Brexit could make life difficult for Indian IT professionals, feel experts

TNN | Jun 25, 2016, 08.10 PM IST

Brexit could make life difficult for Indian IT professionals, feel experts

BENGALURU: Brexit could make life more difficult for Indian professionals migrating to the UK for work and also for those who have to move between the UK and EU. The IT industry accounts for a high number of such professionals.

Akshay Chudasama, managing partner-Mumbai region in law firm Shardul Amarchand Mangaldas & Co, noted that one of the drivers for the exit vote was to thwart immigration and free movement of workers. The target was primarily the migrants from Eastern Europe, and not Indian IT companies and Indian IT professionals.

"But Indian IT professionals could move across the EU from one state to the other without restrictions.Breaking away from the EU will restrict the mobility of labour," he said, adding that there will be clarity on the larger implications on the sector once the exit is formal. "The devil is in the details," he said.

Nishith Desai, founder and managing partner of law firm Nishith Desai Associates, said the UK will try to push for more protectionism to secure jobs for the Britons."They could impose additional restrictions and cost on Indian IT professionals going to UK on work. It will not only clamp down on free movement of skilled resources, but will aggravate protectionist fears," he said, noting that Britain could be encouraged by the exit vote to bring new rules that make outsourcing itself more difficult from the UK.

However, Ajay Raghavan, partner-labour & employment in law firm Trilegal, said employers need not take any immediate action since the vote itself does not trigger any employment law changes in the UK. "My understanding is that once a formal notice is served for the UK to withdraw from the EU, there will be a negotiation process of up to two years, possibly longer, to agree to the exit terms. Until that happens, all EU legislations, including the right to move freely in the EU, will continue to apply," he said.

However, he thinks the UK government will push for a legislation to restrict EU nationals from entering the UK since that has been a key concern raised by the pro-exit groups in the UK.

"If that happens, it will be more difficult for Indian employers with operations in EU to move employees from other parts of Europe to UK and vice versa. It's important for Indian firms to start reassessing employee deployment strategies so they can prepare themselves for the eventual exit," Raghavan said.