



Department for
Business, Energy
& Industrial Strategy

Briefing: 1 page summaries of 9 key policy themes under a 'No Deal' scenario

March 2019



Department for
Business, Energy
& Industrial Strategy

Purpose of this document

Delivering the deal negotiated with the EU is the government's top priority. However, a responsible government must prepare for every eventuality.

The purpose of this document is to provide a summary of the key changes that businesses need to be aware of in a 'No Deal' scenario and the actions they could consider taking to prepare. It is accurate as of **March 2019** and is subject to change as information is updated or new information is released.

All the information in this document is based on publicly available information as published in the Technical Notices on www.gov.uk

For further information please visit euexit.campaign.gov.uk

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Importing, exporting and transporting in a 'No Deal'



Tariffs & duties

- ❖ Businesses moving goods between the UK and either the EU or 3rd countries with an EU free trade agreement may be subject to tariffs
- ✓ Prepare for changes to trading with non-EU countries that have a free trade agreement with the EU
- ✓ Check the [EU Tariff](#) for customs duty (tariffs) on exports to the EU if the UK leaves without a deal
- ✓ Check the [EU Market Access Database](#) for tariffs on goods exported to the EU
- ✓ Check [temporary rates of customs duty](#) on imports if the UK leaves the EU without a deal



Customs processes

- ❖ Businesses moving goods between the UK and EU will need to submit customs declarations
- ✓ Importers/ exporters should register for a Economic Operator Registration & Identification ([EORI](#)) number
- ✓ Businesses who use a customs agent or logistics provider to move goods for them should contact them to discuss the changes and agree responsibilities
- ✓ Decide whether to hire an import-export agent to make customs declarations
- ✓ Register for [Transitional Simplified Procedures \(TSP\)](#) to make importing from the EU easier



Import VAT

- ❖ Goods coming in from the EU will be treated as imports and you will need to pay import VAT on both EU and non-EU imports. However, UK VAT registered businesses will be able to declare and recover import VAT via their VAT return - guidance is available on Gov.uk
- ❖ Import VAT will now apply to parcels of any value sent to the UK - Low Value Consignment Relief will end.
- ❖ Parcels worth £135 or less, overseas sellers will be liable to pay import VAT either through HMRC's online service or via parcel operators. Parcels worth over £135, import VAT will be collected from the UK buyer by the parcel operator.
- ❖ The UK will no longer be connected to EU-wide VAT IT systems (e.g. VAT MOSS and EU VAT Refunds)
- ❖ Guidance on action businesses may need to take can be found at: <https://www.gov.uk/guidance/vat-it-system-rules-and-processes-if-the-uk-leaves-the-eu-without-a-deal>

Theme specific primer on GOV.UK: [Importing, exporting and transporting](#)



Regulations and standards for goods and products in a 'No Deal'



Trading goods regulated under the 'New Approach'

- ❖ Majority of goods that meet EU regulatory requirements will continue to be recognised as valid for sale on the UK market for a time limited period after exit
- ❖ The EU will cease to recognise regulatory compliance activity carried out in the UK as valid for goods being placed on the EU market
- ❖ Goods already on the EU-27 market will be unaffected - i.e. goods sold or subject to an offer
- ❖ Products currently requiring a CE marking will continue to require it for sale in the EU
- ❖ After exit, products assessed against UK rules by a UK 'approved body' will need the UKCA marking
- ❖ Goods assessed by a UK body need to be re-assessed by EU-recognised body to be sold in the EU, or manufacturers can transfer certifications to an EU body pre-exit. Self declaratio+



Chemicals Regulation - REACH

- ❖ The UK will establish it's own REACH regulatory framework.
- ❖ Pre-existing REACH registrations will be transferred to the new UK regime
- ❖ Health & Safety Executive (HSE) will be the UK regulator
- ✓ UK suppliers with transferred REACH registrations need to validate with HSE, open an IT account within 120 days of exit and provide full data packages within two years
- ✓ New chemicals need to be registered with HSE before being placed on the UK markets
- ✓ UK importers of EEA chemicals without EU REACH registrations need to notify HSE and provide data within 180 days
- ✓ Exporters need to notify HSE for hazardous chemicals, and receive explicit consent

There are other regulatory regimes to consider that are not covered here. These include: non harmonised goods and mutual recognition, civil aerospace (EASA, CAA), automotive (VCA, ECWVTA), nuclear (ONR, IAEA, EURATOM), life sciences (MHRA, EMRN, EMA) and timber (FLEGT)

Theme specific primer on GOV.UK: [Regulation and standards for products and goods](#)



Employing EU citizens in a 'No Deal'



EU citizens already in the UK or arriving before EU exit day

- ❖ EU Citizens already resident in the UK by exit day can apply to the **EU Settlement Scheme**
 - EU Citizens with 5 years' continuous residence in the UK upon application are eligible for settled status
 - Those with less than 5 years' continuous residence in the UK will be eligible for pre-settled status
 - Test phase open, and scheme fully opens on 30 Mar 2019, deadline 30 Dec 2020 in a 'No Deal' scenario
- ❖ Irish citizens do not need to apply to the scheme to protect their rights in the UK, though they are able to do so if they want to. Non-Irish, non-British family members of Irish citizens will need to apply to the EU Settlement Scheme if they want to stay in the UK after 31 December 2020.



EU citizens arriving in the UK after EU exit day

- ❖ After exit day, newly arriving EU/EEA/Swiss citizens can visit, work, study for up to 3 months without a visa
- ❖ EU/ EEA/Swiss citizens who want to stay in the UK beyond the initial 3 month visa free period, can apply for **EU Temporary Leave to Remain** from within the UK for up to 36 additional months
 - EU Temporary Leave to Remain is not extendable and will not guarantee a route to settlement in the UK
 - To stay beyond 36 months, need to apply and qualify under the **new future immigration system in 2021**
 - In both a deal or no deal scenario, employers should continue to conduct the same Right to Work checks they do currently using EU/EEA/Swiss citizens' passport or national identity card, until 2021



EU-UK business & student mobility



Business travel & students

- ❖ EU/EEA/Swiss citizens will still be able to enter the UK for up to 3 months at a time, to work, visit or study, without requiring a visa. European Temporary Leave to Remain is available for those wishing to stay beyond 3 months.
- ❖ The European Commission has proposed granting UK citizens visa-free travel in the EU/EEA & Switzerland for business meetings, training, sports/cultural events and short-term study for up to 90 days in any 180 day period.



Students

- ❖ EEA and Swiss citizens will continue to be able to study in the UK during the transition period. After an initial three month period they can remain in the UK for 36 months if they successfully apply for European Temporary Leave to Remain. For courses longer than three years, they will need to apply for further leave under the new skills-based immigration system. Alternatively they can apply for a Tier 4 visa to cover the full length of their course
- ❖ EU students will be treated as students from the rest of the world regarding immigration controls post 2021



Recognition of professional qualifications

- ❖ Current system of reciprocal recognition of professional qualifications no longer applies
- ❖ EEA & Swiss qualifications equivalent in scope, content, level will be recognised in UK
- ❖ Recognition decisions received in the UK before exit will remain valid
- ❖ Recognition decisions ongoing at exit will be decided under the rules in place prior exit as far as possible
- ❖ Applications submitted after exit day will be subject to a new system



Using personal data in a 'No Deal'



Personal data transferred out of the UK

- ❖ Personal data may continue to flow from organisations in the UK to the EEA
- ❖ There will be transitional provisions to recognize existing EU adequacy decisions with countries outside the EEA. This means that transfers from the UK to countries with a current EU adequacy decision will be able to continue.
- ✓ Rules on transfers to other countries outside the EEA will remain similar - check the ICO website for further advice
- ✓ Review privacy information and internal documentation to identify details that need updating



Personal data transferred into the UK

- ❖ We do not expect an adequacy decision to have been made by the European Commission with respect of the UK at the point of exit. EEA based businesses can transfer personal data to the UK in 'No Deal' if 'appropriate safeguards' under GDPR are used (such as standard contractual clauses)
- ✓ Check the ICO website for information on 'appropriate safeguards' for transfers of personal data from the EEA into the UK



Further considerations for operating across Europe

- ✓ UK Businesses providing goods or services or tracking customer behaviour in EU/ EEA without an established presence in an EU Member State, may need to appoint a European representative
- ✓ UK businesses processing personal data across borders may need to find a lead supervisory authority in the EEA



Mobile roaming regulation

- ❖ Surcharge free roaming when travelling to the EU is no longer guaranteed



Geo-blocking regulation

- ❖ Traders from UK, EU and 3rd countries can offer different terms to UK customers compared to EU customers.
- ✓ If operating in the EU, UK traders should ensure they do not discriminate between customers in different Member States

Theme specific primer on GOV.UK: [Using personal data](#)



Operating in the EU in a 'No Deal'



Restrictions on EU operations that businesses may face include:

- ❖ New ownership and management limitations for EU registered companies
- ❖ Additional legal requirements to operate in EU Member States
- ❖ Limited liability may not be recognised in EU Member States
- ✓ Check EU Member States restrictions in our [Country Guides](#)



EU cross-border merger regime no longer applies for UK companies

- ❖ UK-EU mergers will now occur via private contracts, not via EU regime
- ✓ Businesses should aim to complete any ongoing merger before exit
- ✓ Seek legal advice on individual ongoing merger cases



New accounting and audit requirements

- ❖ UK businesses with a branch operating in the EU will become a third country business
- ✓ Need to comply with specific accounting and reporting requirements in each country
- ❖ UK auditors not automatically recognised in EU
- ✓ Registration required to audit UK clients with debt or equity traded on EEA markets

Theme specific primer on GOV.UK: [Operating in the EU](#)



Intellectual property in a 'No Deal'



Trade Marks & Designs

- ❖ Existing EU rights owned by UK right holders will continue to be valid in the EU 27
- ❖ Existing registered EU trade marks (EUTMs) and EU Registered Community Designs (RCDs) will receive new, equivalent UK rights
- ❖ UK businesses will continue to be able to protect new trade marks and designs in the EU through the EU and international systems
- ❖ Existing unregistered design rights will still be protected in the UK and EU
- ❖ New designs disclosed in the UK after EU Exit will be protected in UK under the supplementary unregistered design right, which terms mirror those of the Unregistered Community Design right



Copyright

- ❖ UK and EU copyright works will continue to receive reciprocal protection
- ❖ Some reciprocal cross-border copyright mechanisms e.g. arrangements that simplify the licensing of copyright content for use in cross-border services, will change or cease



Patents

- ❖ European patents will still be available in EU MS and UK as part of the non-EU European Patent Convention (EPC)
- ❖ Existing Supplementary Protection Certificates (SPCs) will continue to be valid in the UK
- ❖ SPCs held by UK right holders in the EU27 will be unaffected and UK right holders will still be able to apply for new SPCs in the EU27 under the current system
- ❖ Right holders will continue to be able to apply for SPC protection in the UK
- ❖ If the Unified Patent Court does not come into force at EU Exit, No changes are required for UK or EU businesses after EU Exit. The UK will explore staying in the Unified Patent Court and Unitary Patent system but may need to withdraw



Exhaustion

- ❖ Goods already put on the market before exit will remain exhausted
- ❖ In the short term, IP rights in parallel imports from the EEA into the UK will be exhausted in the UK pending further analysis and consultation.
- ❖ Businesses wishing to continue to parallel export goods from the UK to the EEA may need to check with owners of rights in the EEA.

Theme specific primer on GOV.UK: [Intellectual property](#)



European and domestic funding in a 'No Deal'



UK organisations receiving funding from the EU

- ❖ The government has guaranteed that it would cover all projects that would have been funded by the EU under the 2014-2020 programme period.
- ❖ UK organisations will continue to receive funding for ongoing EU projects where they bid successfully to the commission on a competitive basis before EU Exit, for the lifetime of the project.
- ❖ Funding for UK organisations who successfully bid to the European Commission to participate as a third country after Exit until the end of 2020 are covered by the extension to the HMG guarantee for the lifetime of the project



Specific funding programmes with funding guarantees

- ❖ The government will provide equivalent funding for:
 - UK participants in EU Horizon 2020 projects
 - UK bids to Euratom Research & Training until 2020
 - UK bids for European Social Funds and European Regional Development Funds until 2020
- ❖ Does not cover funding for other countries in a consortium with UK organisations
- ✓ Find out about a specific fund [here](#)



UK Shared Prosperity Fund

- ❖ The UKSPF will invest in the foundations of productivity as set out in our modern Industrial Strategy to support people to benefit from economic prosperity, especially in those parts of our country whose economies are furthest behind.
 - ❖ The new fund affords a fresh opportunity to spend money according to our own priorities rather than those set by the EU.
 - ❖ The UK government can cut out bureaucracy and deliver a simpler fund, which will be easier for local areas to access and cheaper for government to administer.
 - ✓ Businesses are encouraged to input into a consultation on UKSPF to be launched shortly
- Theme specific primer on GOV.UK: [European and domestic funding](#)



Public procurement in a 'No Deal'



New access routes and terms for contracts

- ❖ Businesses will need to use a new UK-based e-notification service to access those UK public-sector contract opportunities that would have been placed on OJEU TED
- ❖ Further details and guidance on the new UK-based e-notification service (Find a Tender) will be published on [gov.uk/euexit](https://www.gov.uk/euexit) before Exit day
- ✓ Use UK-based e-notification service to access UK public sector contracts
- ✓ UK business can still access to the Tenders Electronic Daily (TED) for EU contract opportunities

Theme specific primer on GOV.UK: [Public sector procurement](#)

Sources of information in this document

Importing, exporting and transporting : Classifying your goods in the UK Trade Tariff if there's no Brexit deal - [here](#) ; Partnership pack: preparing for changes at the UK border after a 'no deal' EU exit - [here](#) ; Commodity codes: Detailed guidance— [here](#); Border planning assumptions in the event of a no deal Brexit— [here](#) ; VAT for businesses if there's no Brexit deal - [here](#) ; Trading with EU if there's no Brexit deal - [here](#); Import VAT on parcels - [here](#)

Regulations and standards for goods and products: Information on key changes to timber trade in the event of a 'No Deal' - [here](#); Details of UK Timber and FLEGT regulation after EU Exit - [here](#); Regulating chemicals (REACH) if there's no Brexit deal - [here](#) ; Classifying, labelling and packaging chemicals if there's no Brexit deal - [here](#) ; Export and import of hazardous chemicals if there's no Brexit deal - [here](#); Trading goods regulated under the 'New Approach' if there's no Brexit deal - [here](#)

Employing EU citizens: Settled and pre-settled status for EU citizens and their families - [here](#) ; EU citizens' rights and Brexit -[here](#) ; The UK's future skills-based immigration system -[here](#) ; Apply to stay in the UK after it leaves the EU - [here](#); Providing services including those of a qualified professional if there's no Brexit deal- [here](#)

Using personal data: Data Protection Act 2018 - Factsheet Overview 2018 - [here](#); Data protection if there's no Brexit deal - [here](#) ; Leaving the EU six steps to take- [here](#)

Energy and climate: Meeting climate change requirements if there's no Brexit deal - [here](#) ; EU Emissions Trading System (ETS) - [here](#) ; Carbon Emissions Tax - [here](#) ; Trading electricity if there's no Brexit deal - [here](#) ; National Grid: How Code Administrators are preparing for Brexit - [here](#) ; Ofgem: Preparing for EU Exit: licence and industry code modifications - [here](#) ; Ofgem: No-deal EU exit REMIT contingency arrangements - [here](#)

Operating in the EU: Structuring your business - [here](#) ; Accounting and audit if there's no Brexit - [here](#)

Intellectual property: IPO guidance on IP and Brexit - [here](#) ; Changes to copyright law in the event of no deal - [here](#) ; Copyright if there's no Brexit deal - [here](#) ; IPO factsheet on IP and Brexit - [here](#) ; Trade marks and designs if there's no Brexit deal - [here](#) ; European Commission notice to holders of and applicants for European Union trade marks - [here](#); Patents if there's no Brexit deal - [here](#) ; Exhaustion of intellectual property rights if there's no Brexit deal - [here](#)

European and domestic funding: The government's guarantee for EU-funded programmes - [here](#) ; Horizon 2020 funding if there's no Brexit deal - [here](#) ; Horizon 2020 - Q&A - [here](#) ; Nuclear Research if there's no Brexit deal - [here](#) ; ESF grants if there's no Brexit deal- [here](#) ; European Regional Development Funding if there's no Brexit deal - [here](#)

Public procurement: Accessing public sector contracts if there's no Brexit - [here](#) ; EC notice to stakeholders in the field of public procurement - [here](#);