

# NO-DEAL GUIDANCE DASHBOARD - NOVEMBER 2019

The UK Government has advised firms to prepare for a 'no-deal' exit from the European Union. In order to plan for that unwelcome possibility, firms of all sizes and sectors need to understand exactly what conditions they will face and how to prepare their operations to be ready for day one of the UK's departure. The British Chambers of Commerce has evaluated the quality of official guidance to assess whether it provides sufficiently clear, complete, visible, timely and actionable information which businesses can use to prepare for change. **This is not an assessment of the impact of a no-deal exit, or a judgement on the desirability of the policy change in each case. It is an assessment of whether businesses can act on the basis of the guidance available.**

BCC has compiled the 36 questions most frequently raised by companies. Only 5 are marked green - the top rating for available information based on our quality criteria, 9 are red – indicating no information at all on which to plan, and 22 are amber - indicating that some information is available but there remain gaps and / or other quality issues to address.

CATEGORY	ISSUE	IN THE EVENT OF A NO-DEAL EXIT...	RAG
PEOPLE	ACCESS TO EU WORKFORCE	Will I be able to hire EU nationals in future and under what conditions?	Amber
	BUSINESS TRAVEL	Will business travel between the UK and the EU involve further administration, cost and visas?	Green
		Will staff spending longer than 90 out of 180 days in the EU be subject to further administration, costs or visas?	Amber
	STAFF TRANSFERS	Will my business be able to move skilled staff members between the UK and the EU after Brexit?	Red
FUNDING	EUROPEAN INVESTMENT BANK	Will UK projects be eligible for support from the EIB after Brexit?	Amber
	EU FUNDING	What will happen to committed EU funding in the event of no-deal? Will my company still be able to draw down cash?	Green
		How will the UK replacement for EU funds (UK Shared Prosperity Fund) work? How can my company access opportunities?	Red
TAX	IMPORT VAT	Will I need to pay VAT on goods at the point of import? Will I be able to use postponed accounting and have access to more generous deferment account terms to offset the cash flow issues?	Green
	SERVICES VAT	Will I need to become VAT registered in every EU member state where my firm has clients?	Amber
REGULATION AND CONTRACT FULFILLMENT	REGULATORY AGENCIES	Which regulator will be overseeing my business in the future, and what rules do I need to follow? Is the UK Government going to charge businesses for the creation of new regulatory agencies in the UK?	Amber
	NOTIFIED BODIES AND CONFORMITY ASSESSMENTS	Will conformity assessments on products conducted by a UK body continue to be sufficient for the product to be sold on the EU market? What happens to products placed on the EU market before Brexit? What happens to conformity assessment certificates issued before Brexit by a UK Notified Body? How do I transfer my certificate to an EU Notified Body?	Amber
		INDUSTRIAL STANDARDS	What industrial standards will my firm need to comply with in the future? Will the UK have a seat at the table to influence European standards (as is currently the case)?
	E-COMMERCE	If the UK loses 'Country of Origin Principle' (contained in the eCommerce Directive), will there be additional obligations for my business when selling to buyers in EEA states?	Amber



	ACCOUNTING	Will my business need to comply with new accounting and reporting requirements?	
	CERTIFICATION MARKS	Will my business need to use different certification marks on products?	
	DISPUTE RESOLUTION	If my business is in dispute with another in the EU, what form of resolution and means of redress will be available to my business after Brexit?	
<b>DIGITAL</b>	MOBILE ROAMING	Will my business have to pay mobile roaming charges in the EU after Brexit?	
	GDPR AND CUSTOMER DATA	Will my business continue to be able to hold and transfer data and personal information without any interruptions after Brexit?	
<b>TRADE</b>	TARIFFS	Where can I find information on tariffs? Will I be able to continue trading with the EU without tariffs in the future?	
		What tariffs will my company need to pay when importing goods to the UK from the EU and rest of the world? When will they become available?	
		When will the UK Government launch an official market access database to provide this information?	
	CONTINUITY OF EU FTAS	Will my company still have access to markets on the same terms as under EU FTAs once we have left the EU?	
		Will I be able to use the current trade preferences with all markets?	
		Will there be confirmation that I will be able to continue importing tariff-free goods from developing and least-developed countries under the generalised system of preferences (GSP) programme after Brexit	
	RULES OF ORIGIN	What rules of origin will I need to comply with after Brexit? Will I be able to count UK and EU content and processing as single origin both when trading with the EU and with third countries?	
	BUSINESS ENGAGEMENT	How will my business be able to contribute directly to future trade negotiations?	
AVIATION	Will I still be able to fly people and/or goods between the UK and the EU after Brexit day - or could travel be disrupted?		
<b>BORDERS</b>	CUSTOMS	Will my goods be subject to new customs rules, procedures and inspections at the UK or EU border in future? Could my shipments be held up and delayed? How will my lead times be impacted by new customs procedures?	
		What new registration requirements will be in place?	
		Will I need a duty deferment account and a Comprehensive Customs Guarantee (CCG) to continue to trade with the EU after Brexit?	
	INSPECTIONS	Will there be new health and safety requirements and inspections at the UK-EU border that my company will need to deal with? Where will the inspections be held?	
	DECLARATIONS	Will I need to do additional customs-related paperwork, including import and export declarations, when trading with the EU?	
		What system will I be using to input customs data - will HMRC's new Customs Declaration Service (CDS) be ready in time for Brexit?	
	TRUSTED TRADER SCHEMES	Will my business be able to become a 'trusted trader' to move quickly through borders in the future and what will the process be?	
IRELAND	What, if any, procedures will my company face trading cross-border between Northern Ireland and the Republic of Ireland?		
QUOTAS	What will be the UK quotas post Brexit? How can I apply for UK quotas? How will they be administered?		

# PEOPLE

ISSUE	IN THE EVENT OF NO-DEAL...	COMMENT ON OFFICIAL 'NO-DEAL' GUIDANCE	RAG
<p><b>ACCESS TO EU WORKFORCE</b>  <i>Without clear information on who they can hire, and the right to work requirements, businesses which need to recruit EU nationals in the period between EU exit and the introduction of the new UK immigration system may be forced to put recruitment plans on hold.</i></p>	<p>Will I be able to hire EU nationals in future and under what conditions?</p>	<p>The official guidance on the EU Settlement Scheme includes <b>toolkits and partnership packs</b>, and there are well-established mechanisms in place for engaging the business community. <b>Guidance</b> is also available on how EU citizens and their families can work in the UK, and employers' responsibilities, in the period between the UK leaving the EU and the introduction of the new UK immigration system.</p> <p>Immigration advice is a regulated area, so the implications of unclear government advice, and gaps in the system, could be costly for businesses that may feel they need to access professional help. <b>Official guidance</b> currently states that EU citizens resident in the UK before Brexit can stay and apply for Settled Status by 31 December 2020. EU citizens and family arriving after Brexit, who want to stay after 31 December 2020, can apply for European Temporary Leave to Remain (Euro LTR) and work/study for up to 36 months from the date it is granted. After this period, the new UK Immigration System applies. Some recent communications from the Home Office appeared to contradict official guidance, and this was subsequently followed by further revised <b>guidance</b> although this still does not answer all questions.</p> <p>To improve clarity and accessibility, all guidance for business relating to the employment of EU citizens and business travel should be available via a single government portal page. Government has confirmed that Euro TLR will not incur a fee and can be applied for from within the UK. There is an auto-alert service in place for policy changes in this area that should be replicated across all departments.</p>	<p>RAG</p>

## BUSINESS TRAVEL

*If businesses are unable to plan for additional travel requirements or delays, they may incur greater costs and miss out on business opportunities.*

*Businesses with customers or suppliers based in EU member states may need to send staff there on multiple occasions throughout the year, adding up to more than 90 out of 180 days. Unless firms know the cost and administrative implications of this, they may be unable to price contracts competitively.*

Will business travel between the UK and the EU involve further administration, cost and visas?

Guidance states restrictions to the time business visitors can spend in the EU (90 out of 180 days). It includes other travel changes e.g. to passports, carrying currency, healthcare and driving. On modes of transport, the guidance states that buses, coaches, flights, ferries, cruises, Eurostar and Eurotunnel will be able to run as before. Passenger rights will continue to be protected by the EU regulation which will be brought into UK law. There is also **guidance** for EU citizens visiting the UK.

Will staff spending longer than 90 out of 180 days in the EU be subject to further administration, costs or visas?

The **official guidance** on travelling to Europe indicates that a visa or permit may be required, and that cost and availability may differ depending on the rules of each member state, but the information is not yet available. It also provides links to where information on individual country requirements can be found once confirmed and advises businesses to check for updates.

## STAFF TRANSFERS

*Businesses need to be able to plan for workforce skills. Many firms regularly transfer staff between their UK and EU sites. Uncertainty over access, cost and administration could impact on the availability of skills, future investment and*

Will my business be able to move skilled staff members between the UK and the EU after Brexit?

There does not appear to be specific guidance on intra-company transfers for EU staff in the event of no-deal. Under current guidance, from day 1 of Brexit to 1 January 2021, EU citizens transferring to the UK could work for 3 months or apply for ETLTR for up to 36 months, but recent political statements have led to concern that this may change. The Immigration White Paper suggests there will be an ICT visa route for skilled workers but not for intermediate workers from January 2021. There is no clarity about UK staff transferring to the EU, beyond the 90-day allowance.

productivity, and may result in additional recruitment and training costs.

## FUNDING

ISSUE	IN THE EVENT OF NO-DEAL...	COMMENT ON OFFICIAL 'NO-DEAL' GUIDANCE	RAG
<p><b>EUROPEAN INVESTMENT BANK</b>  <i>The European Investment Bank lends billions to UK firms and public organisations.</i></p>	<p>Will UK projects be eligible for support from the EIB after Brexit?</p>	<p>The UK Government published a clear statement on the implications for business funding applications into the EIB and European Investment Fund (collectively 'EIBG') in the event of no-deal. It states: 'When the UK leaves the EU, the UK will no longer be a member of the European Investment Bank Group (EIBG) as it will no longer be a member state. Therefore, UK businesses will no longer be eligible to apply for loans from the Bank.' 'Any organisation that has received financing for a UK project from the EIBG should be aware that the Group's operating rights for such projects are preserved... Therefore, existing UK project contracts should be protected, and organisations do not need to take any action.' What is less clear is the status of live funding applications in this scenario and how domestic mechanisms will meet the funding and expertise gap left by EIBG (e.g. the £200m boost to the British Business Bank is for one year only). Official guidance also fails to bring together all these points in a single place making it difficult for businesses to have a complete overview of the government-backed funding landscape and how a no-deal would affect it.</p>	

## EU FUNDING

*EU monies drawn down by the UK form part of the funding mix for economic development and business support programmes. The European Structural and Investment Fund (ESIF) allocation to the UK is worth around £15bn for the current funding period. In the absence of a replacement, there is the potential for a large funding gap for programmes and schemes.*

What will happen to committed EU funding in the event of no-deal? Will my company still be able to draw down cash?

The **official guidance** on EU funding states that the UK Government has guaranteed all EU funding agreed before a no-deal exit, and the information has been clearly cascaded to the organisations that manage the relevant monies in the UK. The guarantee is partial, extending only to UK organisations and not their project partners in the EU.

How will the UK replacement for EU funds (UK Shared Prosperity Fund) work? How can my company access opportunities?

The UK Government guarantees on ESIF do not resolve the issue of what replaces EU funding streams in the future to close the substantial funding gap that would emerge. As of September 2019, the UK Government had not launched a public consultation on the design of the UK Shared Prosperity Fund (SPF) - the working title of the domestic replacement for ESIF - despite repeated assurances to the business community that one would be held in 2018. The delay to the public consultation means that there is no official statement that lays out the operational details of the fund. A report by the House of Commons Library, published in May 2019, stated that the Government still needed to decide the most basic features of the ESIF replacement, from scale, priorities and objectives, to how it would be dispersed geographically.

## TAX

ISSUE	IN THE EVENT OF NO-DEAL...	COMMENT ON OFFICIAL 'NO-DEAL' GUIDANCE	RAG
<b>IMPORT VAT</b> <i>Under the current system, firms trading with the EU report every quarter on what they have imported and exported, with a VAT bill calculated after. Without clear facilitations, the risk facing</i>	Will I need to pay VAT on goods at the point of import? Will I be able to use postponed accounting and have access to more generous deferment account terms to offset the cash flow issues?	The <b>official guidance</b> on VAT for business published in August 2018, states that: 'If the UK leaves the EU without an agreement, the Government will introduce postponed accounting for import VAT on goods brought into the UK. This means that UK VAT registered businesses importing goods to the UK will be able to account for import VAT on their VAT return, rather than paying import VAT on or soon after the time that the goods arrive at the UK border. This will apply both to imports from the EU and non-EU countries.' This is the same system that is currently in place for intra-EU trade. In our view the	



<p><i>business is the need to pay VAT at the point of each cross-border transaction, creating a significant cash flow and competitiveness problem for many.</i></p>		<p>official guidance provides enough clarity and this measure will reduce the cash-flow burden on UK businesses and gives much-needed certainty on this critical business area.</p>	
<p><b>SERVICES VAT</b> <i>The absence of schemes such as VAT MOSS would leave business with the administrative and cost burden of having to register for VAT in up to 27 other EU member states.</i></p>	<p>Will I need to become VAT registered in every EU member state where my firm has clients?</p>	<p>The <b>official guidance</b> on VAT for business published in August 2018, states that: the main VAT ‘place of supply’ rules will remain the same for UK businesses. The current ‘place of supply’ rules determine the country in which you need to charge and account for VAT. These rules are in line with international standards set out by the OECD. The rules around ‘place of supply’ will continue to apply in broadly the same way that they do now. Areas of potential change are also highlighted by the <b>official guidance</b>. If the UK leaves the EU without an agreement, businesses that sell digital services to consumers in the EU will be able to register for the MOSS non-union scheme. However, while detail of changes is provided in some areas, such as for those using VAT Moss, there remains a lack of clarity in other areas such as for UK businesses supplying insurance and financial services.</p>	

## REGULATION AND CONTRACT FULFILLMENT

ISSUE	IN THE EVENT OF NO-DEAL...	COMMENT ON OFFICIAL ‘NO-DEAL’ GUIDANCE	RAG
<p><b>REGULATORY AGENCIES</b> <i>There are 90 regulators operating in the UK covering thousands of regulations derived either from UK law or EU law. Any uncertainty around what rules a</i></p>	<p>Which regulator will be overseeing my business in the future, and what rules do I need to follow? Is the UK Government going to charge businesses for the creation of new regulatory agencies in the UK?</p>	<p>The official guidance on regulatory agencies is split across several websites, including gov.uk, HSE and FCA, so businesses need to search for their specific regulatory agency to get information. There does not yet appear to be a single portal for businesses to answer regulatory queries.</p>	

*business needs to follow or which regulator a business needs to speak to could be highly damaging, and in many cases, could cause businesses to cease trading immediately.*

## **NOTIFIED BODIES AND CONFORMITY ASSESSMENTS**

*A Notified Body is an organisation that assesses the conformity of products so they can be placed on the EU market. In a no-deal situation, UK Notified Bodies issuing conformity assessment certificates will no longer be considered to be the EU Notified Bodies and will no longer be able to perform assessments for the purpose of the EU market. Businesses without a valid certificate might be unable to continue trading on the EU market.*

Will conformity assessments on products conducted by a UK body continue to be sufficient for the product to be sold on the EU market? What happens to products placed on the EU market before Brexit? What happens to conformity assessment certificates issued before Brexit by a UK Notified Body? How do I transfer my certificate to an EU Notified Body?

Although official guidance on conformity assessment is available, it is not easy enough to find from the official Brexit page. The [official guidance](#) states that almost all conformity assessment bodies in the UK will have their status automatically converted. The language is technical and no clear action points are listed for businesses.

The [official UK guidance](#) on UK Conformity Assessment certification mark is available but is hard to locate from the Brexit homepage. The guidance notes that the CE marking will only be accepted in the UK for a limited time after Brexit. The EU no-deal guidance advises to ensure that existing conformity assessment certificates will be either transferred or reapplied for under the supervision of an EU Notified Body. For more please see the EU official guidance available [here](#).

## INDUSTRIAL STANDARDS

*The application of industrial standards – often designed internationally – allows UK businesses to comply with regulations, avoid product failures or recalls, and enable entry to new markets. A lack of input into the design of standards or a divergence in standards could significantly reduce the competitiveness of UK firms and create uncertainty when trading internationally.*

What industrial standards will my firm need to comply with in the future? Will the UK have a seat at the table to influence European standards (as is currently the case)?

The British Standards Institute (BSI) has published **information** about standards in the event of no-deal. BSI's memberships of the International Organization for Standardization (ISO) and the International Electrotechnical Commission (IEC) are unaffected by Brexit. On its membership of the European standards organisations CEN and CENELEC: a transition period will start at the point the UK leaves the EU (even in a 'no-deal' scenario), until the end of 2020. The BSI is working with its European partners to ensure that BSI can continue its membership of both organisations on a permanent basis.

## ECOMMERCE

*Current EU rules on ecommerce have sought to reduce cross-border delivery costs for EU customers, prevent geo-blocking, and allow firms to register for a .eu domain. A lack of clarity in application of these rules to the UK could reduce the competitiveness of UK ecommerce firms looking to sell to European customers.*

If the UK loses 'Country of Origin Principle' (contained in the eCommerce Directive), will there be additional obligations for my business when selling to buyers in EEA states?

The **official guidance** on the eCommerce Directive covers what the directive is, what the 'country of origin principle' is and lists several action points for online service providers. However, these action points are quite high-level and point to the Directive for further details. One action point is for businesses to determine their 'place of establishment' to understand whether they will be impacted by the loss of the Country of Origin Principle. Other action points include recommendations that businesses 'check compliance issues', 'ensure existing processes are in place for ongoing compliance' and 'consider legal advice'.

## ACCOUNTING

*The EU Accounting Directive currently sets the rules that UK companies must follow when preparing financial statements. This directive was introduced in 2013 so changes to the rules could incur upheaval costs for UK businesses, particularly for SMEs who may not have in-house accounting expertise.*

Will my business need to comply with new accounting and reporting requirements?

The **official guidance** on accounting and reporting requirements states that these changes will affect a small number of companies and lists out actions for UK incorporated companies and EEA companies. While there isn't much background on the changes, the actions for businesses are generally clear and concise. A key action point is for businesses to use 'UK-adopted International Accounting Standards' rather than 'EU-adopted IAS'. However, there is no link out for further information on this.

## CERTIFICATION MARKS

*Under the current system, certain products (such as medical devices, toys, and machinery) must carry a CE marking to demonstrate compliance with EU safety, health and environmental requirements. A change in the type of certification marks that firms must use could incur significant transition costs as production equipment would need to be adapted to carry a new mark.*

Will my business need to use different certification marks on products?

The **official guidance** on certification marks is contained within wider guidance on trademark law, and highlights what certification marks are, and what the UK Government intends to do, but no clear action points are listed for businesses.

**DISPUTE RESOLUTION**  
*The UK Government has said that it will seek to end the 'direct jurisdiction' of the Court of Justice of the European Union. This means businesses have uncertainty about a future system. UK businesses that are buying from or selling to the EU need to be completely confident that there is a clear and consistent dispute resolution system in place that protects and enforces their rights.*

If my business is in dispute with another in the EU, what form of resolution and means of redress will be available to my business after Brexit?

The **official guidance** on dispute resolution is contained in wider information on consumer rights. It states that while 'most businesses will not need to take any action except to continue to comply as normal with UK consumer law', there will be changes to rules on selling to the EU, cross border enforcement, alternative dispute resolution and online dispute resolution. On the latter, the guidance simply states that 'businesses and consumer will no longer be able to use the online dispute resolution platform after Brexit', without any further information. No clear action points are listed for businesses.

## DIGITAL

ISSUE	IN THE EVENT OF NO-DEAL...	COMMENT ON OFFICIAL 'NO-DEAL' GUIDANCE	RAG
<p><b>MOBILE ROAMING</b>  <i>In 2017, the EU abolished mobile phone roaming charges for citizens travelling within the EU. UK businesses with a physical presence in the EU or those employing staff travelling between the</i></p>	<p>Will my business have to pay mobile roaming charges in the EU after Brexit?</p>	<p>The <b>official guidance</b> on mobile roaming highlights that mobile roaming charges would potentially be applied but that the operators have not yet made a decision about whether to apply charges.</p>	



*UK and EU will need to know the status of roaming charges to review mobile phone contracts and avoid new costs.*

**GDPR AND CUSTOMER DATA**

*GDPR applies to all companies in the EU and any that trade with the EU. In a no-deal scenario, the UK will become a 'third country' and the transfer of data with the EU will face stricter rules. Compliance with GDPR has already been a time-consuming and costly process for many UK businesses, and if no EU-UK data transfer agreement is made, UK firms may face new compliance costs for additional restrictions.*

Will my business continue to be able to hold and transfer data and personal information without any interruptions after Brexit?

The Information Commissioner's Office **guidance** on GDPR is detailed, and the ICO have made a significant effort to simplify complex subject matter and route users through a triage tool. However, the guidance would still probably need interpretation for non-specialists, particularly small businesses without in-house IT capability. The guidance is hosted on the ICO website, rather than the government portal, so could cause some confusion to firms not familiar with the ICO.

# TRADE



ISSUE	IN THE EVENT OF NO-DEAL...	COMMENT ON OFFICIAL 'NO-DEAL' GUIDANCE	RAG
<p><b>TARIFFS</b>  <i>Duties payable on internationally traded goods contribute to the cost of buying and supplying products. They affect pricing decisions, margins - even the choice of business location and the geography of supply chains. Without certainty around tariffs, long-term business investments are put off, firms struggle to price and evaluate contracts, and mitigations (like forward-buying ahead of Brexit) tie up cash that could be used to grow the business.</i></p>	<p>Where can I find information on tariffs? Will I be able to continue trading with the EU without tariffs in the future?</p>	<p>The <b>official guidance</b> on tariffs highlights the need to check for updates on tariffs but fails to clearly direct businesses to where they need to check the tariffs on exports to the EU: i.e. <b>TARIC</b> or the UK tariff lookup tool.</p>	
	<p>What tariffs will my company need to pay when importing goods to the UK from the EU and rest of the world? When will they become available?</p>	<p>In March 2019, the UK Government published details of the UK's temporary tariff regime in the event of no-deal. The guidance states that the: "regime is temporary, and the Government would closely monitor the effects of these tariffs on the UK economy. It would apply for up to 12 months while a full consultation and review on a permanent approach to tariffs is undertaken.</p> <p>In October 2019, 3 specific amendments were made to the schedule:</p> <ul style="list-style-type: none"> <li>• lower tariffs on HGVs entering the UK market,</li> <li>• adjust tariffs on bioethanol to retain support for UK producers, as the supply of this fuel is important to critical national infrastructure,</li> <li>• apply tariffs to additional clothing products to ensure the preferential access to the UK market currently available to developing countries (compared to other countries) is maintained.</li> </ul> <p>Under the temporary tariff, 88% of total imports to the UK by value would be eligible for tariff free access. The guidance provides a sufficient level of detail for those goods that would be subject to tariffs, and also states that goods not listed will have a zero-duty rate. However, the information was not provided in a timely fashion with it only available just 3 weeks to go before the (now previous) possible no-deal exit date of 31st October 2019.</p>	
	<p>When will the UK Government launch an official market access database to provide this information?</p>	<p>There is no official guidance on a market access database, despite the Department for International Trade stating a full database would be live before 31st October 2019. In addition, the UK might lose access to significant parts of the EU Market Access Database, which are only available for EU Members.</p>	

## CONTINUITY OF EU FTAS

*'Trade preferences' relate to favourable duty rates and other measures that facilitate market access to other countries and vice-versa. A lack of clarity over market access arrangements affects everything from the price competitiveness to the viability of UK involvement in international supply chains.*

Will my company still have access to markets on the same terms as under EU FTAs once we have left the EU?

The **official guidance** on FTAs confirms that EU trade agreements with third countries will cease to apply to the UK when it leaves the EU, and that without continuity arrangements to maintain preferences, trade will take place on WTO terms. The guidance also highlights that a number of agreements have been signed or agreed in principle. However, there remains a significant degree of uncertainty over which of the continuity agreements will be in place on day one of a no-deal as some of them might not be ratified and implemented on time. In addition, the text of the agreements that have been reached is not always made available or is made available with significant delays (e.g. South Korea). As such companies are not able to check what, if any, differences in crucial areas exist between the EU and rolled-over deals.

Will I be able to use the current trade preferences with all markets?

Although the **official guidance** highlights the differences between where there is a continuity agreement and the implications of no-deal, there is not an explicit reference to any changes in trade preferences. There is also lack of clear information on the progress of negotiation with other countries. Only in a few cases, for example Japan and Turkey, was there clear information provided that no trade agreement would be reached before the previous Brexit deadline of 31st October 2019. In other cases, the guidance states that engagements are ongoing.

Will there be confirmation that I will be able to continue importing tariff-free goods from developing and least-developed countries under the Generalised System of Preferences (GSP) programme after Brexit?

The **official guidance** clearly confirms that the EU's Generalised Scheme of Preferences (GSP) for developing countries will no longer apply to the UK. Specifically, the guidance states that: the UK Government will implement its own independent GSP scheme on day one of a no-deal exit, with its own administration arrangements – but will aim to retain much of the same existing administration arrangements as the EU. However, the guidance provides no detail of the new independent GSP scheme. This also includes rules of origin that products coming from these developing countries will need to comply with nor documentation that will need to be provided.

## RULES OF ORIGIN

*Rules of origin stipulate how the product needs to be*

*produced/manufactured to qualify for preferential tariff rates under various trade agreements.*

*Currently, UK companies can export to third countries with which the EU has a free trade agreement and qualify for preferential rates based on the value added or processing undertaken in the EU and vice versa. In the event that the UK is able to roll-over third country agreements, in some cases UK producers will still be able to include EU inputs and processing to qualify for preferential treatment. This is unlikely to apply under all deals. It is unlikely that the EU will take the same approach and allow EU companies to obtain inputs and process in the UK for their*

What rules of origin will I need to comply with after Brexit? Will I be able to count UK and EU content and processing as single origin both when trading with the EU and with third countries?

The **official guidance** on rules of origin provides little clarity apart from stating that the rules of origin in transitioned agreements will enable UK businesses to continue to operate as much as possible through their established value and supply chains, including continuing to make use of EU content in their exports to one another. Guidance also notes that some trade continuity agreements will allow for EU components and materials to be recognised in the exports between the countries in the agreement. However, it does not provide for any party's direct trade with the EU. It also doesn't clarify if any talks with the EU have taken place and whether the UK Government has any indication whether the EU might take the same approach. The official guidance does not provide links to rules of origin under the new trade agreements. Further support is needed to help companies find the rules of origin that might apply under the rolled-over agreements and details on origin documentation that might be required. The guidance also does little to direct businesses to trusted third parties, such as local Chambers of Commerce, who can provide crucial support and guidance in this area.

*exports. A lack of clarity here cuts across the ability of UK companies and their customers to plan ahead and could influence business location and supply-chain decisions.*

**BUSINESS ENGAGEMENT**

*The shifting of trade competences from the EU to the national level represents a need for a new mechanism to engage businesses and other key stakeholders as the UK creates an independent trade policy and negotiates new trade agreements. This will ensure that the future UK trade strategy captures the needs, expectations and expertise of British businesses of all sizes,*

How will my business be able to contribute directly to future trade negotiations?

The **official guidance** on how businesses can engage in the development of future trade policy references open public consultations in the pre-negotiation phase to inform the overall approach and the development of negotiating objectives.

The UK Government has created the Strategic Trade Advisory Group (STAG) to seek expert insight and views on relevant trade policy matters and the Expert Trade Advisory Groups (ETAGs), to bring together stakeholders with relevant expertise in particular industries or sectors.

*sectors and regions, and strengthen the UK's position in future trade negotiations.*

**AVIATION**

*Any disruption to international transport, either for transporting goods or people can lead to loss of business, the cost of delays and interruption to services in the UK that rely on these movements*

Will I still be able to fly people and/or goods between the UK and the EU after Brexit day - or could travel be disrupted?

The **official guidance** on aviation sets out the UK's position on reciprocity of rights for airlines from EU countries, and the basis on which flights will continue in the event of no-deal. However, the guidance also notes that this agreement is based on 'reciprocity' from EU countries and doesn't provide confirmation that this has happened yet. The guidance currently states that: a final version of the draft regulation has been provisionally agreed by the EU and that this is expected to be confirmed by the Council and the European Parliament shortly.

# BORDERS

ISSUE	IN THE EVENT OF NO-DEAL...	COMMENT ON OFFICIAL 'NO-DEAL' GUIDANCE	RAG
<p><b>CUSTOMS</b>  <i>To maintain cross-border trade flows with the EU, there will be new registration requirements in a no-deal scenario. Companies will need to comply with new rules and requirements. Additional procedures and checks might be required at the UK/EU border. With many thousands of businesses facing the same requirements, and under time pressure, the potential is huge for a customer service backlog and queues at the border- a potential that will only grow with the complexity of processes and requirements. Uncertainty over lead times impacted by new border</i></p>	<p>Will my goods be subject to new customs rules, procedures and inspections at the UK or EU border in future? Could my shipments be held up and delayed? How will my lead times be impacted by new customs procedures?</p> <p>What new registration requirements will be in place?</p>	<p>The <b>official guidance</b> on customs confirms the free circulation and movements of goods between the UK and EU would end in the event of no-deal. Transitional Simplified Procedures were announced earlier in the year to help businesses import into the UK. Announcements of new customs systems and facilities in Dover and Calais have been made. The Government has also announced that it will prioritise flow over revenue and that it will not penalise traders for genuine error resulting from confusion. However, as yet the guidance provides no firm details on how customs enforcement might be executed in practice. The guidance merely states that: the potential of customs checks to cause delays at the border will depend on how new policies are implemented in practice, customs checks are typically risk-based rather than universal. The rate of duty that must be paid on your goods will depend on three elements - the type of goods, the country the goods are being imported into and where they are judged to have 'originated' from. No clear action points are listed for businesses. It is uncertain how the potential delays at the border will be handled.</p> <p>The official guidance confirms that businesses will need to apply the same procedures to EU trade that apply to trading with the rest of the world in the event of no-deal. Businesses will need an EORI number: VAT-registered businesses will automatically be issued with a UK EORI number from HMRC but those that are not VAT-registered and trade with the EU will need to apply for a UK EORI number. Although an EORI Myth-buster document has been published which has technically correct information, there are issues with the structure and content of the document that is likely to lead to some confusion as to which UK businesses will require both a UK and an EU EORI number.</p>	<p>RAG</p>

*processes has led some businesses to stockpile components, which in turn has hit cashflow and put pressure on the availability of warehousing space. To plan ahead effectively, businesses need to know which registrations will be required and how various procedures to simplify customs arrangements will operate.*

HMRC have announced that they have automatically enrolled VAT-registered businesses who import from the EU into the TSP scheme which the BCC called for. There guidance for firms to apply TSP who are not registered for VAT. The guidance provides details on Authorised Economic Operator status that aim to simplify the process, including information required and time needed.

Will I need a duty deferment account and a Comprehensive Customs Guarantee (CCG) to continue to trade with the EU after Brexit?

The **official guidance** provides some clarity on whether a business will need a deferment account and a Comprehensive Customs Guarantee. For example, the guidance states that if you have customs duties, excise duties or import VAT to pay, you will need to have your own duty deferment account or access to an agent's deferment account to import goods. If you are using either Transitional Simplified Procedures or customs freight simplified procedures the same conditions are likely to apply. However, there remain some gaps in the guidance, for example when a business needs to have secured a financial guarantee from an approved financial institution to cover the amount of duty they defer. Furthermore, guidance on tariffs, import VAT and excise duties is not complete.

## **INSPECTIONS**

*Goods arriving into the UK from outside the EU are subject to healthy and safety procedures and vice versa. Were these to be applied to goods at the UK-EU border they would - at least for the medium term -*

Will there be new health and safety requirements and inspections at the UK-EU border that my company will need to deal with? Where will the inspections be held?

The **official guidance** on health and safety requirements includes changes for imports of animals, animal products, food and feed into the UK. For example, importers from non-EU countries to the UK (with the exception of Switzerland, Norway or Liechtenstein), will no longer have access to the EU's import system and instead will need to use a new UK system called IPAFFS. The **guidance** also notes that an increased number of checks are expected. The **guidance** also provides a link to EU Approved Border Inspection Posts (BIP) in the first EU country reached. However, the guidance doesn't clearly specify where and how the checks will operate. New information on the location of health and safety checks in

*affect the throughput of freight at ports, could create bottlenecks in surface access to transport gateways and have widespread impacts on the logistics and costs of moving goods between customers and suppliers for the goods these checks apply to as well as potentially the overall flow of goods. Time-sensitive industries, such as perishables or manufactures in just-in-time supply chains would see the biggest impacts.*

Calais are being shared with the public but the official guidance has not been updated.

## **DECLARATIONS**

*Processing customs declarations is a key part of the administration of international trade and to the timely supply and receipt of goods. There will be a significant increase in the number of customs declarations required between the EU and the UK.*

Will I need to do additional customs-related paperwork, including import and export declarations, when trading with the EU?

The official guidance on declarations clearly confirms that businesses importing goods from the EU will be required to follow customs procedures in the same way as when importing goods from a country outside the EU - an import declaration will be required, customs checks may be carried out and any customs duties must be paid. Similarly, for exports to the EU, a customs declaration must be made ensuring that any export licencing or special procedures are followed. The TSPs are available for any UK-registered company wishing to take advantage. However, the official guidance does not fully clarify how the TSPs will operate in practice and how to deal with a number of outstanding issues. For example, mixed consignments of TSP and non-TSP goods.

<p><i>For many businesses this will be the first time they will submit customs documentation. Issues with IT systems, speed of processing of declarations and delays resulting from companies not being ready and not having the correct information to provide to brokers might lead to delays.</i></p>	<p>What system will I be using to input customs data - will HMRC's new Customs Declaration Service (CDS) be ready in time for Brexit?</p>	<p>While the official guidance also outlines how to prepare for the Customs Declaration Service (CDS), it provides little clarity on timing for the switch from CHIEF to CDS. For the time being CHIEF will be used for import and export declarations.</p>	
<p><b>TRUSTED TRADER SCHEMES</b> <i>The current AEO scheme offers some financial benefits and limited trade facilitation benefits for certified companies. If a new trusted trader scheme was to be implemented by the UK, such a scheme could provide additional benefits depending on how it would be applied.</i></p>	<p>Will my business be able to become a 'trusted trader' to move quickly through borders in the future and what will the process be?</p>	<p>The <b>official guidance</b> is on the current EU trusted trader scheme - Authorised Economic Operator (AEO). It is uncertain whether in the event of no-deal the UK will maintain the current AEO scheme or introduce a newer version of it. It is also uncertain what benefits would such a new scheme have under the new customs arrangements. Finally, it is uncertain whether the EU and the UK would mutually recognise each other trusted trader schemes or would benefits only apply on one side of the border.</p>	
<p><b>IRELAND</b> <i>Following Brexit, the NI-ROI border would become the sole land-based frontier between the UK and the EU.</i></p>	<p>What, if any, procedures will my company face trading cross-border between Northern Ireland and the Republic of Ireland?</p>	<p>The official guidance only sets out the UK Government's approach to avoiding a hard border between Northern Ireland and the Republic of Ireland, confirming a strictly unilateral, temporary approach to checks, processes and tariffs in Northern Ireland, and that the UK would not introduce any new checks or controls on goods. The guidance is vague and provides little actionable information for business.</p>	

*It is a complex frontier, over 300 miles long and with around 270 road-crossings. It is traversed daily by thousands of businesspeople, hauliers, consumers and employees in support of cross-border economic activity. The majority of businesses trading across this border are SMEs. Disruption to this would have major economic and political implications.*

#### **QUOTAS**

*Quotas are limits on the quantity of a good that can be imported or exported during a specified time period under a specific duty rate. Amounts imported outside the quota limits are usually subject to particularly high tariff rates designed to protect the domestic market. For the affected businesses lack of clear procedures around quotas might lead to*

What will be the UK quotas post Brexit? How can I apply for UK quotas? How will they be administered?

The guidance has not been updated since April 2019.

The **official guidance** provides some information on how to find a customs agent or a freight forwarder and what types of representation exist. However, it does not address the availability shortages.

*shortages or significant cost increase.*