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# Doing Business in the UK

2025

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## Introduction

Despite the shifting geopolitical landscape both in the UK and internationally in recent years, the UK has maintained its status as a valuable place to do business, providing a hub for global firms to access the markets, services and talent they need to succeed. Key sectors such as Technology, Financial Services and Professional Services provide opportunities for growth and innovation against the backdrop of strong capital markets which are larger and deeper than those of the EU. The London Stock Exchange Group has recently ranked as the 3<sup>rd</sup> largest market in the world for raising equity in 2024. The UK economy has always thrived on international trade – more so than most countries – and the UK's policies continue to be focused on welcoming inward investment and stimulating exports. This remains the case even though the UK has left the European Union as UK businesses continue to show resilience, agility and creativity in response to a changing trade landscape.

As a general rule, overseas businesses do not need permission to establish a presence in the UK, although authorisation will be needed for certain kinds of business such as banking and financial services. This guide is designed to give an overview of the key legal considerations when doing business in the UK. It is not intended to be definitive, but sets out items which should be considered from the outset.

If you are thinking of setting up or expanding a business in the UK (whether by way of an independent business or forming a trading relationship with another UK business), Fox Williams would be delighted to assist. We are able to help with the initial incorporation (or acquisition) of a UK business and advise you on the entire life-cycle of that UK business including, where applicable, an eventual exit and sale.

## Fox Williams

Fox Williams is a business law firm based in the City of London. We have 50 partners and approximately 90 further lawyers who act for organisations and senior individuals in The City of London and for UK and international businesses and entrepreneurs.

Our clients choose us because we are, first and foremost, business advisers who help them to achieve what is important to them. We do this by specialising in specific business sectors, (such as financial services, fintech, technology and digital, natural resources, travel, fashion and professional services) where we have a deep level of knowledge. Our clients value the service we provide that combines the quality of high partner access with the cost-effectiveness of leaner legal teams. We are also well-placed to help international businesses navigate the London markets, regulatory and tax regimes and the wider legal system.

Our legal services include:

- Inward investment and general start-up work
- Corporate finance and M&A transactions
- Financial services, securities laws and regulatory compliance
- Private equity and venture capital
- A broad range of commercial advice including e-commerce and information technology
- Intellectual property
- Corporate and entrepreneurial tax
- Banking and business restructuring/insolvency
- Commercial real estate
- Dispute resolution and litigation
- Employment and immigration
- Partnership law and professional practices
- Travel regulation and licensing
- Capital Markets

For more information on our website visit <https://www.foxwilliams.com/legal-expertise/>

Our uncompromising commitment to quality means that our competitors are regularly the major City Law Firms. We aim not only to match them in technical expertise, but also to deliver a pragmatic, more personal and cost-effective service with significant input from partners and other senior lawyers.

Having been founded by entrepreneurial partners as a new type of business law firm, Fox Williams prides itself in understanding first-hand the challenges, risks and rewards involved in starting, building and sustaining a business.

We also appreciate that when time and resources are scarce, legal concerns often take a back seat. However, getting the legal basics right from the start can go a long way in smoothing the road for your business' future success.

Our specialist teams can assist you with all legal aspects of your new venture from the word go. It is never too early to contact us for a free consultation. We pride ourselves in not only offering bespoke legal services but also our ability to provide strategic, practical and commercial advice.

# 1. Background to UK legal system and UK business structures

## 1.1. The United Kingdom

The United Kingdom consists of England, Wales, Scotland and Northern Ireland made up of three separate legal jurisdictions: (i) England and Wales; (ii) Scotland; and (iii) Northern Ireland. The Channel Islands (which include Jersey and Guernsey) and the Isle of Man form part of the British Isles but are not part of the United Kingdom and they have their own legal system. The information in this guide is based entirely on the law applicable to England and Wales, which consists of both common law (judge-made) and statute law.

The UK Government actively encourages foreign investment and there are no exchange controls. There are a number of incentives offered by central and local governments to foreign investors in certain areas and industries. In the years following the UK's withdrawal from the European Union, the UK government has actively sought to replace and expand its network of free trade agreements by signing new trade deals with Australia, India and the US as well as the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP).

## 1.2. UK business structures

An overseas company looking to do business in the UK will need to carefully consider the most appropriate manner in which to achieve this.

It may decide to establish a separate UK entity such as:

- a UK establishment (or branch);
- a UK company; or
- a UK partnership.

Alternatively, a business which is not looking to be heavily based in the UK may want to consider entering into a contractual business relationship by appointing an agent, distributor or franchisee and/or licensing intellectual property rights.

Each of these options are considered further below.

# 2. UK establishment

## 2.1. Background

The concept of a UK establishment is an umbrella concept which includes both branches and places of business. The fact that any overseas company is carrying on business in the UK, does not

necessarily mean it will have to formally register as a UK establishment: registration is only required where there is some degree of physical presence in the UK. For example, passively investing in property or using an independent agent who conducts business on behalf of an overseas company will not give rise to a place of business for that company; neither will an occasional location such as a hotel where a director may conduct business on visits to the UK. Setting up a warehouse, however, would be a physical presence in the UK.

An overseas company that intends to have an establishment within the UK is required to register with Companies House and comply with certain requirements under the Companies Act 2006 (the "2006 Act"). In addition, a UK establishment, operated by an overseas company, is normally seen as a "permanent establishment" in the UK for tax purposes and the permanent establishment will be liable for UK corporation tax on its profits.

The overseas company which sets up the UK establishment is directly responsible for all debts and liabilities incurred by the establishment. As such, the opening of a UK establishment does not provide the protection of limited legal liability which would be afforded by the creation of a UK company.

## **2.2. Registration requirements**

An overseas company must register as an establishment with Companies House within one month of commencing business in the UK. The filing fee for such registration is £71.

The registration form (OS IN01) requires detailed particulars about the overseas company, its officers as well as details of the establishment together with a copy of the overseas company's constitution. If the constitutional documents are prepared in a language other than English, a translation must also be filed. Details of the names and service addresses of all persons authorised to represent the overseas company in respect of the establishment must also be included.

All information registered with Companies House is publicly available. If there are concerns about making certain information of the overseas company public, it may be possible to create a separate, overseas subsidiary company which can then set up a UK establishment. In such circumstances it is the accounts and particulars of the overseas subsidiary, rather than the main company, which would be filed and therefore open to public inspection.

## **2.3. UK establishment names**

When registering a UK establishment, an overseas company can either use its own corporate name (i.e. the name which it is registered within the jurisdiction of its incorporation) or use an alternative name specifically for the UK establishment. However, the name must comply with the same requirements as those for registering a UK company (further details of which are set out below).

## **2.4. Display of name**

### **Business locations**

Each overseas company which operates a UK establishment must display its name and the company of incorporation at every location in the UK at which it carries on business.

### **Business communications**

An overseas company must include its name, the location of the UK establishment and the UK establishment's registered number on all forms of business correspondence and documentation used for carrying on business activities in the UK, whether in hard copy or electronic form.

If the overseas company is not incorporated in the EEA it must also state:

- the company's country of incorporation;
- details of its registration in that country (i.e. registered number, name of registry (as applicable));
- the location of its head office;
- the legal form of the company; and
- various statements about its current status (i.e. whether it is being wound up or is subject to other insolvency proceedings).

## **2.5. Continuing obligations**

An overseas company which is required by its home jurisdiction to prepare, audit and disclose its accounts, must file copies of its accounts (together with a translation if applicable) at Companies House within three months of the disclosure of the accounts in accordance with its home jurisdiction.

If an overseas company is not required to prepare and disclose its accounts under its home jurisdiction, it still has a duty to prepare, sign and deliver accounts to Companies House in accordance with the accounting requirements of the 2006 Act, as modified in relation to overseas companies. The duty requires the preparation of accounts for the overseas company as a whole, not just for the UK establishment.

If there is a change in any of the registered particulars (whether relating to the overseas company's details or the particulars of the UK establishment), a return setting out the change must be delivered to Companies House within 21 days of such change.

## 3. UK company

### 3.1. Types of company

The 2006 Act sets out the definitions and requirements in relation to the formation of a UK company. There are four main types of company which can be incorporated:

- private company limited by shares – the liability of members of the company is limited to the equity they have invested or agreed to invest (i.e. unpaid amounts on issued shares);
- private company limited by guarantee – the members of the company make no equity contribution to the capital of the company, but provide an undertaking to provide a nominal amount in the event that the company is wound up;
- private unlimited company – the members of the company have a joint, several and unlimited obligation to meet any insufficiency in the assets of the company in the event that the company is wound up; and
- public limited company – the liability of the members of the company is limited to the equity they have invested or agreed to invest (i.e. unpaid amounts on issued shares). Only public companies can offer their shares to the public and be quoted on the stock exchange.

For the purposes of establishing a business in the UK, an overseas company is most likely to consider either a private company limited by shares or a public limited company. A brief summary of the differences between these two structures is set out below, followed by other key features of UK companies in general.

### 3.2. Private company

The majority of companies in the UK are private companies (especially those which are subsidiaries of other UK or overseas companies). They are subject to far less regulation than public limited companies and are therefore often the preferred entity when an overseas company looks to start business in the UK through a subsidiary.

A private company must have at least:

- one member / shareholder; and
- one natural officer (a director).

There are no requirements as to the amount of share capital or value of each share and the appointment of additional directors or a company secretary is optional. Once incorporated, a private company can commence trading without requiring the issue of a trading certificate.

### 3.3. Public company

Unlike private companies, public companies are permitted to raise capital by offering shares to the public. In addition, a public company can have its shares listed on the UK's public markets. While it is more common for a wholly owned subsidiary of an overseas company to be incorporated as a private company, some overseas companies elect to create a "PLC" in the expectation that lenders, customers and suppliers will consider them a more substantial enterprise. A public limited company must have at least:

- one member;
- two directors (one of which must be a natural person); and
- a company secretary (who is suitably qualified by holding recognised professional qualifications or having relevant experience).

In addition, a public company's share capital must be not less than £50,000 of which at least 25% must be paid up at all times. A public limited company cannot commence trading without obtaining a certificate (a "trading certificate") from Companies House, demonstrating that it has satisfied the minimum share capital requirements.

### 3.4. Incorporation of a UK company

A UK company does not exist and cannot operate/commence trading until a certificate of incorporation has been issued by Companies House. A public limited company must also receive a trading certificate.

To incorporate a UK company, the following items must be filed at Companies House:

- memorandum of association – this is a simple document in prescribed form which simply sets out the subscriber(s) of the company and a statement of intention that such subscriber(s) wish to take at least one share. The purpose of the memorandum is to provide evidence of the intention of the subscriber(s);
- articles of association – these are the constitutional rules of the company which regulate the internal management and running of the company. They typically deal with the transfer of shares, alteration of share capital, procedures for general meetings, voting, appointment and removal of directors, etc. The 2006 Act provides a model set of articles for both private and public companies. Unless a bespoke set of articles is submitted on incorporation, the model articles are deemed adopted by a newly formed company;
- form IN01 – this is a simple form setting out the names of the first directors, the company's registered office and other administrative particulars; and
- fee – all companies can now be incorporated online (with model articles only) for a charge of £50 or using paper forms for £71. For guaranteed same-day incorporation the fee is £78.

### 3.5. UK company names

There are a number of restrictions on the names which can be used to incorporate a UK company. Unlike for a UK establishment, these rules apply to all UK companies, regardless of the location of the overseas parent company. A proposed name will not be registered if:

- its use would be offensive or would constitute an offence;
- it suggests a connection with the UK government, a devolved administration, a local authority or certain specified public authorities;
- it includes a sensitive word or expression unless certain tests are satisfied (e.g. "Association" or "Trust") and a supporting statement is submitted with the application form;
- it is the same or similar to another name on the register; or
- it is longer than 160 characters or uses certain prohibited characters, signs, symbols or punctuation in the name.

The successful registration of a company name does not mean that name does not infringe other UK laws – i.e. trade mark law. It is advisable to check the trade mark register of the UK Intellectual Property Office before registering a name.

It should be noted that a UK company can use a different "business" name from the one registered at Companies House and there are separate rules and requirements in relation to the use of such names.

### 3.6. Officers of a UK company

#### Directors

The shareholders of the company have the power to appoint and remove the directors of the company by ordinary resolution (see below). However, following the first appointments, future dismissals and appointments are usually handled by the directors themselves with the shareholders only stepping in if there is a particular concern.

It is the directors who take all the business decisions for the company and enter into contracts on the company's behalf.

A director is not required to reside in the UK and an overseas director will not be deemed a resident of the UK for tax purposes solely by reason of his/her appointment alone. However, any natural director:

- must be at least 16 years old;
- must not have been disqualified from acting as a company director; and
- must not be an un-discharged bankrupt.

The directors of a company have the power to manage the company's affairs in accordance with the company's articles of association. In doing so they must adhere to their statutory and common law duties. These include:

- acting within their powers;
- promoting the success of the company;
- exercising independent judgment;
- exercising reasonable care, skill and diligence;
- avoiding conflicts of interest;
- not accepting benefits from third parties; and
- declaring an interest in a proposed transaction or arrangement.

A breach of a director's duties can give rise to personal civil and criminal liability. It is therefore important that directors fully understand their legal obligations to the company. Fox Williams have a great deal of experience advising directors on their duties and can provide further information upon request.

### **Secretary**

A company secretary's main function is to ensure that a company complies with its statutory obligations. While the secretary is not involved in the business decisions of the company, it can enter into contracts on behalf of the company for the purposes of carrying on the administration of the company.

While the 2006 Act removed the requirement for private companies to have a company secretary, a public limited company must have a secretary who is suitably qualified.

### **3.7. Shareholders**

Any person, firm or corporation may be a shareholder of a UK company, whether or not they are resident in the UK.

A company's articles of association (together with the 2006 Act) set out the rules regarding the decision making-process of the shareholders.

#### **Resolutions**

Shareholder decisions are made by passing resolutions. There are two types of shareholder resolution:

Special resolutions – these must be passed by at least 75% of the shareholders entitled to vote on the resolution. Changes to a company's constitution and other structural changes normally require a special resolution.

Ordinary resolutions – these must be passed by a simple majority (over 50% of the shareholders entitled to vote on the resolution). Simple business and administration matters which require shareholder approval are often passed by way of an ordinary resolution.

The shareholder resolutions of public limited companies must be passed at general meetings. However, private companies can pass shareholder resolutions at either a general meeting or by

way of written resolution subject to one exception: the removal of a director or auditor before the expiration of his/her period of office must be by way of resolution passed at a general meeting.

### **General meetings**

A public limited company must hold an Annual General Meeting (AGM) within six months beginning on the day following its accounting reference date. Failure to do so constitutes a criminal offence committed by every director of the company and the company secretary. Private companies are not required to have an AGM unless their shares are trading on a regulated market in an EEA state.

At least 21 days' notice of an AGM must be given to all shareholders and directors unless the shareholders have agreed to a shorter notice. While the 2006 Act does not specify what business must be considered at an AGM it is usual to:

- consider the company's annual report and accounts;
- declare any dividend;
- elect or re-elect certain directors; and
- appoint or re-appoint the auditors of the company and authorise the directors to agree their remuneration.

Any meeting of shareholders which is not an AGM is known as a general meeting. Again, such meetings require 21 days' notice but this can be permanently reduced to 14 days by resolution of the shareholders.

### **3.8. "Persons with Significant Control"**

Since April 2016, all UK incorporated companies (other than listed companies which are subject to their own obligations under the FCA's Disclosure and Transparency Rules) are required to keep a register of "persons with significant control" over the company ("PSCs"). This obligation is a means of boosting transparency so that the public may have more information as to who is the ultimate beneficial owner of a particular company or the person who ultimately has the right to control it.

A key aim of the PSC regime is to reduce the use of UK corporate vehicles in financial crime.

A company which is required to keep a register of PSCs will be criminally liable for failing to maintain such a register and for failing to take reasonable steps to identify its PSCs.

The obligation to keep a register of PSCs does not generally apply to overseas entities, however the Economic Crime (Transparency and Enforcement) Act 2022 now requires overseas entities that hold property in the UK to register their beneficial owners on the Register of Overseas Entities and be in compliance with ongoing reporting requirements before they can apply to HM Land Registry to become the registered owner of a title or grant a charge or qualifying lease out of their interest.

### **3.9 Continuing obligations**

All UK companies are obliged to file various documents with Companies House on an ongoing basis. Each year, a company must file an annual report and a set of accounts. In addition, certain matters must be notified to Companies House from time to time such as changes to any particulars of the company (directors, issued share capital etc.), the grant of any security by the company or the passing of certain resolutions by the company's members. The company is required by way of a "confirmation statement" to certify on an annual basis that the information on the register is accurate and all relevant and required documents have been filed at Companies House.

Failure to comply with the filing requirements of the 2006 Act can constitute a criminal offence and attract fines.

All documents filed at Companies House are available for inspection by the public. In addition, UK companies are obliged to keep and maintain statutory books which contain (among other items):

- a register of members;
- a register of directors;
- a register of company secretaries (if any);
- a register of director's residential addresses;
- a register of charges/mortgages over the company's property; and
- (if elected) a register of people with significant control.

Any member of the public has a right to inspect a company's register of members (although it is possible for a company to seek court permission to refuse access in certain circumstances).

### **3.10. Auditors and accounts**

Directors of all types of UK companies are required to prepare annual accounts and reports which are sent to the shareholders and Companies House each financial year. The accounts must give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit or loss of the company for that financial year.

#### **Timing**

Unless filing the company's first accounts the time normally allowed for delivering accounts to Companies House is:

- six months from the accounting reference date for a public limited company; and
- nine months from the accounting reference date for a private company.

If you are filing your company's first accounts and those accounts cover a period of more than 12 months, the time normally allowed for delivering accounts to Companies House is:

- eighteen months from the date of incorporation for public companies;
- twenty-one months from the date of incorporation for private companies; or
- three months from the accounting reference date, whichever is longer.

## Content

In general, the annual accounts and reports of all public limited companies and substantial private companies should include:

- a profit and loss account and balance sheet;
- a director's report setting out:
  - the names of the directors;
  - the principal activities of the company including the development of and any significant changes to the business during the course of the year and an indication of likely changes in the near future; and
  - the amount of the recommended dividend (if any);
- a business review report which informs members and helps them assess how the directors have performed their statutory duty to promote the success of the company;
- a statement setting out what the company has done to combat modern slavery and human trafficking (this is a requirement, made pursuant to the Modern Slavery Act 2015, which encourages companies to be more vigilant about human rights abuses within their supply chains); and
- an auditor's report stating that the accounts have been properly prepared and give a true and fair view of the state of the affairs of the company.

Public limited companies which are quoted on a stock exchange are subject to additional annual accounts and reports requirements including the need for a directors' remuneration report containing detailed information on director remuneration and the company's remuneration policy.

## Exemptions

Private companies which qualify as "small" or "medium-sized" companies may elect, subject to certain criteria, to comply with simplified requirements for the filing of accounts and reports. Since all filed accounts and reports are available for public inspection, these exemptions can be beneficial for companies wanting to limit disclosure.

For accounting periods that begin on or after 6 April 2025, "small" companies are those which satisfy at least two of the following criteria:

- annual turnover of not more than £15 million;
- balance sheet total of not more than £7.5 million
- employees not exceeding, on a weekly average, 50.

For accounting periods beginning between 1 January 2016 and 5 April 2025, "small" companies are those which satisfy at least two of the following criteria:

- annual turnover of not more than £10.2 million
- balance sheet total of not more than £5.1 million
- employees not exceeding, on a weekly average, 50.

For accounting periods that begin on or after 6 April 2025, “medium-sized” companies are those which satisfy at least two of the following criteria:

- annual turnover of not more than £54 million
- balance sheet total of not more than £27 million
- number of employees not exceeding, on a weekly average, 250.

For accounting periods beginning between 1 January 2016 and 5 April 2025, “medium-sized” companies are those which satisfy at least two of the following criteria:

- annual turnover of no more than £36 million
- balance sheet total no more than £18 million
- number of employees not exceeding, on a weekly average, 250.

Small companies are only required to file abridged accounts which contain a set of the information that is included in the balance sheet and profit and loss account. Medium-sized companies are still required to deliver a full balance sheet along with a directors’ report (including a business review or strategic report), but can file an abridged profit and loss account.

Where a company takes advantage of the above exemptions, the company’s balance sheet must contain a statement to that effect, setting out the grounds on which the company is entitled to such exemption.

Small companies which satisfy both of the first two criteria listed are exempt from the requirement to appoint auditors and to prepare and file audited accounts.

## 4. UK partnership

### 4.1. Types of partnership

There are three different types of partnership under UK law:

- general partnerships which are unincorporated partnerships where the partners have unlimited liability for the debts of the partnership. General partnerships are governed by the Partnership Act 1890.
- limited partnerships which are unincorporated partnerships where at least one partner has unlimited liability (the “general partners”) but the other partners can have limited liability (the “limited partners”). Limited partnerships are governed by the Limited Partnership Act 1907.
- limited liability partnerships (LLPs) which are incorporated partnerships where each partner’s liability is limited to his/her agreed contribution. LLPs are governed by the Limited Liability Partnership Act 2000.

## 4.2. Common characteristics

Despite the various forms of partnerships available in the UK, there are a number of common characteristics:

- there is no minimum capital requirement;
- subject to a firm's governing body (like the Solicitors Regulation Authority) there are generally no restrictions on who can become a partner;
- partners can be natural or corporate persons;
- if there is no written agreement governing the partnership, the relevant act (depending on the type of partnership in question) shall apply; and
- UK partnerships are tax transparent. Accordingly, a partner's income and gains will be seen as accruing to, and will be taxed on, that individual partner directly.

# 5. Tax

## 5.1 Taxes on business profits

An overseas company carrying on business in the UK can do so through either a branch (a permanent establishment) or a subsidiary.

A UK tax resident subsidiary will be subject to UK corporation tax on its worldwide profits (subject to any applicable double taxation relief). Though such a subsidiary can, in certain circumstances, elect for its foreign branches (if any) to be exempt from UK tax. A subsidiary will be tax resident in the UK if it is incorporated in the UK or if it is centrally managed and controlled in the UK.

The UK branch of an overseas company which is trading in the UK will be subject to UK corporation tax only on the profits attributable to that branch. The UK branch will be required to recognise the profits it would have made had it been an independent non-resident company (using transfer pricing principles and methodologies). But in many cases (unlike with a subsidiary) no deduction will be available in respect of royalties, interest or other finance costs paid to the overseas company.

A number of non-tax and overseas tax issues, as well as UK tax issues, will drive the choice between a branch and a subsidiary. If a branch is established initially, it can subsequently be converted into a subsidiary without significant UK tax charges arising.

In certain cases, an overseas company might be operating in the UK without creating a UK taxable presence, for example if it is a passive investor in property, in which case it will be subject to UK income tax on any UK source income (such as rental income from a UK property).

A UK partnership (including an LLP) is broadly treated as transparent for UK tax purposes. As noted above, a partner's profits will largely be treated as accruing to, and will be taxed on, that individual

partner directly. There are, however, a number of specific anti-avoidance provisions that can affect the tax treatment of partners in partnerships.

Businesses in certain sectors, such as oil and gas, may be subject to special rules. The holding of residential property in a corporate wrapper may also give rise to additional tax charges.

A number of different tax incentives are available to UK and overseas-owned companies operating in the UK, in particular aimed at promoting business innovation and supporting research and development.

## **5.2 Withholding tax**

There is no withholding tax on dividends paid by UK tax resident companies. Nor is there any branch profits tax to be withheld.

Withholding tax may apply to certain other payments such as UK source interest, rental and certain royalty payments, depending upon the availability of certain exemptions or double tax relief.

The UK has an extensive double tax treaty network.

## **5.3 Transfer pricing/thin capitalisation**

Transfer pricing rules (which also cover thin capitalisation) apply in relation to non-arm's length transactions between connected persons and require profits to be recalculated for UK tax purposes based upon arm's length terms. Particular thought may need to be given to whether royalty payments may need to be made (or deemed for UK tax purposes to be made) from or to a UK branch or subsidiary.

Any overseas transfer pricing policies and documentation would need to be reviewed to ensure they satisfy UK requirements.

These transfer pricing rules may not apply to small and medium-sized enterprises.

## **5.4 Financing issues**

An overseas company may fund its UK subsidiary through equity or debt. Dividends paid on equity are not deductible for UK tax purposes. Deductibility of interest can be restricted on a number of grounds: corporate interest restriction rules, transfer pricing, thin capitalisation and a number of other anti-avoidance rules. Non-sterling loans may also lead to unrealised FX gains (or losses) for UK tax purposes.

Any capital contributions made to a UK subsidiary will normally be treated as a gift (or a loan if repayable) although in certain circumstances they may be taxable.

## **5.5 Payroll taxes**

If the business has employees (which includes for these purposes directors, even non-executive directors) in the UK, then a UK branch or subsidiary (and even, in certain circumstances, an overseas company which has no branch in the UK) will be required to operate withholding under Pay As You Earn (PAYE) in respect of all salary, bonuses and other benefits paid/given to those employees. National Insurance contributions (NICs) will also broadly be payable by both the employees (again by deduction under PAYE) and the employer. The employer's NICs may not be recovered from the employee (other than in very limited circumstances). In some circumstances, an apprenticeship levy may also become payable.

Special rules apply in relation to share/share option and other equity incentive arrangements entered into with employees and directors. There are various forms of tax efficient equity incentive arrangements, but care needs to be taken to avoid unexpected tax charges. Advice should be taken before any such arrangements are entered into.

As soon as an employee is taken on, the business must register for PAYE/NICs and set up a payroll system. There are a number of payroll service providers who can assist in this respect.

## **5.6 Value Added Tax ("VAT")**

Very broadly, VAT is chargeable on all supplies of goods or services made, or deemed to be made, by a business in the UK, and on the importation of goods into the UK. Most supplies are standard rated, but some are zero rated or exempt.

An overseas company which makes vatable supplies in the UK may need to register for VAT whether or not it has a UK branch. A UK branch or subsidiary will need to register if it makes vatable supplies above a minimum threshold.

For most businesses, VAT is largely a cash flow and administrative issue; as, if goods or services are received by a VAT registered person and used in the course of their business, then they can usually obtain credit for any VAT they themselves have paid (although such credit is restricted where the business makes exempt supplies).

Special VAT rules can apply, in particular in relation to UK land and digital services.

## **5.7 Transfer taxes**

Subject to certain exemptions, stamp duty is payable at a rate of 0.5% on the transfer of shares in a UK company. Special rules apply in relation to depositary receipt and clearance services.

Stamp Duty Land Tax ("SDLT") is payable at varying rates on the creation or transfer of an interest in UK land.

Special rules apply on the transfer of interests in a partnership holding real property.

## 5.8 Other

Business rates will be payable on business premises.

Other taxes and levies may need to be considered depending upon the nature of the business, including insurance premium tax, landfill tax, aggregates levy and climate change levy.

Excise duties and other duties, such as gambling duty, may also be relevant.

# 6. Contractual business arrangements

## 6.1. Agency

An overseas company may wish to appoint a self-employed agent to sell goods or services on its behalf. If so, the overseas company will need to determine:

- whether the appointment is limited to a specific geographical territory (i.e. the UK/Europe etc.);
- whether the agent is to be appointed on an exclusive or non-exclusive basis;
- the scope of the agent's role – often an agent is instructed to negotiate directly with the customer and manage the customer relationship while the goods/services are supplied by the overseas company itself; and
- how the agent will be paid – this can be way of a periodic retainer, an introduction fee or other commission arrangement.

Agency arrangements in the UK are governed by the Commercial Agents (Council Directive) Regulations 1993 (as amended), which were enacted to implement the European Directive on self-employed commercial agents. The Regulations contain various mandatory provisions to protect commercial agents (who may be individuals or corporate entities) and include, in particular, minimum notice periods for termination; limitations on the scope and duration of post-termination restrictive covenants; and in many instances the right for the agent to receive an indemnity or substantial compensation on termination of the agreement.

## 6.2. Distribution

Distribution involves the manufacturer of goods selling them to the distributor who then resells the goods to its own customers. As with an agent, an overseas company will need to determine the applicable geographical territory and/or the grant of exclusivity. However, the distributor will be free to set its own resale price and take any margin received.

There are no specific regulations relating to the appointment of distributors in the UK, but any distribution agreement will need to comply with competition law requirements (see 7.3 below).

### 6.3. Franchising

If an overseas company has developed a business model for the sale of goods or services with an established track record, it may wish to set up a franchise. In doing so, the overseas company (the franchisor) will provide a franchisee with a licence to operate an identical business in a defined location in return for a fee.

At the centre of any franchise arrangement is the concept of standardisation at the highest level: the success of a franchise business depends heavily upon every franchised outlet looking and operating in the same way irrespective of geographical location. To ensure that the business model developed by the overseas company retains its value, a franchise contract will contain detailed requirements on the operation of the franchise. It is common for a central company (either the franchisor or a company controlled by it) to retain control over items which affect all franchises (e.g. advertising) and for each franchise to be charged for these services accordingly.

Again, while there are no specific regulations relating to the appointment of franchisees in the UK, the franchise agreement will need to comply with competition law requirements (see 7.3 below).

## 7. Regulation of commercial activities

Historically the UK has been regarded as a lightly-regulated jurisdiction. Comparatively this is still true particularly with regard to the establishment of a business entity. However, there has been an increasing focus on consumer protection, particularly in giving regulators new enforcement powers to enforce these laws (including the ability to impose fines of 10% of global turnover). While much of the new regulation relates to specific industry sectors, and is therefore outside the scope of these notes, key examples are set out below.

### 7.1. Contract terms

#### Sale of Goods and Supply of Services

The Sale of Goods Act 1979 and the Supply of Goods and Services Act 1982 imply certain terms into contracts between businesses. The key terms which will be implied into a contract are that the goods/services:

- are fit for purpose;
- conform with their description;
- are of a satisfactory quality; and
- are carried out with reasonable skill and care.

In certain limited circumstances, these implied terms will be excluded from the agreement if the contract is for the “international sale of goods”. However, this concept is narrowly defined in the

relevant legislation and is unlikely to apply to an overseas company looking to deal directly with customers in the UK.

## **Unfair terms**

### **Business contracts**

Attempts to limit or exclude liability under a business contract (i.e. a contract between two businesses rather than with a consumer) are governed by the Unfair Contract Terms Act 1977 (UCTA). UCTA imposes statutory limits on the avoidance of civil liability through exclusion clauses for breaches of contract, negligence, or other breaches of duty. UCTA is only concerned with exclusion clauses and does not examine whether a contract is unfair generally.

### **Digital Markets, Competition, and Consumers Act 2024**

For overseas companies doing business in England and Wales, key implications of the Digital Markets, Competition, and Consumers Act 2024 include heightened scrutiny of practices that impact consumer rights and market competition, particularly for those operating in digital markets.

The Act introduces a framework to regulate businesses designated as having "Strategic Market Status", granting the Competition and Markets Authority (CMA) greater powers to enforce rules and address unfair competition practices. Additionally, consumer law provisions under the Act align with the emphasis on fairness and transparency, especially in the digital space. These include clearer requirements for terms relating to subscription contracts and protections against misleading or exploitative practices.

The Act aims to ensure consumers benefit from greater transparency, better choices, and a level-playing field. Overseas companies must evaluate existing contracts and sales approaches, ensuring alignment with new standards. Non-compliance could expose businesses to significant enforcement actions including financial penalties which are now possible under the Act as well as reputational risks.

In particular the Act has built on:

### **Consumer contracts**

The Consumer Rights Act 2015 (CRA) applies to consumer contracts. The CRA:

- provides consumers with statutory rights in respect of the goods, services and digital content received from a business. This includes rights that such goods are to be fit for purpose, of satisfactory quality and as described, and that services are to be performed with reasonable care and skill; and
- imposes certain requirements relating to fairness of consumer contract terms.

## **Distance selling**

The Consumer Contracts (Information, Cancellation and Additional Charges) Regulations 2013 govern consumer contracts which are entered into by distance means i.e. by telephone, online or SMS. Pursuant to the regulations, the consumer must be provided with certain items of information in writing (e.g. a description of the goods and services, the price, delivery costs and delivery arrangements should be provided on the company's website). In addition, each consumer is entitled to (and must be informed about) a "cooling-off period" whereby they are entitled to cancel the distance contract within a specified period of time (usually seven working days).

## **Product liability**

Regardless of any contractual limitations of liability, if a product or any of its component parts are defective its manufacturer may be liable for damage under the Consumer Protection Act 1987 ("CPA") or the common law of negligence. The CPA exists alongside liability in negligence and in some cases a common law claim may succeed where a claim would not be available under the CPA and vice versa.

Under the CPA, non-fault strict liability is imposed on producers, importers and suppliers of defective products where a consumer can show that the defect caused damage without having to prove that the producer/importer/supplier was negligent.

The UK government may prohibit the supply of unsafe goods and can require manufacturers to publish warning notices on goods which are unsafe. In addition, many products must satisfy UK product standards which are often derived from the EU. Failure to meet the applicable standards can result in criminal or civil penalties and expose the manufacturer/importer/retailer to potential product liability claims.

## **7.2. Data protection**

The UK has implemented robust privacy and data protection laws, including the UK General Data Protection Regulation (GDPR) and the Data Protection Act 2018.

The GDPR regulates the use of "personal data" relating to living individuals. Personal data is any information which can be used to identify an individual such as their name, address, health records, hobbies, sexuality, religion etc.

If a business handles personal data, it is required to:

- register with the Information Commissioner, if it is the "controller" of that information (subject to a handful of limited exemptions). This incurs an annual fee, the level of which is dependent on the size of the business, based on headcount and turnover;
- to provide an individual with access to all their personal data held by the company and comply with other requests by individuals to exercise their rights under GDPR;
- comply with the principles of the GDPR:

- Lawfulness, fairness and transparency: data must be processed lawfully, fairly and in a transparent manner.
- Purpose limitation: data must be collected for specified, explicit and legitimate purposes and not further processed in a manner that is incompatible with those purposes.
- Data minimisation: data must be adequate, relevant and limited to what is necessary in relation to the purposes for which they are processed.
- Accuracy: data must be accurate and, where necessary, kept up to date.
- Storage limitation: data must be kept in a form which permits identification of data subjects for no longer than is necessary for the purposes for which the personal information is processed.
- Integrity and confidentiality: data must be processed in a manner that ensures appropriate security of the personal information, including protection against unauthorised or unlawful processing and against accidental loss, destruction or damage by using appropriate technical or organisational measures; and
- provide individuals with privacy notices containing certain information as mandated by the GDPR.

If an organisation is found to be in breach of GDPR, it may be subject to:

- a warning in writing in cases of first and non-intentional noncompliance;
- regular periodic data protection audits; or
- a fine up to €20 million or up to 4% of the annual worldwide turnover of the preceding financial year in case of an enterprise, whichever is greater;
- there are also possible criminal sanctions, but an organization can also suffer significant brand damage even where financial penalties are small.

### **International data transfers**

For organisations operating internationally, it is important to note that there are restrictions which apply when it comes to transferring personal data outside the UK, with the GDPR requiring a “transfer mechanism” be in place for such transfers to be made lawfully. This causes a major headache for those businesses that have a footprint in the UK. Businesses that have UK subsidiaries, agencies, distributors are all affected by these restrictions. It means that, for example, a UK subsidiary cannot transfer to its US parent customer data or HR related data (such as performance and health records, contact details, salary, bonus levels) without taking additional steps to make sure the transfer is lawful.

In terms of the transfer mechanisms which exist under GDPR, these include:

#### *Adequacy decisions:*

The UK government has compiled a list of countries or territories which provide adequate protection for the rights and freedoms of data subjects in connection with the processing of their

personal data and personal data can be transferred to these countries freely without additional measures being taken.

However, most territories including the US have not been recognized as providing an adequate level of protection. We can assist in selecting the most appropriate solution for your organization:

Standard Contractual Clauses: parties can enter into certain model clauses which were prepared by the EU Commission and are still valid for use in the UK to govern the data transfer.

Binding Corporate Rules (BCRs): group companies can enter into BCRs to govern intra-group transfers, although note that these need to be approved by the Information Commissioner's Office, the UK data protection regulator.

Derogation: there are limited derogations which can be relied on to transfer personal data internationally, but these should only be used in limited situations where there is no other transfer mechanism available.

### **7.3. Competition and merger control**

#### **Competition**

UK competition law is made up of two sets of rules which run in parallel.

- Anti-competitive behaviour, which may affect trade within the UK; and
- Abuse of dominant market position,

are specifically prohibited by the Competition Act 1998 and the Enterprise Act 2002.

To a considerable extent UK competition law reflects EU competition law which is found in Articles 101 and 102 of the Treaty on the Functioning of the European Union.

However, there are certain differences which are to be found in the exemption regime. The Vertical Agreements Block Exemption Order 2022 (VABEO) replaced the EU's Vertical Block Exemption Regulation following Brexit, providing clarity on how certain vertical agreements, such as distribution or supply arrangement agreements, are treated under UK competition law. For overseas companies doing business in England and Wales, this is highly relevant when structuring agreements with UK-based distributors, suppliers, or resellers.

The exemptions provided by VABEO typically apply to arrangements where neither party has significant market power, ensuring the agreement promotes competition rather than restricts it. Key provisions include restrictions on resale price maintenance and limits on exclusivity clauses.

A potential breach of competition laws is investigated and assessed by the Competition and Markets Authority ("CMA"). The CMA has substantial investigative and enforcement powers and breaches of the competition laws can result in a fine of up to 10% of the worldwide turnover. In addition, individuals found to be engaged in anti-competitive behaviour can face criminal sanctions.

## **Merger control**

The CMA has the power to investigate mergers where two or more enterprises cease to exist and certain turnover tests are satisfied.

Companies looking to merge often notify the CMA in advance in order to obtain pre-transaction clearance. While there is no requirement to do so, this avoids the risk of the merger subsequently being referred for further investigation to the Competition Commission and the transaction being prohibited or subject to onerous conditions.

## **7.4. Travel regulation**

The sale of flights and holidays in the UK is regulated by specific consumer protection law, known as the ATOL Regulations (in relation to flight sales) and Package Travel Regulations (in relation to holidays). The regulations broadly impose the following obligations in relation to the sale of holidays:

- To provide the consumer with certain information before they book, including the provision of a mandatory disclosure about their rights;
- To ensure that their terms and conditions include certain mandatory terms;
- To provide certain rights to the customer between booking and departure, for instance to offer the customer the ability to cancel with a full refund if there are extraordinary circumstances which mean the holiday can no longer go ahead as planned;
- To take responsibility for the proper performance of the holiday and to fix problems which arise during the performance of the holiday, even if the travel company is not responsible for performing a relevant travel service;
- To compensate the customer and/or to offer a price reduction, if the holiday is improperly performed; and
- To arrange insolvency protection so that the customer is able to receive a full refund in the event of the insolvency of the travel company.

If a travel company sells a flight, either on its own or as part of a holiday booking, the travel company is required to obtain a licence from the Civil Aviation Authority unless they are exempt.

A failure to comply with these requirements is a criminal offence and, in relation to holidays, is also liable to a fine of up to 10% of global annual turnover.

## 8. Intellectual property

Under UK law there exists a range of intellectual property rights, with each right giving a different protection and being used for a different purpose. Often, however, more than one type of intellectual property may apply to the same creation.

- Intellectual property rights fall into two general categories:
- registered rights; and
- unregistered rights.

Usually, registered intellectual property rights have to be applied for in each country, although some unitary rights exist. In Britain, the UK Intellectual Property Office is responsible for registering intellectual property rights.

### 8.1 Trade marks

A trade mark is a sign that is capable of distinguishing goods and services of one undertaking from others in the marketplace. A sign may include, for example, words, numerals, designs and logos.

To register a trade mark in the UK, it must be:

- represented clearly and precisely so that others can understand and identify the mark;
- distinctive;
- capable of distinguishing goods or services; and
- not excluded by statute.

Once registered, the right lasts indefinitely provided certain renewal fees are paid and the mark is not revoked or invalidated. There are advantages to registering your rights, for example, it can be easier to prove your rights with a certificate than having to prove the elements for unregistered rights to subsist, further registered rights generally last longer.

The goodwill in an unregistered mark or in “get up” (including branding and packaging) can be protected in an action for passing off. To succeed, the owner of the goodwill must prove that there is sufficient goodwill in the UK, that there has been a misrepresentation by the defendant that could deceive the public to believe that the defendant’s goods/services are offered by, or connected/associated with, the owner of the goodwill, and that there is likely to be damage as a result. An action for passing off can be difficult to prove, hence, if possible, trade marks should be registered. If a trade mark is registered, infringement and passing off actions can be brought concurrently, strengthening a brand’s rights.

It is advisable to mark any unregistered marks that are being used with ‘TM’. Whilst having no legal significance, this highlights to the public that the user is trading under this name and associates the mark with their brand.

## 8.2 Designs

Registering a design helps to protect the exclusive right in the appearance of a product and can be used to prevent another party from copying the physical appearance of it. The appearance of a product includes its lines, shape, contours, texture, materials, colours and ornamentation.

A registered design must be:

- novel;
- of individual character; and
- not excluded by statute.

Once registered the design right lasts a maximum of 25 years, if the registration is renewed in each five year period.

In contrast, an unregistered design usually protects the internal and external shape or configuration of an article. It must:

- be original;
- be recorded in a design document or the subject of an article made to the design;
- be created by a qualifying person; and
- not be excluded by statute.

Protection for unregistered design right lasts for the lesser of 15 years from the end of the calendar year when the design was first recorded or an article made, or ten years from the end of the calendar year when articles made from the design were first made available for sale.

Following Brexit, “supplementary” unregistered design rights also apply to any design which was first made available to the public in a qualifying country after 23.00 GMT on 31 December 2020. This right is intended to mirror previous protection available under EU law. As with registered design rights, the appearance of the whole or part of a product including its lines, shape, contours, texture, materials, colours and ornamentation are protected provided that the design is new, of individual character and is not excluded by statute.

Protection by supplementary unregistered designs lasts for three years from the date the design was made available.

## 8.3 Patents

A patent is a monopoly right to use and exploit an invention relating to a new product or process.

The invention must be:

- novel;
- involve an inventive step;
- be capable of industrial application; and
- not be excluded by statute.

To apply for a patent, a patent specification must be submitted to the UK Intellectual Property Office. The specification is a written description, often with drawings of the invention, explaining what the invention does, defining the scope of the patent and setting out important technical details.

A patent can last up to 20 years subject to being renewed annually.

## **8.4 Copyright**

Copyright is a right that relates to the expression of an idea, not the idea itself. Copyright protects creative works such as sound recordings, films, photographs and original artistic, musical, dramatic and literary works.

Unlike trade marks, designs and patents, copyright cannot be registered in the UK. Copyright arises automatically on the creation of the work (subject to statutory requirements being met) and, as examples, lasts for 70 years after the death of the author for original artistic, musical, dramatic and literary works. In contrast, broadcasts are protected for 50 years from the date of the first broadcast.

To evidence that copyright subsists in your materials, mark all copyright works with '©' followed by your name or your company name, and the year of creation. This serves to put third parties on notice that they cannot reproduce your work without your permission.

## **8.5 Rights in confidential information**

It is possible to protect information which is sensitive to a business such as know-how and trade secrets. The law of confidence works by imposing obligations on the recipients of confidential information not to use or disclose it. However, in practice the easiest way to impose such an obligation of confidence would be under contract.

To be enforceable, the information must:

- be confidential in nature;
- have been disclosed in circumstances in which an obligation of confidence arises; and
- the unauthorised use of such information would be to the detriment of the person imparting it.

## 9. Employment

The regulatory environment on employment matters in the UK is less onerous than in many mainland European countries, however, there has been a recent spate of new employment law with further changes anticipated in the coming months and years.

Despite this being an area of frequent change, UK employers can give themselves greater control and flexibility by having well drafted contracts and policies.

The following is a brief summary of the more important current requirements for regulatory compliance on employment issues in the UK. However, in light of the anticipated changes, we recommend seeking specific legal advice to take account of this changing legislative environment.

### 9.1. Employment contracts

Employers are required by law to provide employees with a written statement of certain key terms of employment (e.g. salary, commencement date, notice period, working hours and holiday entitlement) before they commence employment.

Employers typically use the written terms of employment as an opportunity to give themselves additional protection, for example in relation to confidential information, intellectual property and post-employment restrictions on joining a competitor or soliciting customers. Although not contractual, it is common for most employers to issue other rules, covering issues such as compliance and standards of conduct.

### 9.2. Employment Status

Whether an individual is engaged by a company as an employee, a 'worker' or a truly self-employed contractor is a subject of debate in the UK. It is important that employers know and understand the status of the individuals they engage because it will impact the protections they receive, the benefits they are entitled to and the tax treatment of payments made to them. We recommend seeking advice where engaging with any individuals outside the normal employer/employee relationship.

### 9.3. Holiday entitlement

Under the Working Time Regulations 1998, full-time employees are entitled to 28 days' paid holiday each year (which may include the eight annual public and bank holidays). Employers should make clear whether holiday entitlement includes the public days and whether employees are required to work bank holidays. Employers can, of course, agree a more generous contractual entitlement. Special care should be also given to the calculation of holiday for individuals who work part-time or atypical hours.

#### **9.4. Minimum wage**

Under the National Minimum Wage Act 1998, all employees (and certain other categories of worker) are entitled to minimum hourly wages depending on their age. The rates are kept under review and typically increase with effect from 1st April each year. Although not legally required, there is also a recommended minimum wage level for London based workers, known as the London Living Wage, which is set and reviewed regularly.

#### **9.5. Pension and benefits**

There is no requirement to offer benefits such as medical insurance to employees, but employers will have to automatically enrol employees who meet the relevant criteria on a workplace pension scheme. An employer must contribute towards their employee's pension, and minimum pension contributions are set by the government.

#### **9.6. Working time**

The Working Time Regulations 1998 impose a limit on working time of an average of 48 hours a week (averaged over a 17-week period), although individuals can choose to work longer than this by agreeing to opt out of the limit, for example by a clause in their employment contract. There are also minimum rest break requirements during the working day, depending on the number of hours an employee works. Special rules apply to shift workers and night workers.

#### **9.7. Sick pay**

There is a statutory entitlement to sick pay for up to 28 weeks. The rates are reviewed annually with effect from 6th April each year. In general, most employers are more generous, topping up the minimum levels, subject to setting clear rules and limits, to help manage sickness absence.

#### **9.8. Maternity rights**

Female employees are required to take a minimum of 2 weeks' maternity leave and are entitled to 26 weeks' Ordinary Maternity Leave regardless of length of service. These employees may be entitled to statutory maternity pay of up to 90% of their salary for the first 6 weeks of maternity leave and a maximum of £187.18 per week (as at 6 April 2025, these rates are generally reviewed annually) for the next 33 weeks or 90% of their salary; whichever is lower. Most of this is recoverable by the employer from National Insurance contributions. Employees may choose to take an extra 26 weeks of unpaid Additional Maternity Leave.

#### **9.9. Paternity rights**

Employees with more than 26 weeks employment may take up to two weeks paid Paternity Leave. Such employees will be entitled to all benefits except remuneration which is replaced by statutory paternity pay.

### **9.10. Shared parental leave**

New mothers (via birth, adoption or surrogacy) can bring their maternity leave to an end early and share the balance of their maternity leave entitlement as “shared parental leave” with the father/partner who will then have parental responsibility of the child for the rest of the entitlement. This allows for the parental duties to be more evenly split in the first year of the child’s life. Where this option is used, shared parental pay arrangements are also triggered.

### **9.11 Adoption rights**

Adoption leave mirrors maternity, paternity and shared parental leave rights, consisting of ordinary and additional leave and having the same qualification provisions. However, in a joint adoption only one partner is entitled to statutory adoption pay whilst the other has paternity leave entitlement unless shared adoption leave is taken.

### **9.12. Unpaid parental leave**

Employees with one year’s employment can take up to 18 weeks’ leave for each child and adopted child up to the child’s eighteenth birthday. Leave is unpaid. In the absence of any agreement between employers and employees, a model scheme is provided which permits leave to be taken in blocks of one week or more, but not more than four weeks in any year. Employers are, of course, free to agree arrangements that are more generous.

### **9.13. Time off to care for dependents**

Employees may also take a reasonable amount of unpaid time off to deal with family emergencies. There are now specific legislative supports in place for parents who take time off to look after children, particularly in early stages where a child is placed in neo-natal care.

### **9.14. Flexible working requests**

UK law allows any employee to formally request flexible working. This allows employees to request amendments including a change to their place, hours or times during which they work. An employer is required to consider the request and must respond within a set timeframe, which is 2 months as of April 2025. Any change is then a permanent amendment to the contract (unless another variation is agreed, or the amendment is accepted on a trial basis only).

### **9.15. Termination of employment**

Two main potential claims against the employer will arise when an employee’s employment is terminated: wrongful dismissal and unfair dismissal. If the employee considers their dismissal is discriminatory or because they have blown the whistle, they may have additional claims for discrimination and/or whistleblowing. If dismissal is by reason of redundancy (lay off), then the question of the employee’s entitlement to a redundancy payment must also be considered.

## **Wrongful dismissal**

If an employer terminates an employee's contract of employment in breach of the terms of that contract, the employee may be entitled to damages for wrongful dismissal. The amount of the claim will usually be the amount that would be needed to put the employee in the position he/she would have been in had the contract been terminated correctly. Generally speaking, damages cover salary and benefits for the notice period (or until the expiry of the term if a fixed term contract), subject to mitigation. Notice will either be a period provided in the contract of employment itself, or in the absence of any written term, a period which is considered reasonable, provided that in either case notice is not less than the minimum period implied by law. The statutory minimum period is, broadly speaking, one week for each complete year of service up to a maximum of 12 weeks. Failure to give notice can result in a claim for breach of contract and mean an employer cannot rely upon any post termination restrictions or restrictive covenants contained in the employee's contract. If the employer does not honour its obligations under the contract of employment, the employee may sue for damages for breach of contract in Civil Courts or, for sums up to £25,000, in an Employment Tribunal.

## **Unfair dismissal**

This claim is open to an employee with at least two year's continuous employment, although the government is proposing to make this claim available to employees from day 1 of their employment.

A claim for unfair dismissal is made to an Employment Tribunal (not the ordinary Civil Courts as wrongful dismissal claims may be). The Employment Tribunal is concerned to find out whether the employee has been dismissed in breach of certain statutory requirements found in the Employment Rights Act 1996.

In order to defeat an unfair dismissal claim, the employer must be able to show, first, that it dismissed the employee for what is recognised to be a "fair" reason and, secondly, that in dismissing for that reason, it acted fairly and reasonably. The five permitted "fair" reasons are:

- capability;
- conduct;
- redundancy;
- breach of statutory duty; and
- "some other substantial reason".

Taking "capability" as an example, in reviewing whether the dismissal has been handled fairly the Employment Tribunal will look at factors such as whether the employee was informed of the failings in his/her performance, whether he/she was given an opportunity to improve and whether, ultimately, they were warned of the risk of losing their job if they failed to improve. In a redundancy situation, relevant factors will include which employees were considered as candidates for redundancy, which criteria were used in selecting a particular employee from that group, whether

the employee was warned of and consulted about what was to happen and whether any efforts were made to find another suitable job for that employee.

An employee must start the process to bring a claim for unfair dismissal no later than three months from the termination of his employment.

If an unfair dismissal claim succeeds, an Employment Tribunal will award compensation in two parts: the basic and the compensatory awards. The basic award is calculated in almost the same way as a statutory redundancy payment and will not be made if the redundancy payment has already been awarded. The maximum compensatory award is currently £115,115 (as of 6 April 2024.)

### **9.16 Redundancy**

As noted in section 9.15 above, redundancy can be a fair reason for dismissal. A redundancy situation will exist where a job disappears because the employer closes down a business or it disappears either because there is less work to do or because fewer employees are required to do it.

An employee with two or more years' employment who is dismissed by reason of redundancy is entitled to receive a statutory redundancy payment from his/her employer. The amount of the statutory redundancy payment is calculated by reference to the employee's age, length of employment and pay. The maximum statutory redundancy payment is currently £21,570 (as at 6 April 2025).

In the case of collective redundancies (where 20 or more employees are made redundant within a 90-day period) employers are also under a statutory duty to inform and consult with the affected employees through their trade union, if appropriate, or elected employee representatives. The consultation period must last no less than between 30 and 45 days, depending on the number of employees affected. The penalty for failure to consult the appropriate elected representatives is severe, up to 90 days' pay per employee.

Employers are also required to notify the UK government where they are proposing to make 20 or more employees redundant within a 90-day period. Failure to do so is a criminal offence.

### **9.16. Discrimination**

Under English law, discrimination is unlawful on grounds of age, disability, gender reassignment status, marriage and civil partnership, pregnancy and maternity, race or nationality, religion or belief, sex, and sexual orientation. Unlawful discrimination can take the form of direct or indirect discrimination, harassment and victimisation (sometimes known as retaliation).

Employees may bring a discrimination claim before they start employment (e.g. if they suffer discrimination in the recruitment process), during their employment or on its termination.

Compensation for breach of the discrimination laws is uncapped and will be based on the employee's financial loss.

In addition to compensation for financial losses, employees who suffer discrimination can also recover damages for injury to feelings. Payments generally range between £1,200 and £60,700 for injury to feelings (again, these figures are reviewed annually) but it is possible for a tribunal to award more than £60,700 in very serious cases.

### **9.17 Transfers of undertakings**

The Transfer of Undertakings (Protection of Employment) Regulations 2006 ("TUPE") will normally apply where a business is sold by way of an asset sale or where a particular service is being outsourced. TUPE does not apply where the shares of a company are being sold.

Where TUPE applies, the "in-scope" employees will automatically transfer to the new owner of the business, along with their associated employment rights and obligations.

Any pre-or post-transfer dismissals in connection with the transfer will, except in very limited circumstances, be automatically unfair. TUPE also makes it extremely difficult to change the pre-transfer terms and conditions of employment of transferring employees.

Where TUPE applies, there will usually be an obligation on the parties to inform and sometimes consult with employee representatives before the transfer takes place.

In practice, business purchase agreements in the UK tend to include extensive indemnification language dealing with the employee position in a TUPE transfer.

### **9.19. Restrictive covenants**

The protection of confidentiality and commercial goodwill is governed by common law. During employment, an employee is bound by duties of good faith and confidentiality which require him/her not to compete with his/her employer and not to use or disclose confidential information belonging to his/her employer for his/her own benefit.

After the employment has terminated (in the absence of any additional contractual provisions) only confidential information in the form of the employer's trade secrets remains subject to confidentiality obligations. Otherwise, the employee is free to take advantage of their own professional skill and knowledge in their new employment, even though they may have been acquired at the employer's expense.

An employer may protect its commercial goodwill and/or other confidential information after the employment has been terminated by including restrictive covenants in the employee's contract which might prevent the employee from working for a competitor or soliciting or dealing with their ex-employer's customers / staff for a specified period. However, such covenants must be no wider

in duration and scope than is reasonable and necessary in order to protect the ex-employer's legitimate business interests. If a covenant is too wide and is therefore unreasonable, it will be void and unenforceable. Courts in the UK will not rewrite terms in order to make them reasonable. Great care therefore needs to be taken when drafting covenants of this nature.

## 10. Property (real estate)

There are two main ways in which a legal entity can possess and own property in England and Wales: (i) by taking a freehold interest in the property (which is akin to absolute ownership) or (ii) by taking a leasehold interest in the property pursuant to which the legal entity pays the landlord a specified amount of money (a rent) to occupy the property for a fixed period of time (sometimes up to 999 years). In some cases (more usually residential), taking a leasehold interest may also require the payment of a premium.

The law dealing with property in England and Wales is a particularly technical area of expertise. Legal advice should be obtained for any transaction involving property, but some key points are set out below.

### 10.1. Restrictions

There are no legal restrictions on foreign ownership of property in England and Wales, although overseas entities seeking to own property in England and Wales should be wary of the provisions of the Economic Crime (Transparency and Enforcement) Act 2022 (the "Act"). As noted above, overseas entities that hold property in the UK are required to register their beneficial owners on the Register of Overseas Entities before they can apply to HM Land Registry to become the registered owner of property. HM Land Registry also places a restriction on all property owned by an overseas entity meaning that the owning entity cannot sell or deal with the property unless it has complied with the Act.

### 10.2. Title

Title to most (but not all) properties is evidenced in official registers held by HM Land Registry, a Government agency, in which the owner of a freehold or the tenant of a leasehold interest can be noted as the registered proprietor. The official copies of the registers are state guaranteed copies of the title which are kept by the Land Registry. Dealings with property take place by written instruments which are then registered at the Land Registry: for example, when a mortgage is created the mortgage deed is sent to the Land Registry and a record of the mortgage is noted on the title to the property.

Leases of seven years or less in duration cannot normally be registered at the Land Registry, in which case the owner's title is evidenced by the original lease and (if applicable) the document(s)

which transferred the lease to the current tenant from the previous owner(s). However, it is likely that leases of three years' duration or less will become registrable in the future.

### **10.3. Controls**

There are strict planning and building controls in England and Wales, most of which are operated by local government authorities. "Development" of a property, which includes a material change of the permitted use of the property, will require planning permission from the Local Planning Authority. Certain developments are automatically granted planning permission, but these are limited. If the Local Planning Authority consider there to be a breach of planning control they can take enforcement action requiring works to remedy the breach by the owner or occupier which must be completed within a defined time frame. Other controls on property development include building regulation controls, a list of buildings of historical interest, and occupier/owner contributions where the conservation of buildings and their surroundings is required, each of which impose additional restrictions on development where they apply.

### **10.4. Searches and enquiries**

As a matter of common law, the seller of property has only a limited duty of disclosure to a buyer. It is the buyer's responsibility to find out as much about the property as possible. To this end the buyer seeks information through searches of the relevant Local Authority, other official bodies and by raising detailed enquiries of the Seller. The results of these should, together with a building survey and often a valuation, enable the buyer to gather enough information regarding the property and the liabilities attached to it in order to establish whether it wishes to proceed with the transaction.

### **10.5. Environmental**

Situations can arise where the owner or occupier of contaminated land is responsible for its remediation even though it was not responsible for causing the contamination. Accordingly it is always recommended that, as a minimum, a desk top environmental audit of the property be carried out by a qualified environmental consultant or agency.

### **10.6. MEES - Minimum Energy Efficiency Standards**

From 1 April 2018, all rented property (both non-domestic and domestic) must have an Energy Performance Certificate (EPC) rating of at least "E". This requirement applies for new and existing tenancies and the Landlord must provide an EPC to the tenant at the start of a tenancy. It is likely that the minimum EPC rating will increase from "E" to "C" or "B" in the near future, and possible that the government will legislate on the allocation of the costs in improving the EPC rating of buildings, but there are no firm proposals as at the date of this note.

## 10.7. Costs and expenses

In property transactions, each party is usually responsible for its own legal costs and out of pocket expenses unless there is an agreement between the parties to the contrary. Additional out of pocket expenses (disbursements) can include:

- Land Registry fees, which vary according to the purchase price;
- search fees – as identified above, it is usual to undertake searches of the local authority and other statutory bodies for information relating to matters such as planning, rights of way, restrictions on use and other matters affecting the specific property or locality;
- Stamp Duty Land Tax (SDLT), which is a tax payable on the transaction (rather than the document) by a buyer at pre-determined rates according to the value of the property or the rent payable on the lease of the property. SDLT and tax rates differ between England and Wales and there are surcharges for certain types of ownership by non-UK residents and entities. The SDLT and tax regime is complex, and advice should be sought at the early stages of any proposed property transaction;
- survey – a survey of the property is always recommended to establish its structural integrity and the potential for ongoing repair costs; and
- VAT which may be payable on the price paid for the property, the rent due on the property and on the costs incurred in respect of the acquisition of the property.

## 10.8. Leaseholds

What is said above applies equally to freehold and leasehold properties. For leasehold properties, the terms of the lease, the title of the landlord to the property, whether appropriate rights have been granted to the tenant and reserved by the landlord, and the consents which may be required from the landlord or a superior landlord for such matters as an assignment of the lease, alterations to the property and change of use must also be checked. In England and Wales tenants of commercial leasehold property have various statutory protections and potentially rights to renew the lease on the expiry of the contractual term of the lease, although certain of these can be waived and therefore where relevant advice should be sought at the early stages of any proposed property transaction.

# 11. UK business Immigration – an overview

The UK's departure from the EU (Brexit) had a major impact on UK immigration, affecting both nationals of the European Union (27 member states), and non-EU nationals coming to the UK to live, work and study. A new points-based immigration system is now in place which affects all non-UK nationals coming to live and work in the UK.

## 11.1 The position for EU nationals

During its membership of the EU, the UK allowed EU nationals to come to and stay in the UK without limit. This freedom of movement ended on 31 December 2020 and new arrangements for EU citizens came into force from 1 January 2021. Most notably, the UK's immigration system now treats EU and non-EU citizens equally. EU nationals can still visit the UK visa-free for up to six months for tourism and business-related activities, such as attending job interviews and conferences, however the points-based system now requires EU nationals arriving in the UK to apply for and obtain permission to work here.

Those EEA nationals and their family members who have been living in the UK for five years will be able to remain in the UK indefinitely by obtaining Settled Status under the Scheme, equivalent to permanent residence.

Those who have been in the UK for less than five years but who were in the UK before the UK's exit date (31 December 2020) were previously able to obtain Pre-Settled Status, which grants permission to remain in the UK for five years. This route is now closed for new applicants, although Late applications are still possible for those who can show 'reasonable grounds' for the delay in applying. From January 2025, the Home Office has introduced a new process to automatically convert eligible pre-settled status holders to settled status without the need for them to make a further EU Settled Status application.

## 11.2 The position for non-EU nationals

The UK's new immigration system came into force on 1 December 2020, and from 1 January 2021 anyone from outside the UK and Ireland (including all EU nationals) now require a visa if they want to work in the UK. UK based employers will need to hold a sponsor licence in order to sponsor employees for this purpose.

### **What are the new immigration routes for those who want to work in the UK?**

The two main work visa options for overseas migrants are the 'Skilled Worker' route and the 'Senior or Specialist Worker' route. If an employer is found to employ a worker who does not have the immigration permissions necessary to work in the UK, they may be subject to significant penalties, including fines, and criminal sanctions, including imprisonment, may be imposed.

#### **The Skilled Worker visa**

This route is available to skilled migrants with a job offer who are sponsored by a UK based employer.

The key requirements for this route include:

- the level of skill required to perform the role must be at a minimum level ('RQF Level 3' or above), which will generally mean A level/secondary school qualifications or equivalent;
- the salary must be a minimum of must be £38,700 or the 'going rate' for that particular job as set out in the Home Office's Standard Occupational Codes (whichever is the higher);

- the applicant must meet the English language requirement, for example by having an academic qualification which meets the requirements in the immigration rules or by passing an English language test as specified in the immigration rules. This will be met automatically if the applicant is a national from a majority English speaking country.

A Skilled Worker visa can last for up to five years, and as long as the individual continues to meet the eligibility requirements, they can apply to extend their visa as many times as they like. This route also allows the individual to apply for Indefinite Leave to Remain (to settle permanently in the UK) after five years.

### **Senior or Specialist Worker**

This route is available to skilled migrants who are moving from a role in an international branch/subsidiary of a company abroad to one within the same company in the UK.

As with the Skilled Worker visa, this route requires sponsorship by an employer and has a number of key requirements, including:

- the employee must have worked for a linked entity outside the UK for a minimum of 12 months. This minimum length of service does not apply where the applicant is a 'high earner' with a gross annual salary of £73,900 or more;
- the level of skill required to perform the role must be at degree-level or equivalent (RQF level 6);
- the job must meet the 'going rate' for the particular job or the minimum salary threshold which is £48,500, whichever is the higher.

Senior or Specialist Workers will be able to stay in the UK for a period of up to five years in any six-year period (or nine years in any ten-year period if they are a 'high earners' paid £73,900 or more). There is no English language requirement, but this route does not lead to settlement.

### **What should employers consider when recruiting from overseas?**

Employers should:

- apply for a sponsor license (if they don't already have one). If migrants do, or will, make up part of the workforce, UK based employers will need to apply for a sponsor licence to allow them to sponsor incoming migrants so that they can apply for a visa. It can take several months to apply for and obtain a sponsor licence, although the Home Office have introduced a priority service for eligible applicants (costing £500 and providing the applicant with a decision within 10 working days);
- employers should ensure they are familiar with sponsor duties. Sponsors are subject to a number of ongoing duties (including, for example, reporting obligations) and should ensure that the relevant employees (including Key Personnel named on the licence) are aware of these and appropriate systems are in place;

- employers should review existing workforce. It is useful to review the immigration status of the UK based workforce on an ongoing basis in order to be aware of issues that need to be addressed (for example, visas expiring);
- review recruitment and global mobility strategy. Employers should consider whether their approach to overseas recruitment remains viable under the immigration rules, given the additional costs, time and resource involved in sponsoring a migrant under the Skilled Worker or Senior or Specialist Worker routes and maintaining a sponsor license. Recruitment processes should be updated depending on the outcome of this review, although employers need to take care that recruitment processes are not discriminatory and
- train staff and allocate internal resources. Employers should ensure that employees who are responsible for recruitment are trained on the UK's new immigration system. This training will be particularly relevant for those involved in recruiting employees to the business and will also be important for those who will have overall responsibility for ensuring that the organisation complies with its sponsor duties under the different immigration routes.

International employers should also be aware that nationals visiting the UK to attend meetings must ensure they comply with “business visitor” requirements or risk being denied access to the UK if there is a suspicion that they are in the UK to work without the requisite permission. We can assist business visitors to prepare for entry to the UK to ensure that they are admitted as business visitors.

Immigration issues also arise in the event of a merger, acquisition, a transfer of undertaking (TUPE) or a transfer of a group of employees.

Given that it is ultimately sponsors who are responsible for their sponsored employees, in the event of TUPE the responsibility would be transferring from one sponsor to the other company. This can bring up a host of issues and it will be critical to determine where the sponsorship responsibility lies, as the transferor or the transferee will have responsibility for submitting reports to UKVI within specified timescales. Failure to do so can result in penalties being imposed, inability to continue to employ affected employees, and possible revocation of the sponsorship licence. As such, it is important that legal advice is sought well in advance of a transfer or change of ownership.

### **11.3 Continued compliance and penalties**

Sponsors are under an ongoing duty to monitor their sponsored employees and report changes to UKVI. UKVI also reserves the right to make unscheduled inspection visits to check whether the sponsor is compliant with its duties. Failure to comply with these sponsor duties can lead to revocation of the license, substantial civil penalties and damage to reputation, as well as possible cancellation of the visas of all current sponsored employees.

It is thus important that sponsors not only remain compliant with their duties, but also ensure that there are appropriate human resource and compliance systems in place. UKVI places a duty on all sponsors to maintain records and make timely reports via the online Sponsor Management System

of any change in circumstances. Given the complex nature of sponsorship, employers are advised to seek legal advice so that they can ensure compliance with their duties as a sponsor.

#### **11.4 Right to work checks and illegal working**

UK immigration law places a responsibility to employers to conduct right to work checks on an employee's first day, if not earlier, to determine whether they have the right to work and the correct authorisation to work in the UK. This applies to all employees at a sponsored company, regardless of nationality and immigration status. Failure to do so can lead to civil penalties in the event that breaches are discovered, and, in the worst-case scenario, criminal sanction, as well as revocation of the sponsor's licence and curtailment of any sponsored employee's leave to remain in the UK. It is crucial that employers understand their obligations and if necessary, seek training and guidance on how to remain compliant throughout the life of the licence.

#### **11.5 Family and ancestral immigration**

There are provisions under the UK Immigration rules to enable non-UK nationals come to the UK as a partner, married or unmarried, of a British citizen or a non-UK national with Indefinite Leave to Remain in the UK (known as 'settled status'). Minimum salary or cash savings requirements apply, as do English language requirements: these need to be met in order for a settled person to sponsor a non-UK British partner. If however an individual is able to secure a 'partner' visa, they will be granted leave to remain in the UK for a period of 2.5 years, with an option to extend for another 2.5 years, following which the individual will be able to apply for Indefinite Leave to Remain in the UK.

There are also other routes by which the immediate or second-generation descendants of British citizens may register or apply for British citizenship or UK immigration status based on UK ancestry. These routes afford several advantages, such as being able to work, reside and study in the UK without restrictions. These routes also lead to Indefinite Leave to Remain in the UK.

#### **11.6 Non points-based system routes**

##### **Innovator Founder visa**

The UK Innovator Founder visa is for overseas start-up entrepreneurs and experienced businesspersons who want to establish a business in the UK for the first time. Applicants do not need to be a graduate or have secured any initial funding, but will need to have an innovative, viable and scalable business idea which has been approved by an endorsing body.

The Start-up visa has been closed to new entrants and the Innovator visa category has been replaced by the Innovator Founder Visa route from 13 April 2023.

The Innovator Founder visa is valid for three years and individuals on this visa can qualify for ILR three years later. Innovator Founder applicants can bring their partner and any children under the age of 18 to the UK.

In order to qualify for an Innovator Founder visa an applicant will need to satisfy UK Visas and Immigration that:

- They have not previously established a business in the UK;
- They have been endorsed by an approved UK endorsing body that has assessed their business idea for innovation, viability and scalability and is satisfied that they will spend the majority of their working time in the UK on developing their business venture;
- They genuinely intend to undertake, and are capable of undertaking, any work or business activity in the UK stated in your application;
- They are competent in the English language and will need to pass a test showing a level of competence in reading, writing, listening and speaking;
- If they are outside the UK or have been in the UK for less than 12 months then they will need to provide evidence of minimum financial means to qualify under the maintenance provisions

The exact requirements that they will need to satisfy may vary depending on the circumstances of their case.

In order for a business proposal to be endorsed, an approved endorsing body will need to be satisfied that your business idea meets all of the following criteria:

- **New:** You are expected to present a new business idea, and generally, the business will not already exist. However, where it does, the new business should not yet have fully started trading;
- **Innovation:** You must have an original business idea which is different from anything else on the market;
- **Viability:** You have, or are actively developing, the necessary skills, knowledge, experience and market awareness to successfully grow and run the business;
- **Scalability:** Your business plan has potential for job creation and growth into national markets.

The endorsing body will also need to be satisfied that an applicant will spend the majority of their working time in the UK on developing business ventures. The applicant does not need to be the sole founder of the business and may be a member of a start-up team, which means that they may share the same business idea and plan as another start-up team member. However, each applicant must receive their own individual endorsement from an approved endorsing body.

As an Innovator Founder visa holder an applicant will not be required to spend any particular amount of time in the UK and will be permitted to undertake employment other than working for the business or businesses that they have established.

However, the applicant will need to stay in contact with the endorsing body with checkpoints at 12 and 24 months. The endorsing body will need to be satisfied that the applicant is continuing to work on the business venture and has demonstrated reasonable progress in relation to either the original or a new business idea. The endorsement may be withdrawn and the applicant's leave

curtailed if this is not the case, and the applicant will also need to abide by various other conditions of stay. An applicant's partner and any children under the age of 18 may accompany or join them as dependent(s).

It is possible to extend an Innovator Founder visa. You can apply to extend your stay for another 3 years when your visa is due to expire. There is no limit on the number of times you can extend.

### **Global Talent visas**

The Global Talent visa is for talented and promising individuals in the fields of science, engineering, medicine, humanities, digital technology and arts and culture wishing to work in the UK. The Global Talent visa category replaces the former Tier 1 (Exceptional Talent) category.

The Global Talent immigration category is open to talented and promising applicants within the science, engineering, medicine, humanities, digital technology and arts and culture (including film and television, fashion design and architecture) sectors. 'Talent' applicants will already be leaders in their respective field, while 'promise' applicants will be able to show the potential to become leaders in their field. The Global Talent category is not subject to a cap on the number of applicants, does not require a job offer and can lead to settlement in the UK.

In order to apply for a Global Talent visa, an applicant will first need to receive an endorsement from an appropriate endorsing body. They can be endorsed in the fields of science, engineering, medicine, humanities, digital technology, the arts and culture (including film and television, fashion design and architecture).

The relevant Home Office approved endorsing bodies are:

- The Royal Society – for natural and medical science applications
- The Royal Academy of Engineering – for engineering applications
- The British Academy – for humanities and social science applications
- Arts Council England – for arts, culture, fashion, architecture, film and television applications
- Tech Nation – for digital technology applications
- UK Research and Innovation (UKRI) – for science and research applications

Each endorsing body has its own set of criteria, but in each case an applicant will need a substantial body of work and support from experts in their field. Global Talent visa applicants can choose how much leave, in whole years, up to a maximum of five years, they wish to be granted in a single application.

Global Talent applicants applying to enter the category or extend their stay in the Global Talent route do not need to satisfy an English language requirement. However, Global Talent migrants must demonstrate sufficient knowledge of the English language in order to qualify for settlement in the UK. In addition, Global Talent visa applicants do not need to satisfy a minimum maintenance requirement to qualify.

Global Talent visa holders will have a full right to work, (subject only to restrictions on work as a doctor or dentist in training and no work as a professional sports person or coach.) There is no

requirement that they complete a certain amount of work, though they will need to do some, if they intend to settle in the UK permanently. They will also have a right to study in the UK, if they wish to, and can bring their spouse/partner and minor children with them when they make their first visa application to enter under this category.

### **11.7 Representatives of an Overseas Business visa**

The overseas business visa can be granted to individuals who are employees of overseas newspapers, news agencies or broadcasting organisations who are being posted by their employer on long-term assignments to the UK. No investments are required for this type of visa, although there are a set of requirements to be met.

Initial applications can no longer be made as a Sole Representative on the Representative of an Overseas Business route, although those who already hold permission can apply to extend and settle.

### **11.8 The requirements to be met when applying to enter the UK as a Media Representative**

Applicants must be recruited and employed outside the UK by a company whose headquarters and principal place of business are outside the UK.

- Applicants seeking entry clearance must be coming to the UK as an employee of an overseas newspaper, news agency or broadcasting organisation on a long-term assignment;
- Applicants switching to this visa from within the UK can do so if they are currently an employee of an overseas media organisation, including newspapers or broadcasters, and working on a long-term assignment in the UK, or if they are on a Student visa and have completed their course (or at least 24 months of a PhD);
- The overseas business or media organisation that they represent must be active and trading outside of the UK, with its headquarters and principal place of business remaining overseas;
- Applicants must be employed full-time as the media representative of that overseas business;
- Applicants must meet the English language requirement which requires applicants to have obtained at least CEFR Level A1 in speaking and listening; and
- Applicants must be able to show that they can adequately maintain and accommodate themselves, and any dependants, without access to public funds.

An initial Representative of an Overseas Business visa grants entry for three years, which can then be extended for another two years. After an applicant has been in the UK for five years, they can apply for permission to settle permanently in the UK.

### **11.9 UK Expansion Worker Visas**

For those who wish to come to the UK to set up a branch of an overseas business that has not yet started trading in the UK, this visa will give permission to those who already work for the business abroad, either as a senior manager or a specialist employee.

To be eligible for the UK Expansion Worker visa, an applicant has to show there is a genuine need for the job, that they have the appropriate skills, qualifications, and experience to do the job, that they meet the minimum salary requirements, and that they are sponsored by a qualifying employer with an appropriate UK sponsorship license. The UK Expansion Worker visa does not provide a direct route to UK permanent residence, but having completed a certain period under this visa, an applicant may be eligible to switch to another visa category – most likely that of Skilled Worker – which would lead to settlement.

While the UK Expansion Worker visa offers growth opportunities for both the employer and employee, the eligibility and application requirements are complex. The primary advantage of the UK Expansion Worker visa is the opportunity to expand their business operations into the UK with greater ease and support. By allowing businesses to send a trusted senior employee to the UK to set up a new branch or subsidiary, they can gain direct access to the UK market, opening new avenues for revenue, partnerships and investments. With a senior representative in the UK, businesses can benefit from informed decisions on the ground, while for employees, the UK Expansion Worker visa presents significant career enhancement opportunities, allowing them to lead expansion efforts and gain international experience while developing their leadership skills and enhancing their professional profiles.

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