EXPLANATORY MEMORANDUM TO

THE IMMIGRATION, NATIONALITY AND PASSPORT (FEES) (AMENDMENT) REGULATIONS 2025

2025 No. 363

1. Introduction

1.1 This explanatory memorandum has been prepared by the Home Office and is laid before Parliament by Command of His Majesty.

1.2 This memorandum contains information for the Joint Committee on Statutory Instruments.

2. Declaration

2.1 Seema Malhotra MP, Minister for Migration and Citizenship at the Home Office confirms that this Explanatory Memorandum meets the required standard.

2.2 Nicola Sills, Deputy Director – Strategic Finance and Risk, Corporate and Delivery, Finance Directorate at the Home Office confirms that this Explanatory Memorandum meets the required standard.

3. Contact

3.1 Mohammed Khurrum Mahay at the Home Office can be contacted feesandincomeplanning.requests@homeoffice.gov.uk with any queries regarding the instrument.

Part One: Explanation, and context, of the Instrument

4. Overview of the Instrument

What does the legislation do?

4.1 This instrument, by amending the Immigration and Nationality (Fees) Regulations 2018 (S.I. 2018/330) (the 2018 Regulations), will:

(i) Increase fees charged across immigration and nationality applications, and for travel documents.

(ii) Remove fees for English language proficiency and qualifications equivalency services that include the cost of an electronic statement (e-Statement) and associated fast track services, as well as the fee for the standalone English language proficiency service.

(iii) Make a technical amendment to update a reference to the Immigration Rules in an existing provision which exempts the fee for applications by eligible Afghan citizens and their dependants. This amendment aligns this reference to the current Immigration Rules following the introduction of Appendix Afghan Relocation and Assistance Policy (ARAP) in October 2022.

(iv) Amend certain fee provisions in order to enable further changes made in the Immigration Rules through the Statement of Changes laid on 12 March 2025. These changes are necessary in order to ensure that fees can continue to be charged and other policies operationalised as intended.

4.2 This instrument will also amend the Passport (Fees) Regulations 2022 (S.I.2022/660) (the 2022 Regulations) by increasing fees for passport applications and priority services.

Where does the legislation extend to, and apply?

4.3 The extent of this instrument (that is, the jurisdiction(s) which the instrument forms part of the law of) is England and Wales, Scotland, and Northern Ireland. The provisions specified in Regulation 1, Regulation 2 in so far as it relates to Regulation 10 and Regulation 10 additionally extend to the Isle of Man and those specified in Regulation 1, Regulation 2 in so far as it relates to Regulation 11 and Regulation 11 additionally extend to the Bailiwicks of Jersey and Guernsey.

4.4 The territorial application of this instrument (that is, where the instrument produces a practical effect) is the same as its extent.

5. Policy Context

What is being done and why? What was the previous policy, how is this different?

5.1 This instrument makes a number of changes to immigration, nationality, passport, and travel document fees, with the purpose of generating additional income from end users of the migration and borders system. These changes are being made to increase the proportion of costs within the migration and borders system that are met by contributions from the users of that system, thereby reducing reliance on taxpayer funding.

5.2 These changes include fee increases across a range of different products and services with various levels of increase applied across different application categories, with some variations within specific categories. Considerations in respect of immigration and nationality fee changes have been made in line with Section 68 (9) of the Immigration Act 2014, which sets out the factors that the department is permitted to take into account when setting immigration and nationality fees. These include the cost of delivering the relevant function, the benefits that would accrue to an individual as a result of a successful application, and wider costs within the migration and borders system. Where a higher percentage increase has been applied (for example, in relation to ETA fees), this in part reflects the relative income impact of increasing fees for that particular product or service, and consequently potential to support costs within the wider system.

<u>Changes to ETA fees</u>

5.3 An Electronic Travel Authorisation (ETA) is a permission to travel in electronic form (linked to an individual's passport) which specified individuals will be required to apply for and obtain in advance of their journey to the United Kingdom. It is a requirement in the Immigration Rules for individuals (excluding British and Irish citizens) visiting the United Kingdom, who do not need a visa, entry clearance or who do not hold existing immigration status. ETA has been implemented on a phased basis, with the final rollout of the scheme to European nationals due to be completed in April 2025.

5.4 A fee of £10 was set for the initial rollout phase of the scheme in Autumn 2023, with the intention for this fee level to be reviewed in advance of full rollout. Following completion of that review, this amendment will now increase the fee to £16. This increase will deliver significant additional income for the department which is estimated at £128.2 million in 2025-2026 based on current forecasts.

Changes to Certificate of Sponsorship/Sponsor a Worker and Sponsor Licence fees

5.5 Under the arrangements for sponsorship on work routes, employers are required to assign a Certificate of Sponsorship (CoS) to employees who need a visa to work and stay in the United Kingdom. The individuals then apply for a permission to enter or stay in the United Kingdom as a sponsored worker based upon the CoS issued to them. This system will eventually be replaced by the Sponsor a Worker (SaW) process which has begun to be rolled out on a phased basis. Currently, there are two tiers of fees charged:

(i) £239 in relation to applications for Skilled Worker, T2 Minister of Religion, Global Business Mobility – Senior or specialist worker, and International Sportsperson (over 12 months).

(ii) £25 in relation to applications for Temporary Worker, other sub-routes within Global Business Mobility, Scale-up route, and International Sportsperson (12 months or less).

5.6 These Regulations will increase sponsorship fees, with the £239 fee increasing to £525 and the £25 fee increasing to £55. These Regulations will further increase the fee for a Confirmation of Acceptance for Studies (CAS), payable by education providers sponsoring students to study in the UK, from £25 to £55. Additionally, there will be a 7% increase to sponsor licence fees. These include fees payable by large and small sponsors, and for student and temporary worker sponsor licences. These changes are estimated to deliver £130.7m in 2025-2026 based on current forecasts.

Changes to wider immigration and nationality fees

5.7 This instrument will also apply increases to wider immigration and nationality fees, across a broad range of application categories, including work, study, visit, settlement, entry clearance, leave to remain and citizenship. The total estimated impact of these changes is £173m additional income in 2025-2026 based on current forecasts.

5.8 Details of the changes to specific fees are set out on Gov.UK as well as in the Schedules of the accompanying instrument. Overall, a 7% increase is being applied across fees in scope of these changes, with the following exceptions:

(i) A 10% increase across all visit and transit visa fees. The visit visa fee changes will also apply to equivalent applications to enter the Isle of Man and the Bailiwicks of Guernsey and Jersey.

(ii) A 5% increase will be applied across the following entry clearance, leave to remain and settlement applications: Route to settlement, indefinite leave to enter the UK as a HM Armed Forces leaver or a member of HM Armed Forces under Appendix HM Armed Forces to the Immigration Rules, indefinite leave to enter the UK as a Victim of Domestic Abuse, leave to enter for persons liable to immigration detention, any other categories of leave to remain and indefinite leave to remain.

(iii) The current fee of £1,884 for Tier 1 Investor route, which is since closed for new entrants, and available only for extending the leave on this route, will increase by 6.15% only to the extent of its fee maxima i.e. £2,000.

(iv) While a 7% increase will be applied across nationality fees, this will not include fees for citizenship registration applications made by those under the age of 18, which will remain unchanged.

5.9 A broad 7% increase has been applied across most categories to support a consistent approach across application types in increasing the level of income available to support costs in the wider system. Where a lower or no fee increase is applied, this reflects particular considerations in relation to those routes, for example stakeholder views on the impact of fees on relevant applicants or the availability of affordability-based fee waivers, while balancing against the broader funding needs of the system.

Health and Care (H&C) visa fees

5.10 In the process of amending the 2018 Regulations, the department has identified an anomaly in respect of fees paid by certain applicants for a Health and Care (H&C) visa. These fees are set by way of a 'reduction' relative to the fees charged for a Skilled Worker visa, with reduction amounts set out in respect of both main applicants and dependants at paragraph 3A of Schedules 1 and 2 of the 2018 Regulation. As it is the department's policy generally that main applicants and dependants pay the same fee for applications for immigration and nationality, the intent is that reduction amounts should also be set at the same level for both categories of applicant.

5.11 However, it has been identified that, in making a prior amendment to the 2018 Regulations in March 2024 to increase the fees payable for a Skilled Worker application for leave to remain of more than 3 years' duration, that the relevant reduction amount in Schedule 2 was updated for main applicants but not dependants. This means that a higher fee (£689 instead of £551) has in effect been set for the relevant H&C visa for dependants since Spring 2024, which is not in line with the policy intent. This has not had an impact on applicants as this anomaly has not been reflected in front-end application systems, with main applicants and dependants charged the same fee as intended. This anomaly has been resolved through this amendment to the 2018 Regulations by setting reduction amounts at the appropriate level to reflect the new fee payable for the relevant H&C visa and is noted here for the purposes of candour and clarity.

Changes to passport and travel document fees

5.12 Fees for passport applications can only be set at or below the cost of processing and delivering the services associated with making an application, which includes the cost of processing applications, consular support overseas (including for lost and stolen passports), and the cost of processing British citizens at UK borders. Currently, income from passports is below the overall cost of operating these services, and the Home Office is increasing fees in order to move passport and associated operations closer to a cost recovery footing. Accordingly, these amendments will increase fees for all standard and frequent traveller passport applications, priority services and the booking fee for priority services by circa 7%. These changes are estimated to deliver £43.8m in 2025-2026 based on current forecasts. Details of the changes to specific fees are set out on Gov.UK as well as in the Schedules of the accompanying instrument.

5.13 The current fees for a standard passport application made online in the UK will increase to £94.50 for adults and £61.50 for children, and for a standard application made by post in the UK to £107 for adults and £74 for children. Fees for applications made by members of HM Diplomatic Service, HM Government in an official capacity, HM Armed Forces and their dependants, will continue to be aligned with the UK online fees. The priority service booking fee, which is retained if an appointment is cancelled by the prospective passport holder or another person acting on their

behalf less than 48 hours before the time when it is due to take place, is increasing to £32.

5.14 The existing fees for international postal applications will increase to £120.50 for an adult and £82.50 for a child. On-line applications made outside the UK will increase to £108 for an adult and £70 for a child. Frequent traveller passports will increase to £120 for UK postal applications, £107.50 for applications made online in the UK, £133.50 for postal applications made outside the UK and £121 for applications made online outside the UK. Fees for optional services for digital priority fast-track and fast-track collect will increase to £178 for an adult and £145 for a child, and digital premium service will also increase to £222 for an adult and £189 for a child.

5.15 There are no changes in respect of a standard passport application made by a prospective passport holder born on or before 2nd September 1929, for which there is no charge, nor to collective passports and the delivery charges specified in the Passport Fees Regulations 2022.

5.16 Under the UK's obligations under the 1951 Convention relating to the Status of Refugees and the 1954 Convention relating to the Status of Stateless Persons, fees for a Convention Travel Document and Stateless Person's Travel Document are set at or below the cost of the standard, online passport application fee for adults and children. These Regulations will increase the fee for a Convention and Stateless Person's Travel Document to £94.50 for an adult and £61.50 for a child, in line with the respective cost of a passport being set by these Regulations. These fees are increasing by more than 7% in order to account for a previous increase to passport fees in 2024.

5.17 A Certificate of Travel is a travel document that is provided at the discretion of the Secretary of State to a person who has been granted leave to remain in the United Kingdom but is unable to obtain a passport from the authorities of their own country. In line with wider changes in these Regulations, the fee for this document is increasing by 7% to £300 for adults, and £151 for children. This is the first time that these fees have been increased under the 2018 Regulations and they remain below the estimated unit cost.

Removal of fees for electronic statements and fast track services

5.18 Under the current contract between the Home Office and Ecctis Limited (Ecctis Ltd), customers are able to apply for a separate English language proficiency and qualification equivalency service and receive the outcome of the assessment by an e-Statement, which is a secure PDF file that can be downloaded through a secure portal. The 2018 Regulations set a fee for an English language proficiency statement that includes an e-Statement at £147.50 and for the qualification equivalency service including an e-statement, customers pay £217.50. Customers using the English language proficiency service have the option to pay for a fast-track service that will reduce the completion time of an assessment from 10 working days to one working day for an additional fee of £174, or two working days for an additional fee of £124.

5.19 Following a review of services that will be provided by Ecctis Ltd under a new contract with the Home Office, a decision has been made to enhance the English Language proficiency assessment, and no longer offer the optional fast track services for the English language proficiency assessment, and electronic statements (e-Statements).

5.20 Customers are currently able to use a qualification equivalency service that includes the English language proficiency service, or opt to just use the qualification equivalency service, and are charged £217.50 (including the e-Statement). From 1

May 2025, customers will only be able to pay for an English language equivalency assessment (that includes verification and an assessment of authenticity) and an assessment of the equivalency of a qualification obtained overseas with one obtained in the UK, and a standalone qualification equivalency assessment. Under the new contract, these services will cost £210 and the completion time for this service will be 20 working days. We are therefore removing the current fee (£140 and £147.50 where it includes an e-statement) for English language proficiency from these Regulations

5.21 There remain a number of other ways applicants can meet the English language requirement, which are outlined within Appendix English Language to the Immigration Rules.

5.22 The decision to no longer offer a standalone English language proficiency service means that the cost to customers for using this service will increase. These changes are being made because under the new contract, the Home Office mandates two new security requirements:1) that Ecctis Ltd must correctly identify the customer against a valid identity document; and 2) Ecctis Ltd must satisfy themselves that the educational evidence submitted by the customer is genuine. These additional checks will support in preventing fraudulent applications being submitted to the Home Office.

5.23 The Home Office is removing the requirement to pay for an e-Statement as, under the new contract, customers will receive the outcome of their assessment through a unique reference number, which customers can then provide to the Home Office who will be able to securely view the outcome of the assessment. This will be provided at no additional cost to the customer and provides a secure means of providing the Home Office with the outcome of an assessment by Ecctis Ltd and is designed to end the current risk of fraudulent statements being submitted to the Home Office. These Regulations therefore remove the fee for an e-Statement and fast track service provided by Ecctis Ltd from 1 May 2025. The removal of these fees will not have any financial impact on the Home Office as under the current contract, no income is received by the Home Office from these services.

Technical Amendments due to simplification of the Immigration Rules and Immigration Rules changes

5.24 These Regulations make a technical amendment due to simplification of the Immigration Rules regarding the Afghan Relocations and Assistance (ARAP) policy. ARAP rules were originally under Part 7 of the Immigration Rules. However, the statement of changes to the Immigration Rules (HC 719, 18 October 2022) substituted Part 7 of the Immigration Rules with Appendix Afghan Relocation and Assistance Policy (ARAP). To align the description of the fee exemption to the current Immigration Rules, these Regulations replace the references to Part 7 of the Immigration Rules in the 2018 Regulations to Appendix ARAP. This is a provision to exempt the application fee for the eligible Afghan citizens and their dependent family members to relocate to, or settle in, the UK where the Ministry of Defence has decided they meet the requirements for relocation to the UK as an eligible Afghan citizen under the ARAP ("the ARAP eligibility decision"). Though the reference to immigration rules was not updated since October 2022, it has not impacted any individuals, and it is not a change in the policy in this regard.

5.25 Additionally, as part of the Spring 2025 Immigration Rules change package, Appendix Child staying with or joining a Non-Parent Relative (Protection) will be re-named to Appendix Child Relative (Sponsors with Protection) and makes a change to replace 'non-parent relative' with 'close relative'. Further, Appendix Family Reunion

(Protection) will be re-named to Appendix Family Reunion (Sponsors with Protection). This SI updates relevant references in the 2018 Regulations accordingly.

5.26 These are technical amendments which will ensure these Regulations remain aligned to simplified Immigration Rules; the policy position remains unchanged, and there is no impact on how any fee exceptions operate.

6. Legislative and Legal Context

How has the law changed?

6.1 The Immigration, Nationality and Passport (Fees) (Amendment) Regulations 2025 amend the Immigration and Nationality (Fees) Regulations 2018 (S.I. 2018/330) in respect of the fees chargeable for the applications and services related to immigration and nationality, and the Passport (Fees) Regulations 2022 (S.I.2022/660) in respect of the fees charged for passport applications and priority services.

Why was this approach taken to change the law?

6.2 This is the only possible approach to make the necessary changes.

7. Consultation

Summary of consultation outcome and methodology

7.1 In respect of the immigration and nationality fee changes, the Home Office conducted a targeted consultation in November and December 2013[1] on how its charging strategy works in practice, to help shape the approach to charging in the future. This in turn informed the development of the provisions at section 68(9) of the Immigration Act 2014, which set out the factors that the Secretary of State is permitted to take into account when setting fees. These include the cost of exercising the relevant function, the benefits that accrue to an individual as the result of a successful application, and the costs of exercising any other function in relation to immigration or nationality. These powers have since underpinned the approach to fees over the last decade, which includes the setting of fees above a cost recovery level in order to help meet costs within the wider migration and borders system, and to move the system onto a substantially self-funding basis. This approach continues to be reflected in these Regulations. Further changes made by these Regulations are consequential to changes in Immigration Rules and wider policy changes and, therefore, have not been the subject of a separate formal public consultation.

7.2 There was no public consultation in respect of the Passport Fees Regulations on the fees set out in these Regulations, in line with the approach taken to previous amendments to passport fee levels. Passport fees are set with reference to the provisions at sections 86 and 87 of the Immigration Act 2016, which permit fees to be set at a level to recover costs associated with passport and consular functions. As increasing passport fees to better reflect cost recovery is in line with these provisions as well as broader objectives relating to the funding of the migration and borders system, the department has not considered it necessary or proportionate to undertake a formal public consultation.

1 https://assets.publishing.service.gov.uk/media/5a7c002be5274a7318b906b8/ImmigrationFeesChargingResponse.pdf

8. Applicable Guidance

8.1 The fee table published on GOV.UK that sets out all immigration and nationality fees will be updated to reflect the changes made by this instrument on 19 March 2025. Additionally, the Passport Fees Table on GOV.UK will be updated to reflect changes made to this instrument on 10 April 2025.

Part Two: Impact and the Better Regulation Framework

9. Impact Assessment

9.1 A full Impact Assessment is published alongside the Explanatory Memorandum on the legislation.gov.uk website.

Impact on businesses, charities and voluntary bodies

9.2 The impact on business, charities or voluntary bodies is between -£438.4 million under the low elasticity scenario and -£854.5 million under the high elasticity scenario, with a central estimate of -£634.1 million (present value, 2025-26 prices) over the five-year appraisal period.

9.3 The legislation is expected to be applied to businesses of all sizes, including small and micro businesses. This is in line with the principle that all employers wishing to sponsor foreign workers have the same access to the immigration system and pay the same fee per vacancy filled by migrant labour. Further, no specific action is proposed to minimise regulatory burdens on small businesses. However, a lower fee is specified for sponsoring a temporary worker than the fee payable for sponsoring a skilled worker. A lower fee is charged for obtaining a sponsor licence where the applicant is a small or charitable sponsor compared to the fee payable by a non-small or charitable sponsor.

9.4 The impact on the public sector is between £144.9 million under the high elasticity scenario and £1,051.2 million under the low elasticity scenario, with a central estimate of £748.1 million (present value, 2025-26 prices) over the five-year appraisal period.

10. Monitoring and review

What is the approach to monitoring and reviewing this legislation?

10.1 The approach to monitoring this legislation is that fees are kept under regular review. The Home Office has an ongoing programme of evaluation and will continue to monitor the impact of such policies in terms of live application data and collected revenue. This monitoring may include, for example, assessment of visa volumes and income relative to the estimates in the impact assessment and historic trends, noting that any such assessment would also need to include consideration of the potential impact of any wider changes in the immigration and nationality system that had taken place in the intervening period.

10.2 The instrument does not include a statutory review clause and, in line with the requirements of the Small Business, Enterprise and Employment Act 2015, Seema Malhotra MP, Minister for Migration and Citizenship at the Home Office has made the following statement:

10.3 “Fees for products and services provided for by this instrument are kept under regular review. It is not appropriate in the circumstances to make provision for review. I am satisfied that, though these regulations have impact on small businesses, these would

be considered as part of the wider monitoring of the impact on these changes and mitigated to the extent stated in Section 9 above".

Part Three: Statements and Matters of Particular Interest to Parliament

11. Matters of special interest to Parliament

11.1 Regarding increases to fees above the rate of inflation, this instrument makes a number of changes to fees that are above the level of CPI inflation, estimated at 2.5% in 2024 in the Office for Budget Responsibility's October 2024 Economic and Fiscal Outlook. These changes include a 60% increase to ETA fees, a 120% increase to CoS/SAW/CAS fees and a 5-10% increase to wider immigration, nationality and passport fees. These increases are made with the intention of increasing the revenue generated through these fees, in order to reduce the level of taxpayer funding for the migration and borders system that would otherwise be required. Convention and Stateless Person Travel Document fees will increase by 15-16% to maintain alignment with fees charged for equivalent passport products, following the increase to passport fees made by this instrument and a previous increase to fees in April 2024.

12. European Convention on Human Rights

12.1 As the instrument is subject to the negative resolution procedure and does not amend primary legislation, no statement is required.

13. The Relevant European Union Acts

13.1 This instrument is not made under the European Union (Withdrawal) Act 2018, the European Union (Future Relationship) Act 2020 or the Retained EU Law (Revocation and Reform) Act 2023 ("relevant European Union Acts").