



## Where do you hang your hat?

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Kathryn Bradbury  
Partner and Head of  
Citizenship & Immigration

### **In the event that the UK votes to leave the EU, where does it leave the many foreign nationals already working and living here?**

The subject of Brexit has dominated the press in recent months, in particular the migration of EU nationals. The principle of the free movement of persons is a fundamental right which underpins the European Union. It has been well publicised that countries have been unable to take advantage of other benefits of membership, such as the single market, without signing up to the free movement of persons. Norway and Switzerland provide a good example.

In the event of Brexit, any negotiations of remaining in the single market or negotiating a Swiss style agreement are unlikely, without the UK first signing up to the free movement of persons within the EU. This is unlikely to be something the UK would agree to, given the political desire to exercise greater control on UK borders.

Without free movement, EU nationals would need to satisfy the stringent requirements of the immigration rules, and apply for visas to live in the UK, possibly even to visit. Although the latter is unlikely for practical reasons, it is not impossible.

Perhaps the biggest issue for the government will be addressing the question of what will happen to the estimated 1.7 million EU nationals that already reside in the UK, some of whom have been here for many years. It seems highly unlikely that they would all be told to leave, but what the process will be for identifying and registering remains uncertain.

### **You can't deport a citizen**

It is against this backdrop that many EU nationals living in the UK are applying for British citizenship, if they qualify to do so. Sales of the Life in the UK test handbook (the book used to prepare for the English test necessary to achieve British citizenship) have increased significantly in recent months.

The Home Office's own statistics show an 18 per cent rise in applications in 2015, after a number of years of steady decline. However the statistics on the nationalities of applicants will not be available until May this year. UK immigration lawyers are however noticing a sizeable increase.

In order to qualify for British citizenship, an EU national must have lived in the UK for six continuous years, exercised treaty rights through working, self-employment or self-sufficiency for at least the first five of those years, sit an English language and knowledge of life in the UK test, and satisfy strict residence requirements.

Applications can take up to six months to be decided and cost over £1000 per person. Furthermore, since November 2015, the Home Office has required EU nationals to first apply for a permanent residence card from the Home Office.

Those who do not qualify for permanent residence or British citizenship could apply for a registration certificate from the Home Office, evidencing their right of residence. At present, appointments to submit these applications on a same day service are in very high demand and this is only going to get longer.

### **Greener grass can always be found**

Rather than remain in a state of flux, others may relocate back to their home country or another EU member state. Withdrawal could also deter highly skilled EU nationals from relocating to the UK. The financial implications of a mass exodus of EU nationals should not be understated.

According to Open Europe's 2015 report, UK GDP could, in a worst case scenario, be 2.2 per cent lower in 2030 if Britain leaves the EU (by comparison, the recession of 2008-09 knocked about 6 per cent off UK GDP).

A report by Dustmann and Frattini, 'The Fiscal Effects of Immigration to the UK', showed that on average migrants have contributed 34 per cent more in fiscal terms to the UK than they have taken out, or £22.1bn in total in 2011 terms. At the lower skilled end of the scale, businesses report that they will have real difficulty filling positions from the domestic UK labour force if the UK withdraws from the EU. The immigration rules for foreign workers will have to be adapted quickly to prevent businesses suffering substantial losses.

While the outcome of the referendum is far from certain, what is clear is that in the event of withdrawal from the EU, there will be a significant number of applications for registration and British citizenship being made. One way to circumvent any delays is to apply early, but that means investment of time and money which may turn out to be wholly unnecessary.

**Kathryn Bradbury** is a partner in the immigration department at [Payne Hicks Beach](#)