



CHARTERED ACCOUNTANTS™  
AUSTRALIA • NEW ZEALAND

12 February 2019

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Via email: [UKFTA@mfat.govt.nz](mailto:UKFTA@mfat.govt.nz)

Chartered Accountants Australia and New Zealand welcomes the opportunity to comment on a future United Kingdom (UK) - New Zealand Free Trade Agreement.

Our membership comprises over 120,000 educated professionals. We actively work to advocate for sound public policy in the financial, regulatory and taxation areas. Internationally, including in the United Kingdom, we advocate for the best interests of the public and our profession. The UK is a significant trade and investment partner for New Zealand. The negotiation of a trade agreement provides an opportunity for our trade settings to contribute to sustainable and inclusive economic growth for both countries. Any agreement will impact individuals, businesses and the environment, making it vital for the agreement be informed by robust consultation, with careful consideration given to all feedback.

We provide our detailed submission in Appendix A. Appendix B provides more information about Chartered Accountants Australia and New Zealand.

Key recommendations:

- Advocate for a category of UK working visa for which only professional New Zealand citizens working in a speciality occupation are eligible.
- Advocate for the creation of a professional mobility programme within the General Work Visa (Tier 2) to aid the compliant entry of New Zealand professionals to the UK.
- Advocate for the UK government to permit third parties to sponsor New Zealand migrants on behalf of companies that do not hold a sponsorship licence.
- Should the proposed in-country visa switching not eventuate in the UK government's upcoming immigration reforms, consider including this as part of the trade discussions with the UK.

Should you have queries concerning the matters discussed above or wish to discuss them, please contact Charlotte Evett via email at [charlotte.evett@charteredaccountantsanz.com](mailto:charlotte.evett@charteredaccountantsanz.com) or phone on +64 4 910 1130.

Yours sincerely

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## Detailed submission

### What should New Zealand prioritise in a trade agreement with the UK?

Our comments relate solely to the future trade relationship between New Zealand and the United Kingdom (UK) as it pertains to labour, in particular highly skilled labour such as that offered by professionally qualified chartered accountants. These trade negotiations represent a unique opportunity to improve access for UK employers to a pool of high-calibre professionals, such as New Zealand qualified accounting and finance experts.

We believe that this objective can be achieved as part of a UK New Zealand free trade agreement via a more flexible and less complex framework for granting work visas to skilled New Zealand applicants.

This Appendix provides background on the accounting profession in New Zealand, including the value placed on New Zealand qualified Chartered Accountants to the UK workforce. This is followed by suggested enhancements to the current skilled migrant visa framework that, if implemented, we consider would be mutually beneficial for both the UK and New Zealand.

## Background

### Chartered Accountants ANZ members, the UK workforce and the Accounting Profession

Technology, globalization and the internationalisation of business standards (such as auditing and financial reporting standards) has led to the development of a well-established international market for professional accountants. This market is supplied by a mobile group of highly skilled and experienced professionals.

These professionals often originate from developed economies such as New Zealand. Many such professionals, including Chartered Accountants ANZ members, carry out senior roles supporting strategically important sectors which benefit the UK economy.

### Chartered Accountants ANZ members and the UK workforce

Our members are highly sought after in the United Kingdom, in London in particular. They have a reputation for a strong work ethic, for being work-ready and socially integrated due to common language and cultural ties with the UK. They are known for seamlessly supplementing and complementing talented local employees, sharing the same excellent reputations as UK qualified Chartered Accountants working in Australia and New Zealand.

Chartered Accountants ANZ members bring highly specialist knowledge, experience and critical thinking skills to the UK. For example knowledge gained from working in markets such as resources and mining, which is less readily available in the local UK workforce.

In addition to common language, historical, cultural and family ties, they are trained in very similar legal, taxation and financial reporting environments. This enables ongoing reciprocal membership arrangements between Chartered Accountants ANZ, the Institute of Chartered Accountants in England and Wales, the Institute of Chartered Accountants of Scotland and Chartered Accountants Ireland.

This results in a unique demand for Chartered Accountants ANZ members for financial positions with UK businesses, in particular for financial positions in London.

Equally, the reciprocal membership arrangements grant members of the UK and Irish Institutes the right to membership of Chartered Accountants ANZ in New Zealand and Australia.

## **The Accounting Profession**

Chartered Accountants are highly specialised experts. Admission to the profession is limited to degree qualified individuals who complete a Post Graduate Diploma of Chartered Accounting, comprising five papers, in addition to three years mentored relevant work experience. These requirements are in line with those in the UK.

Once admitted to membership, members must comply with ethical guidelines and gain appropriate continuing professional development for the duration of their membership.

## **Are there any changes that would make it easier to do business with the UK?**

### **An exclusive Visa scheme for New Zealand skilled Migrants**

In the absence of family ties, to be able to work in the UK, chartered accountants and other highly skilled New Zealanders often do so under the Tier 2 visa scheme. The Tier 5 Youth Mobility visa scheme is more commonly used by early career professionals.

The total number of applications made under the Tier 2 scheme, which has had an annual cap of 20,700 since 2011, have recently exceeded the allocation of visas, making it difficult for many New Zealanders to secure a visa via this route. In addition to preventing qualified New Zealanders wishing to work in the UK from doing so, this also prevents UK employers from accessing this diverse and highly skilled talent pool.

We acknowledge the proposal in the UK government's recently issued White Paper "*The UK's future skills-based immigration system*" (the White Paper) to remove the cap on the number of skilled workers entering the UK. However we anticipate Tier 2 visas (or equivalent) will remain elusive for many highly skilled New Zealanders. This is due to the potentially significant increase to Tier 2 visa applicants post Brexit, when EU citizens will require a visa to work in the UK due to the likely cessation of the freedom of movement.

As part of the free trade agreement negotiations, we suggest consideration be given to creating a category of UK working visa for which *only* New Zealand citizens are eligible. The E3 professional visa scheme which operates exclusively for Australian citizens wishing to work in the United States is a relevant example of how such a scheme could operate.

The E3 visa is a category of professional work visa which covers an individual working in a speciality occupation in the United States, and their spouse and children. The E3 visa has an annual quota of 10,500 excluding dependents. Typical speciality fields include architecture, engineering, medicine, business specialties, law, theology and the arts. Accountants, auditors and related occupations are considered a speciality occupation under "Finance and Administrative Specialisations".

### **A professional mobility scheme**

We suggest that trade negotiators also advocate for the creation of a professional mobility programme within the General work visa (Tier 2) to aid the compliant entry to the UK of New Zealand accountants and other skilled professionals. The programme would act as a bridging visa, facilitating the entry of accountants and other experienced professionals of all ages, enabling them to find work whilst in the UK prior to switching to a conventional Tier 2 General visa. Entrants would require sponsorship by a UK employer within six months of arrival in the UK, at which point they would also need to meet all Tier 2 requirements.

The number of visas issued under this scheme could be limited to a pre-determined annual quota and restricted to professions where reciprocal arrangements exist for the recognition of qualifications.

## **Third party sponsorship**

Businesses holding a sponsorship licence can normally assign a Certificate of Sponsorship (CoS), prepare a visa application and have it approved within the month of application. However, those sponsoring for the first time often face a lengthy delay from the point they realise a licence is needed. Under the current system, they must conduct a Resident Labour Market Test that complies with Home Office guidance, prepare and submit the application, and wait for it to be considered. They must then request a CoS and wait for the visa application to be considered.

Although the White Paper proposes that the Resident Labour Market Test be abolished, we consider the delay in obtaining an initial sponsorship licence could still be relatively lengthy, potentially resulting in businesses missing out on prospective employees, business opportunities or the chance to grow a particular business area. It may also result in UK employers deciding against recruiting a suitably skilled New Zealand employee.

Trade negotiators should consider advocating for third parties (umbrella organisations) to be permitted to sponsor New Zealand migrants on behalf of companies that do not hold a sponsorship licence. This change would significantly expedite the initial sponsorship licence application process.

The third party would be responsible for ensuring the employer is compliant. The Home Office could then police one third party sponsor rather than a multitude of individual employers. Sensible controls could be introduced to prevent abuse.

## **In-country switching**

We note the proposal in the White Paper to allow in-country switching for skilled migrants between visa categories. This would be a welcome change to the current system, whereby UK based New Zealand citizens wishing to switch from Tier 5 Youth Mobility visa to a Tier 2 General work visa must return to New Zealand to do so. The current system is inconvenient and disruptive to UK employers, and imposes significant costs on the visa applicant by way of loss of earnings, and return flights to New Zealand.

The onerous nature of the current requirement is likely to deter many individuals and their UK employers from instigating a visa category switch, preventing skilled New Zealanders wishing to work in the UK from doing so, and the loss of access to skilled staff with institutional knowledge potentially disrupting UK businesses. The White Paper was issued as a platform for discussion, with the proposed changes subject to extensive consultation prior to implementation. Should the proposed changes not eventuate, we suggest they be added to the agenda for trade discussions with the UK.

## About Chartered Accountants Australia and New Zealand

Chartered Accountants Australia and New Zealand is a professional body comprised of over 120,000 diverse, talented and financially astute members who utilise their skills every day to make a difference for businesses the world over.

Members are known for their professional integrity, principled judgment, financial discipline and a forward-looking approach to business which contributes to the prosperity of our nations.

We focus on the education and lifelong learning of our members, and engage in advocacy and thought leadership in areas of public interest that impact the economy and domestic and international markets.

We are a member of the International Federation of Accountants, and are connected globally through the 800,000-strong Global Accounting Alliance and Chartered Accountants Worldwide which brings together leading Institutes in Australia, England and Wales, Ireland, New Zealand, Scotland and South Africa to support and promote over 320,000 Chartered Accountants in more than 180 countries.

We also have a strategic alliance with the Association of Chartered Certified Accountants. The alliance represents 788,000 current and next generation professional accountants across 181 countries and is one of the largest accounting alliances in the world providing the full range of accounting qualifications to students and business.