March 2026 Immigration Reforms: What They Mean For UK Businesses

March 2026 has seen the UK Government introduce several updates to its Immigration Rules. The Statement of Changes published on 5 March 2026 outlines these amendments in detail. The updates span a wide range of immigration areas, including rules affecting refugees, the introduction of a visa brake for certain nationalities, and changes across the Global Business Mobility and Skilled Worker routes. The Statement also includes updates to Appendix EU, Part Suitability, and the English language requirements for Indefinite Leave to Remain (ILR).

Most of the changes are unlikely to have a direct impact on UK businesses, although there are several updates that employers should be aware of. One significant change is the increase to the minimum English language requirement for Indefinite Leave to Remain (ILR).

As part of the Earned Settlement proposals announced last year, the government has confirmed that the English requirement for most visa categories, including Skilled Worker visas will rise from CEFR level B1 to B2 from 26 March 2027. This development is largely expected, following the increase to the same English language level for Skilled Worker visas introduced in January this year.

Although ILR is not usually at the forefront of most employers' minds when hiring, the higher English language requirement could result in some prospective hires being unable to meet the new threshold and therefore unable to take up their roles. It may also deter candidates whose English skills are not yet at the required level.

If the government proceeds with the broader Earned Settlement proposals expected later this year, the impact could be greater. Under these proposals, many prospective employees may face significantly longer qualifying periods, potentially up to 10 years or more, before becoming eligible for ILR.

If the ILR qualifying period is extended from five to ten years, the impact on employers, in particular smaller businesses could be significant. Extending sponsorship by an additional five years would substantially increase the administrative and financial responsibilities on employers. We are already hearing concerns from organisations about the rising salary thresholds that sponsored workers may need to meet to remain eligible under the new rules.

These changes could increase the financial burden for employers and, while they may support the government's objective of reducing overall migration to the UK, they could also leave businesses struggling to access the skilled talent they need.

The introduction of a visa brake for certain countries is likely to lead to a reduction in visa numbers. A ban on Student visa applications for entry clearance from nationals of Afghanistan, Cameroon, Myanmar and Sudan is expected to result in a noticeable decline in university applicants from these countries. In addition, from 26 March 2027, nationals of Afghanistan will no longer be able to apply for entry clearance under the Skilled Worker route. This restriction will not apply to individuals already in the UK on other visa categories, nor will it affect applications made under the dependant visa routes.

Other changes affecting Skilled Workers include new provisions for prison workers and a new requirement for sponsored workers to be paid in line with minimum salary thresholds for specific pay periods. Rather than assessing salary on an annual basis, sponsors must now ensure that a worker's pay meets the minimum rate for each pay period. For example, if the worker is paid monthly, their salary for that month must meet the required minimum threshold.

In Part Suitability, from 26 March 2026, visa applicants will be subject to mandatory refusal if they have been convicted of an offence resulting in a suspended sentence of more than 12 months. This change will primarily affect the small proportion of applicants who have received a suspended sentence but have not served any custodial time.

As well as changes to the Immigration Rules, several changes have been made to the Sponsor Guidance documents including a clarification that all sponsors are required to have read all relevant parts of the Sponsor Guidance and keep up to date with any changes. A new subsection has also been added requiring sponsors to ensure that sponsored workers are aware of their worker rights in the UK. Several other updates have also been made so, if you have not recently read the Sponsor Guidance, you should take the opportunity to do so as soon as practically possible.

If you have any questions about these changes or would like to discuss how they may affect your organisation, our team is here to help. Please get in touch with a member of the Envoy Global (formerly Smith Stone Walters) team for support and advice - https://smithstonewalters.com/.

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Anthony qualified as a Solicitor in England and Wales in 2009 and joined Smith Stone Walters in 2010. Initially employed as a Consultant on one of our larger corporate teams, Anthony now leads the Private Client team. As well as assisting private clients on a wide range of immigration matters, Anthony also continues to manage some key corporate accounts focusing on the financial and technology industries. In addition to his caseworking responsibilities, Anthony leads an internal study group at Smith Stone Walters which is designed to facilitate technical learning and development within the company. Anthony has first-hand experience of the relocation process, having spent 10 years living in Indonesia. Prior to embarking on his immigration career, Anthony spent two years teaching English in Japan.
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