

22 December 2006

Charging Consultation Team
 Customer Services Directorate
 12th Floor, Lunar House
 40 Wellesley Road
 Croydon CR9 2BY

Dear Sir/Madam

Re. Home Office and FCO Consultation on a New Charging Regime for Immigration & Nationality Fees

Scottish Financial Enterprise (SFE) is the independent organisation, formed in 1986, that supports and represents the interests of Scotland's international financial services industry. Our members encompass all sectors of the industry including banks and building societies, general insurance, life assurance and pensions, investment managers, asset servicing, corporate finance and broking services, professional advisors and support services.

Scotland is one of Europe's leading international financial services centres and the second largest financial hub in the UK next to London. The financial services industry is a major contributor to the Scottish economy and is Scotland's fastest growing industry sector. It accounts for one in 10 Scottish jobs, with over 113,000 people directly employed in the industry and over 100,000 more employed in support services. In the last five years (2000 to 2005) the financial services industry in Scotland grew by 36 per cent while the overall Scottish economy grew by 9 per cent and the whole of the UK financial services industry grew by 15 per cent in the same period.

The financial services industry in Scotland needs to have a continuing supply of skilled employees so that companies based in Scotland can continue to compete in the global financial services market from here and Scotland can continue to attract financial services investment. The continued supply of skilled employees is also essential to ensuring that Scotland maintains its reputation as a leading international centre of financial services expertise.

A managed migration system that makes it easier for employers and educational institutions to recruit the people they need is an essential component of this. SFE believes that the Home Office's new Points Based System for immigration will help to achieve this objective, which is why we very much welcome it.

Although we have no view on the levels at which prices should be set, it is vital to make the Points Based System work and that the charging regime is flexible. It must take into account the prices set by other countries and the degree to which attracting people and the skills they possess is in the UK's interests.

SFE is particularly keen, in keeping with the Scottish Executive's Fresh Talent initiative, that migration policy is tailored so that it benefits the different nations and regions of the UK. SFE strongly supports the Fresh Talent scheme in Scotland and the fact that international graduates can stay in Scotland for two years following graduation from a Scottish institution has been beneficial to SFE's member companies.

SFE is keen to see this initiative extended with the aim of making Scotland more attractive as a destination for skilled people. Scotland cannot be just a door into the UK as this is of no benefit to the Scottish economy. We need to identify the skills gap that need plugging in Scotland and structure the points system to take into account regional differences and how relevant talent can be attracted and retained.

If you would like further information on any of the issues raised in this letter, please contact me directly.

Yours faithfully

A handwritten signature in black ink, appearing to read 'Amanda Harvie', written in a cursive style.

Amanda Harvie
Chief Executive