

UK Immigration Update: What Employers and Sponsor Licence Holders Must Be Aware Of

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By **Anna Bose**, 4th September 2026

For UK employers and sponsor licence holders, the next three months will see many compliance and legal changes. There are several operational changes which will take place from this month. This UK immigration update explains what is changing, why it matters, and what HR, compliance and key personnel should do now.

1) New Right to Work Responsibilities (from 1 October)

Employers must continue to carry out compliant right to work checks to establish a statutory excuse under s.15 Immigration, Asylum and Nationality Act 2006. From 1 October, the responsibility to carry out right to work checks will apply to all workers. This means that UK based companies will need to complete the Right to Work for all employees and those:

- engaged individuals under a worker's contract;
- engaged individual sub-contractors; or
- operating an online matching service providing details of an individual who is a service provider to potential clients/customers.

If you are a licensed sponsor, you also have a duty to carry out a right to work check on any worker you are sponsoring regardless of the nature of the employment relationship. Further, where you are not required to establish a statutory excuse under the right to work scheme, you must still carry out (or ensure the appropriate party carries out) a right to work check to comply with sponsor duties.

2) Change to How Level 1 Users Access the SMS (from 3rd September 2026)

Multi-factor authentication (MFA) is in place for SMS access. Anyone accessing the SMS will have a code sent to the mobile number that was registered when Level 1 access was

granted.

Immediate action: confirm that each Level 1 user's registered mobile number is correct and that you have adequate cover (do not rely on a single person having access).

3) Level 2 Users are Being Phased Out (9 September / 8 March 2027)

- No new Level 2 users can be appointed from 9 September.
- The Level 2 role will be abolished by 8 March 2027.

What this means in practice: you should map who currently has Level 2 access and decide whether they still need SMS access, and if so, whether they should be transitioned (where appropriate) to Level 1 access with suitable internal controls and training.

4) Updates on Sponsor Licence Obligations (Operational Changes to Implement Now)

The following obligations are being introduced/strengthened:

- Regular SMS access required: users must access their SMS account regularly to keep details up to date and to continue to have access. Inactive users will be removed from the SMS.
- Authorising Officer risk: if the Authorising Officer loses access due to inactivity, this can put the sponsor licence at risk.
- Keep SMS details up to date: sponsors must ensure organisational and key personnel details recorded on the SMS remain current.
- Key Personnel eligibility: Key Personnel must have a National Insurance number and be a paid member of staff. They cannot be a contractor/consultant unless they are a UK-based and regulated immigration representative.
- Data-led compliance: compliance is being checked using data from HMRC and Companies House.
- ILR reporting: you must report that you are no longer sponsoring the migrant once their ILR is approved.
- Corporate change reporting: if there is a change of ownership, merger, take-over or other corporate change, this must be reported and, in some situations, a new sponsor licence would be needed.

5) Update to Ending Sponsorship and the 60-day Period

When you stop sponsoring a migrant and report this on the SMS within 10 working days, the Home Office will issue a curtailment notification stating that permission will be valid for 60 calendar days from the date the SMS is updated. In effect, the migrant must leave the UK or change immigration status within that 60-day period.

What To Do Now

- Confirm MFA readiness: Level 1 user mobile numbers are correct; ensure cover for absences.

- Run an SMS user audit: remove inactive users; plan the transition away from Level 2 users.
- Update right to work processes before 1 October, especially for contractors/subcontractors/platform arrangements.
- Check Key Personnel eligibility (NI number, employment status, permitted exceptions).
- Set a diary reminder for reporting deadlines (including 10 working days when sponsorship ends).
- Review whether any corporate changes are planned and what needs reporting (or whether a new licence may be required).
- Align HR, procurement and operations on who owns right to work checks for non-standard labour models.

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