

Review of the Employment Agencies Act 1975

Overview

Our Island Plan sets out a vision of a secure, vibrant and sustainable Island, with a commitment for the Department for Enterprise to deliver reforms to employment legislation, ensuring the Island is aligned with international standards and remains a competitive and attractive place to work. The Department for Enterprise holds a commitment within this plan to review the Employment Agencies Act 1975 due to this being thought that it is out of date.

Though in 2017 the Equality Act made a number of significant changes to employment law in the Island in relation to discrimination, over a number of years the Isle of Man has been falling behind international standards in relation to employment rights. The Department intends to make a number of changes to employment law in the current administration.

In 2022, the Department consulted on a number of topics that came to make up the Employment (Amendment) Bill 2023 that completed its progress through the Legislative Branches earlier this year. Those measures, which focused mainly on family leave rights and whistleblowing, will be implemented in the spring of 2025.

Why your views matter

The Department now seeks to make further improvements to employment legislation on the Isle of Man. **This consultation seeks views on the licencing of Employment Agencies and Businesses.**

The consultation is issued in tandem with a series of other consultations that can be found on the Consultation Hub in relation to employment rights.

Throughout this consultation, the UK's legislation may be referenced. It should be noted that now the UK is under a Labour Government, that this may change in the future.

Following this consultation, the Department will review the responses and use this information to inform the development of the Employment (Amendment) Bill that will be brought forward in 2025.

A summary of responses will be published on this page within 12 weeks of the consultation closing.

For more information on Employment Agencies Licencing, please see the [Employment Agencies page on gov.im \(opens in a new tab\)](https://www.gov.im/categories/working-in-the-isle-of-man/employment-agencies/)

[<https://www.gov.im/categories/working-in-the-isle-of-man/employment-agencies/>](https://www.gov.im/categories/working-in-the-isle-of-man/employment-agencies/)

If you would like to find out more about the Island's current statutory employment rights, please visit the [Guides to Employment Rights page on gov.im \(opens on a new tab\)](https://www.gov.im/categories/working-in-the-isle-of-man/employment-rights/guides-to-employment-rights/) [<https://www.gov.im/categories/working-in-the-isle-of-man/employment-rights/guides-to-employment-rights/>](https://www.gov.im/categories/working-in-the-isle-of-man/employment-rights/guides-to-employment-rights/) .

Reasonable adjustments and alternative formats

The Department is committed to equal opportunities and our aim is to make our documents easy to use and accessible to all.

We will take steps to accommodate any reasonable adjustments and provide such assistance as you may reasonably require to enable you to access or reply to this consultation.

If you would like to receive this document as a paper copy, in another format or need assistance with accessing or replying to this consultation, please email jasmine.cowin@gov.im or telephone +44 1624 686559.

Responding to this consultation

You can respond to this consultation online by clicking on the 'Online Survey' link below.

About you

Please note that most questions on this consultation are **optional**, with the exception of the consent question below 'May we publish your response'. There are multiple text boxes provided throughout the consultation, but you are not required to complete them unless you want to explain your view.

What is your name?

Name

What is your email address?

Email

Are you responding on behalf of an organisation?

Please select only one item

- Yes
- No

Organisation

In what capacity are you responding as:

For clarity, an **employee** is someone who works under a contract of employment and perform their services personally for the employer.

Workers are people who are engaged on a contract for services. The term 'worker' can be used to cover a wide range of working relationships e.g. casual workers, freelance workers, employment agency staff and some independent contractors.

Please select only one item

- Employer
- Employee
- Worker
- Self-employed
- Other (please specify)

Other:

If you employ other people, how many employees & workers do you have?

Please select only one item

- 0
- 1 to 10
- 11 to 25
- 26 to 50
- 51 to 100
- 100+

May we publish your response?

Please read our [Privacy Policy](#) for more details and your rights.

More information

- Publish in full – your first name and surname, organisation name, along with full answers **will** be published on the hub (your email will **not** be published)
- Publish anonymously – only your responses **will** be published on the hub (your name, organisation and email will **not** be published)
- Do not publish – **nothing will** be published publically on the hub (your response will only be part of a larger summary response document)

(Required)

Please select only one item

- Yes, you can publish my response in full
- Yes, you may publish my response anonymously
- No, please do not publish my response

Context on the Employment Agencies Act 1975

The Employment Agencies Act (EAA) 1975 and associated legislation is largely thought to be out of date and in need of modernisation.

The EAA requires all employment agencies and employment businesses to be licensed by the Department for Enterprise, whether or not they are carried on for profit or in conjunction with any other business with certain exemptions.

Anyone who conducts activities that fall under the definitions of an employment agency or employment business covered by the Act without a current licence issued by the Department is liable on conviction to a fine.

As per the EEA, an Employment Agency is defined as:

'the business (whether or not carried on with a view to profit and whether or not carried on in conjunction with any other business) of providing services (whether by the provision of information or otherwise) for the purpose of finding workers employment with employers or of supplying employers with workers for employment by them'.

An Employment Business is defined in the EEA as:

'the business (whether or not carried on with a view to profit and whether or not carried on in conjunction with any other business) of supplying persons in the employment of the person carrying on the business, to act for, and under the control of, other persons in any capacity'.

Exclusions to these definitions do apply.

In July 2024, the Department for Enterprise updated the Employment Agencies Licencing policy that has strengthened the requirements in which must be met, particularly around the suitability of applications to be licenced. More information can be found on the [Employment Agencies page on gov.im \(opens in a new tab\)](https://www.gov.im/categories/working-in-the-isle-of-man/employment-agencies/) `<https://www.gov.im/categories/working-in-the-isle-of-man/employment-agencies/>` . This policy will be reviewed in light of the responses received by this consultation, aligning with wider employment legislation changes.

Do you think that employment agencies and businesses should have to be licenced to operate on the Island?

Please select only one item

- Yes
- No
- Unsure

Please explain your view:

If you have used the services of an employment agency and/or business, were you aware that they have to have a licence to operate on Island?

Please select only one item

- Yes
- No
- Unsure

Do you think that the fee for the licence application should increase, remain the same, or be removed?

In order to apply for or renew a licence, the prospective applicant must pay the fee of £108. This fee was established under the Employment Agencies (Fees) Regulations 1988 and has not changed since this date. The Bank of England inflation calculator currently shows that with inflation, this fee would now be worth around £292. If the fee were to increase, it would not necessarily be to £292.

Please select only one item

- Increase
- Stay the same
- Remove
- No opinion

Please explain your view:

Since Brexit, workers from the EU and outside of this require a visa to work on the Isle of Man. Do you have any thoughts on the potential to expand the definitions of employment agencies and businesses to include the provision of immigration advice to better protect workers and employers?

Please select only one item

- Yes
- No
- No opinion

Please explain your view:

Do you think licenced employment agencies and businesses having a recognised 'gold standard' of compliance would increase confidence in the sector?

As stated, the Department has recently updated the policy towards licencing for Employment Agencies and Businesses. As part of this, the Department has completed some work on if these prospective applications and those renewing licences should be able made to follow a Code of Conduct in relation to ethical recruitment and the implementation of 'Gold Standards' of compliance such as that issued by the Recruitment and Employment Confederation. The International Organisation for Migration defines 'ethical recruitment' as a practice that hires workers lawfully and in a fair and transparent manner than respects and protects their rights.

Please select only one item

- Yes
- No
- Unsure

Please explain your view:

Do you have any other comments?