investment and activity and drive growth across the economy.

These recommendations build on business mobility recommendations from across all services sectors and members of the Trade in Services Council, particularly the paper *Global talent mobility: Ensuring UK competitiveness* by TheCityUK, City of London Corporation & EY.

Summary of recommendations

Domestic innovations

1. Remove the requirement for companies to acquire an Intra-Company Transfer visa for international employees coming to the UK for short-term work.
2. Create a hybrid short-term stream within the new Global Business Mobility Route to allow employees to enter the UK for short-term productive activity without a work visa.
3. Increase Home Office capacity to ensure work visas are processed within the 3-week government service time and build resilience into the system

4. Immediately grant temporary visas to roles in obvious shortage as an interim measure until a new Shortage Occupation List is finalised
5. Modernise a wide range of practical process
6. Increase flexibility in the Shortage Occupation List by adding lower skill roles that meet the salary requirement because they are in shortage

International opportunities

7. Negotiate improved form of commitments around immigration requirements in free trade agreements (FTAs), with a clear, standardised and reciprocal list of permissible and prohibited activities and for how visa applications are submitted and processed.
8. Continue to prioritise the expansion of reciprocal Youth Mobility schemes
9. Enhance outward mobility by working with international partners to improve guidance
10. Negotiate the Mutual Recognition of Professional Qualifications with international partners to maximise business mobility opportunities

Domestic innovations

There are many existing short-term mobility and visa processes pathways that have significantly helped services industries – from super-priority visas to sector-specific routes such as creative industries codes of practice. These have offered services business flexibility to address their specific needs for short-term business travel or work in their sectors.

Using short-term business mobility routes is not an alternative to hiring people in the UK. Short-term business workers do not become UK-based workers who compete with domestic talent: they remain overseas workers and only carry out short, targeted projects before returning home or vice versa. The innovation of new pathways or improvement of current processes would significantly help UK services sectors access talent or critical projects.

If UK government could reform the UK's short term mobility system it would significantly boost UK competitiveness and make it a magnet for global talent, a key ingredient for innovation and future growth. All government departments' help championing this work across departments would win strong support from industry.

1. Remove the requirement for companies to acquire an Intra-Company Transfer visa for international employees coming to the UK for short-term work.

Industry welcomed potential changes to short-term business visitor rules and would encourage the government to pursue implementation. Employees of a UK-based business cannot get a visa unless they have worked at their company for over one year (or earn over £73,900). Many employees do not qualify and this disadvantages the UK operation in terms of accessing specific skills and being part of global talent programmes.

Enhancing short-term global mobility flows through removing the requirement for Intra-Corporate Transferers (ICT) would allow employees to enter the UK for short-term productive activity without a work visa. This reform would ensure that the UK maintains control of who

enters the country – using the controls associated with sponsorship – while enabling the flexibility of visa-free entry. It could be achieved through two steps:

1. Applicants would be required to hold an ICT Certificate of Sponsorship by the UK sponsor, enabling them to perform productive work for up to six months. This ensures there is sufficient oversight and control of the sponsored worker and the work they are undertaking.
2. The applicant enters the UK without applying for a visa prior to departure. Sponsor notifications are made on departure.

2. Create a hybrid short-term stream within the new Global Business Mobility Route to allow employees to enter the UK for short-term productive activity without a work visa. ¹

One of the critical challenges for employers to navigate the rules for short-term mobility across services sectors is distinguishing between activities that require a visa and those permissible as a business visitor within short-term business travel. A minor change in activity can result in a drastic increase in the cost, timescale and administration required in order for businesses to be compliant with the rules where there is no middle ground.

These challenges could be resolved by implementing a new hybrid Short-term Global Mobility stream through Intra-Corporate Transferee (ICT) reform to allow employees to enter the UK for short term productive activity without a work visa, combining the controls associated with sponsorship with the flexibility of visa-free entry.

How this could work in practice

- Step 1: Applicants could be required to hold an ICT Certificate of Sponsorship by the UK sponsor, enabling them to perform productive work for up to six months. This ensures there is sufficient oversight and control of the sponsored worker and the work they are undertaking.
- Step 2: The applicant enters the UK without applying for a visa prior to departure. Sponsor notifications are made on departure. This will deliver increased flexibility and lower cost and administrative burdens.

Implementation of this scheme would necessitate two key adaptations of the Immigration Rules which could comfortably be built into the Global Business Mobility umbrella framework:

1. Ensure citizens of all key trade partners with whom this special flexible visa process is agreed are considered non-visa nationals, meaning they are not required to apply for a visa before travelling to the UK. The majority of the UK's main prospective trade partners are already on this list, with the exception of South Africa and India.
2. Create this hybrid category within the Global Mobility / ICT reform framework and give Immigration Officers at UK ports of entry the power to grant Leave to Enter within this category on arrival in the UK, without requiring the applicant to hold Entry Clearance.

¹ TheCityUK, City of London Corporation & EY, [Global talent mobility: Ensuring UK competitiveness](#), 2021

3. Increase Home Office capacity to ensure work visas are processed within the 3-week government service time and build resilience into the system

Businesses report that visa processing times are taking up to four times as long as the given three weeks service standard, with priority and super-priority routes suspended due to the rightful prioritisation of the Ukraine Sponsorship Scheme. However, the impact that this has had on businesses – especially services sectors – is significant as they are unable to issue timely work visas to recruit shortage roles. Employers have waited up to 12 weeks for work visas to be processed is likely to add to the impact labour and skills shortages are having on business outputs and services and makes it harder for UK employers to attract overseas workers that have work offers in multiple countries. The Home Office should build resilience in the visa processing systems by investing in technology and staff to ensure that future events that require a reprioritisation of resource do not have subsequent negative impacts on businesses.

4. Grant temporary visas to roles in obvious shortage as an interim measure until a new Shortage Occupation List is finalised

Given the current impact of labour and skills shortages on output and investment, and the expected timeline for policy changes to be implemented (c.12 months), the government should grant temporary visas for roles in obvious shortage until a new SOL is finalised. A temporary visa can act as a regulated, time-limited route for overseas workers to come to the UK to work and potentially switch to a permanent route to settlement via the SOL.

5. Modernise a wide range of practical processes

- a) Allow for all changes of employment with the same Sponsor to be implemented by a simple Sponsor Management System (SMS) update.
- b) Provide certainty for employers on the long-term virtual right to work processes
- c) Reduce SMS reporting obligations
- d) Use data submitted by employers via Realtime payroll reporting to track salary changes and the end of a sponsored Skilled Worker's employment.
- e) Increase speed by prioritising roll out of electronic biometric data processing to all nationals.
- f) Update the Creative Worker Codes of Practice where required by / in consultation with specific sectors in order to ensure they remain aligned with industry developments and practices

6. Increase flexibility in the Shortage Occupation List by adding lower skill roles that meet the salary requirement because they are in shortage

An effective immigration system works for the whole economy as services sectors require a combination of skills from all levels. Currently, there are shortages in roles across all skill levels

in multiple sectors which businesses depend on to produce outputs and deliver services, making a significant economic contribution. Supporting the system acting as an upward pressure on domestic wages, firms therefore think it reasonable for the SOL to enable greater flexibility on the eligible skill threshold for shortage roles that pay above the SOL minimum salary of £20,480.

International opportunities

The UK Government has the ability through its global trade agenda and upcoming FTAs to pioneer new mobility frameworks and pathways for all businesses, but it will particularly offer benefits for services sectors. By embedding the following recommendations into the negotiations strategy or exploring the expansion of mobility frameworks through review mechanisms of established FTAs, the UK government can enhance global mobility opportunities that will boost UK services exports.

7. Negotiate improved form of commitments around immigration requirements in free trade agreements (FTAs), with a clear, standardised, and reciprocal list of permissible and prohibited activities and for how visa applications are submitted and processed.²

Temporary business travel to and from the UK is often mission critical for UK businesses, but this kind of activity typically falls foul of other countries' permitted business visitor activities. The cost and timeline around necessary immigration processes can run contrary to the required speed of deployment. This would include substantive commitments on speed of processing, decision making processes, requirements for supporting documentation and cost. Consistent application processes in different countries and securing clearer definitions on categories of workers will greatly reduce the frictions associated with international mobility.

8. Continue to prioritise the expansion of reciprocal Youth Mobility schemes

Through the UK government's FTA negotiations, the UK has been able to agree a network of reciprocal Youth Mobility Schemes with key countries that include Australia, Canada, New Zealand, Japan and South Korea as well as upcoming ones including the India Young Professionals Scheme. Youth mobility schemes are particularly beneficial for services sectors, where a lot of visa users find employment – from professional services to hospitality – and can build a pipeline of talent and experience from across partner nations. The recent UK-Australia FTA was able to negotiate increased access to each other's youth mobility schemes and enhance service industries' ability to attract workers using these schemes.

² TheCityUK, City of London Corporation & EY,

, 2021

UK-Australian reciprocal mobility schemes under the FTA	
UK Youth Mobility Visa	Australian Working Holiday Maker Visa
<ul style="list-style-type: none"> ○ Australian citizens between 18-30 years old can live and work in the UK for up to two years. ○ Young people can study, work and be self employed. ○ Applicants must have £2,530 in savings 	<ul style="list-style-type: none"> ○ UK citizens between 18-35 years old can travel and work for up to three years. ○ Young people will no longer have to work on a farm to use the visa. ○ Australia is piloting a new visa for UK graduates between 21-45 to do early career workplace exchanges.

The Youth Mobility Scheme also provides an important form of soft power for the UK. Those who make use of it will build their network of professional connections in the UK. The Youth Mobility Scheme should be seen as an investment in the UK's future as a global services hub.

9. Enhance outward mobility by working with international partners to improve guidance

Navigating the information and rules for sending UK workers abroad can be significantly challenging for business. One example where this has become more recently complex is with the EU, where UK workers now have to operate within the new UK-EU Trade & Cooperation Agreement but also contend with differing levels of guidance and requirements from 27 Member States. To make outwards mobility simpler for businesses to understand, the UK government should work with international partners to improve guidance by embedding practices into the negotiations or improve guidance and accessibility to information where possible.

10. Negotiate the Mutual Recognition of Professional Qualifications with international partners to maximise business mobility opportunities.

In regulated professions, such as legal services or engineering, being able to travel and carry out certain activities internationally requires a qualification from one country to be recognised by the country where the activity is taking place. By expanding the range of qualifications that are recognised by the UK's international partners, UK services industries will be able to increase the number of activities that they can do in other markets and boost services exports across the world. This can be done through FTAs, bilateral Memorandums of Understanding (MoUs) and even empowering professional bodies to bilaterally negotiate regulator-to-regulator agreements. The recent *UK & India mutual recognition of academic qualifications memorandum of understanding* is a great example of what can be achieved and is a starting point from where it could be expanded to cover other professions and qualifications.

To share your views or ask us a question, contact:

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