



BUSINESS BREXIT CHECKLIST- 1 March 2019

This checklist has been created to help you consider the changes that Brexit may bring to your firm, and to help business planning at both operational and Board levels.

The UK's impending departure from the European Union will bring change for businesses of every size and sector.

While some companies are planning for the challenges and opportunities ahead, Chambers of Commerce believe that all firms – not just those directly and immediately affected – should be undertaking a Brexit 'health check', and a broader test of existing business plans. Time spent thinking through the changes that Brexit may bring to your firm could yield real dividends in future.

There are steps that businesses of all sizes can take now to start planning ahead. Recent Chamber surveys have asked:

- Have you / your management team devoted time to considering the potential consequences of Brexit – direct or indirect – on your businesses?
- If you have one, have you consulted with your Board of Directors on Brexit – or scheduled an opportunity to do so?
- Have you mapped your supplier and customer base – and considered how changes in the UK-EU trade relationship could affect them?

Have you checked to see if your sector is included in the planning notices issued by the UK Government and European Commission? Find more at <https://www.britishchambers.org.uk/page/brexit/business-brexit-checklist/sectors> & www.ec.europa.eu/info/brexit/brexit-preparedness/preparedness-notices_en

The checklist below has been prepared in response BCC research on business preparation, and in response to member queries and the information available from government. We hope you find it useful as a basis for business planning at both operational and Board level. For further information and government guidance links, please visit <https://www.britishchambers.org.uk/page/business-brexit-checklist>.

Your firm doesn't have to navigate Brexit alone. Contact your local accredited Chamber of Commerce to find out how your Chamber can support you.



Have you considered the following? – February 2019

Workforce



What percentage of your UK workforce is from the EU27? Do your staff know the next steps to take to register as an EU citizen working in the UK? What can you do to help retain skills and labour?

What will be your skills and labour needs over the next few years? Will you need to hire someone from outside the UK? What steps will you need to take to hire them? Could different arrangements (remote working) be feasible for your business?

Cross-Border Trade



What customs procedures do you comply with for trade with non-EU markets? Are you ready, if the need arises, to apply these to imports from or exports to the EU?

How resilient is your supply chain to potential border delays? Do any contracts you have include penalties for late delivery?

Do you know the HS codes (international classification system) for your products? Do you know the EU MFN tariff that is applicable for your product?

If the UK and the EU do not reach an agreement that removes all tariffs, what would the impact of the MFN tariff be on your cost base?

If you are a supplier, has your customer asked you to provide proof of where you source your content? Would you be able to provide it if asked? If you buy your components from local suppliers, have you thought about conducting an audit of where they source their materials?

Do you import or export using lower duty rates ('preferences') provided by the EU's existing trade agreements? How might changes to, or the ending of, these preferential rates impact you?

Have you considered applying as an Authorised Economic Operator? Will your business handle new Customs and Safety and Security Declarations in-house or with a third-party?

Do you have a member of staff knowledgeable in customs and export? Would it be valuable to train a member of staff in this area?

Has your business registered for an EORI number to continue trading with the EU in the event of a no deal?

Are you familiar with INCOTERMS?

Taxation / VAT



Do you know which country would be best suited to support your supply chain to EU customers/suppliers? Do you have access to bank guarantees required by Fiscal Representatives? Does your business model allow enough margin to absorb the increased costs these new processes will bring?

Currency/Intellectual Property/Contract



What currency are you being paid in? Have you considered the possibility of further currency movements, and how this might affect existing and future contracts?

Do you own any Intellectual Property rights? Have you contacted trademark bodies / solicitors / IP advisors on how to protect your intellectual property after March 2019?

Do your contracts refer to any terms that should be reviewed in light of the UK leaving the EU? Do they make references to the UK being a member state/to the EU? Does your contract rely on EU regulation applicable to contractual arrangements?

Which regulatory agencies do you work with? What steps might you need to take to comply with separate UK and EU regulators in the future?

Do you know if the EU's eCommerce Directive is relevant to your business?

Does your business operate any websites with a '.eu' domain name registration?



WORKFORCE

AREA	CONTEXT	TO CONSIDER/TAKE ACTION	Y/N
Workforce and future skills needs	<p><i>Under the Withdrawal Agreement, EU nationals and their family members who have lived in the UK for at least five years by 31 December 2020 will be able to apply for UK Settled Status. Those who have been here for less than 5 years, can apply for Pre-Settled status until they meet the full criteria. The EU Settlement Scheme will open fully by 30 March 2019 and the deadline for applying will be 30 June 2021.</i></p> <p><i>If the UK leaves the EU without a deal: The deadline for EU nationals to apply for settled status would be 31 December 2020.</i></p> <p><i>EU citizens arriving in the UK on or after 30 March 2019, for a visit of up to three months, will not require a visa and may continue to enter the UK, and evidence their right to work, using a valid passport or identity card.</i></p> <p><i>EU citizens who wish to stay in the UK longer than 3 months, and up to 36 months, will need to make an application for European Temporary Leave to Remain.</i></p> <p><i>EU citizens who wish to stay for longer than 36 months will need to apply and qualify under the terms of the UK's new skills-based immigration system, which will begin from 1 January 2021.</i></p>	<p>What percentage of your UK workforce is from the EU27? Do your staff know the next steps to take to register as an EU citizen working in the UK? What can you do to help retain skills and labour?</p> <p>The Home Office has published an Employer Toolkit which covers the key details of the EU Settlement Scheme, information and materials with which to support affected staff and their families: www.gov.uk/guidance/status-of-eu-nationals-in-the-uk-what-you-need-to-know</p> <p>What can you do to support staff applying for the EU Settlement Scheme? Signpost them to further information and regular email updates from the Home Office: https://gov.smartwebportal.co.uk/homeoffice/public/webform.asp?id=67&id2=627DF7</p> <p>The UK's EU Settlement Scheme will be open between March 2019 and 30 June 2021 and your staff can sign up for email updates: https://gov.smartwebportal.co.uk/homeoffice/public/webform.asp?id=67&id2=627DF7</p> <p>The Government has published a policy paper explaining how the EU Settlement scheme would operate in the event of a 'no deal' EU exit: https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/762222/Policy_paper_on_citizens_rights_in_the_event_of_a_no_deal_Brexit.pdf</p> <p>The government has announced arrangements for EU citizens arriving in the UK in the event that the UK leaves the UK on 29 March without a deal and before the new skills-based immigration system is introduced at the beginning of 2021. https://www.gov.uk/government/news/government-outlines-no-deal-arrangements-for-eucitizens</p>	
Future staffing requirements	<p><i>Further ahead, there will be changes to the UK's immigration regime. The British Chambers of Commerce is advising the Home Office on this, using feedback from across the UK Chamber Network.</i></p>	<p>What will be your skills and labour needs over the next few years? Will you need to hire someone from outside the UK? What steps will you need to take to hire them? Could different arrangements (remote working) be feasible for your business?</p> <p>Consider how your future travel to the EU for the servicing of contracts or other purposes may be affected. Check the non-EEA visa requirements for the country you are visiting: www.gov.uk/foreign-travel-advice.</p>	

If you transfer staff between businesses in your group, or run a graduate training scheme, restrictions may apply. Current non-EEA Intra Company Transfers fall under the UK's Tier 2 sponsorship arrangements, with regulatory and record keeping requirements for employers: www.gov.uk/uk-visa-sponsorship-employers.

Are you and your employees aware of changes to UK passport rules for travel to Europe in the event of a no deal? UK Government guidance on passport rules after Brexit: Passport rules for travel to Europe after Brexit. <https://www.gov.uk/guidance/passport-rules-for-travel-toeurope-after-brexit>

The future skills-based immigration system white paper sets out the government's plans to introduce a new single immigration system, from January 2021, ending free movement. <https://www.gov.uk/government/publications/the-uks-future-skills-based-immigration-system>



CROSS- BOADER TRADE

Area	Context	To consider/ Take Action	Y/N
UK/EU customs checks	<p><i>As a 'third country', UK exporters to the EU after Brexit may in future be required to make customs declarations.</i></p>	<p>What customs procedures do you comply with for trade with non-EU markets? Are you ready, if the need arises, to apply these to imports from or exports to the EU?</p> <p>HMRC has published an information pack to help businesses plan ahead plan for the contingency of a 'no deal' EU Exit. The pack includes guidance on how Customs and Excise could be affected and actions to take now. Information is split by topic and audience, and flowcharts: www.gov.uk/government/publications/partnership-pack-preparing-for-a-no-deal-eu-exit</p> <p>See the UK Government's technical notice on trading with the EU if there's no Brexit withdrawal agreement: www.gov.uk/government/publications/trading-with-the-eu-iftheres-no-brexite-deal</p> <p>See the UK Government's technical notice on exporting controlled goods if there's no Brexit withdrawal agreement: www.gov.uk/government/publications/exporting-controlled-goodsif-theres-no-brexite-deal</p> <p>Arrangements for importers or exporters, using roll on roll off ports or the Channel Tunnel to transport goods between the EU and the UK in the event that the UK leaves the EU without a deal: https://www.gov.uk/guidance/moving-goods-to-and-from-the-eu-through-roll-on-roll-off-locations-including-eurotunnel</p> <p>HMRC have released a short video on what to consider when importing or exporting goods from the EU to the UK in a no deal EU Exit.</p>	
Potential delays at UK/EU border	<p><i>With potential customs checks between the UK and the EU, there may be delays at the border.</i></p>	<p>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. As yet there no details on how enforcement might be executed in practice. How resilient is your supply chain to potential border delays? Do any contracts you have include penalties for late delivery? You may want to discuss with your logistics provider whether you would require new arrangements.</p> <p>Do you need to increase your inventory and/or buy additional storage space? HMRC have released a short video on what to consider in a no deal EU Exit regarding changes at the UK Border.</p> <p>HMRC have also provided some industry specific information, which can be found at https://www.britishchambers.org.uk/page/brexit/business-brexit-checklist/cross-border-trade</p>	
Tariffs on UK-EU trade	<p><i>The British Chambers of Commerce has been advocating for zero tariffs on trade between the UK and the EU after Brexit.</i></p> <p><i>However, businesses should consider the potential impact of a situation where there are tariffs between the UK and the EU – based on the EU Most Favoured Nation</i></p>	<p>Do you know the HS codes (international classification system) for your products? Do you know the EU MFN tariff that is applicable for your product?</p> <p>If the UK and the EU do not reach an agreement that removes all tariffs, what would the impact of the MFN tariff be on your cost base?</p> <p>UK Government technical notice on trading with the EU if there's no Brexit withdrawal agreement: www.gov.uk/government/publications/trading-with-the-eu-if-theres-no-brexite-deal</p>	

	<p><i>(MFN) tariff (which applies to countries that do not have a special agreement with the EU).</i></p>	<p>UK Government technical notice on classifying your goods in the UK Trade Tariff if there's no Brexit withdrawal agreement: www.gov.uk/government/publications/classifying-yourgoods-in-the-uk-trade-tariff-if-theres-no-brexite-deal</p> <p>UK Government technical notice on trade remedies if there's no Brexit withdrawal agreement: www.gov.uk/government/publications/trade-remedies-if-theres-no-brexite-deal</p>	
<p>Rules of Origin in UK-EU trade</p>	<p><i>Even if the UK has a zero-tariff trade agreement with the EU, companies will need to prove that their product is of UK origin to benefit from this (usually, this means that 50-55% of the product has to be locally sourced). The exact terms of these rules between the UK and the EU are yet to be negotiated.</i></p>	<p>If you are a supplier, has your customer asked you to provide proof of where you source your content? Would you be able to provide it if asked?</p> <p>If you buy your components from local suppliers, have you thought about conducting an audit of where they source their materials?</p> <p>UK Government technical notices on EU FTAs if there's no Brexit withdrawal agreement: www.gov.uk/government/publications/existing-free-trade-agreements-if-theres-no-brexite-deal</p>	
<p>EU trade agreements with third countries</p>	<p><i>The UK Government has indicated its intention to secure the benefits of existing EU trade agreements with other countries. However, businesses may need to consider a scenario where the terms were to change, and preferential trade terms are no longer available.</i></p>	<p>Do you import or export using lower duty rates ('preferences') provided by the EU's existing trade agreements? How might changes to, or the ending of, these preferential rates impact you?</p> <p>If you are supplying to a partner in the EU who is exporting to a third country with which there is an agreement, please be aware that EU firms have been encouraged to look for EU only (not UK) content to be able to benefit from lower tariff rates. Consider if there is any way for you to mitigate this.</p>	
<p>Customs facilitations, reliefs etc</p>	<p><i>There are a number of duty relief schemes available to UK businesses.</i></p>	<p>It may be worthwhile for your business to consider applying for these. There is also a trusted trader scheme – Authorised Economic Operator (AEO) – that may be relevant to you if your supply chain also takes part in it. Please speak to your local Chamber to learn more about these.</p> <p>Will your business handle new Customs and Safety and Security Declarations in-house or with a third-party?</p> <p>If your business is exporting live animals or animal products, do you have the right documentation (e.g. Export Health Certificate, Catch Certificates, equine/plant IDs)? And are your drivers aware of the required documents?</p> <p>If you are importing certain types of food and feed of non-animal origin, you may be subject to increased import controls. Have you considered the requirements for certain types of goods to enter through Border Inspection Posts and/or Designated Points of Entry?</p> <p>You can now register for simplified import procedures if the UK leaves the EU without a deal: https://www.gov.uk/guidance/register-for-simplified-import-procedures-if-the-ukleaves-the-eu-without-a-deal</p> <p>Do you plan to apply for additional customs relief or trusted trader schemes from HMRC? Read more about them at www.gov.uk/duty-relief-for-imports-and-exports & www.gov.uk/guidance/authorised-economic-operator-certification</p>	

Customs/ Export training		<p>Do you have a member of staff knowledgeable in customs and export? Would it be valuable to train a member of staff in this area? Chambers are able to provide both ongoing support and relevant training.</p> <p>Customs/export training: HMRC have announced a programme of training and IT support for customs intermediaries in December. The purpose of the training is to give traders an understanding of how to compile the information needed for simple import and export customs declaration entries. HM Treasury and HMRC announced a one-off investment to support broker training and increased automation. As part of this investment, funding has been set aside for grants to help meet the upfront costs of employee training and IT improvements: https://www.customsintermediarygrant.co.uk/</p>	
Cross-border trade	<i>In the event of a no deal Brexit, UK businesses trading with the EU will need to register for an Economic Operator Registration and Identification number (EORI) number to continue trading.</i>	<p>Has your business registered for an EORI number to continue trading with the EU in the event of a no deal? UK Government guidance on EORI numbers: Get a UK EORI number to trade within the EU: https://www.gov.uk/guidance/get-a-uk-eori-number-to-trade-within-the-eu</p>	
Incoterms		<p>Are you familiar with INCOTERMS? Knowing the International Terms and Conditions of Service will help you set the right contract terms to reflect potential changes of status (becoming an exporter/importer) once the UK leaves the EU.</p>	



TAXATION

Area	Context	To consider/ Take Action	Y/N
Import VAT	<i>With the UK's exit from the EU, in the event of no deal, the UK will introduce postponed accounting – the same system that is currently in place for intra-EU trade. This means that there will be no need to pay VAT at the border; the only change caused by Brexit on VAT will be on parcels valued up to and including £135.</i>	<p>UK Government technical notice on VAT for businesses if there's no Brexit withdrawal agreement: www.gov.uk/government/publications/vat-for-businesses-if-theres-no-brexitdeal</p> <p>HMRC have provided guidance on managing your import VAT on parcels: https://www.gov.uk/guidance/manage-your-import-vat-on-parcels</p>	
VAT registration in the EU	<i>If you trade in goods and decide to hold stock in an EU country for supply to your EU customers, you will need to register for VAT in that country. Dependent on the country where your stock is, you may also be required to appoint a Fiscal Representative who is jointly liable for any VAT you may owe.</i>	<p>Do you know which country would be best suited to support your supply chain to EU customers/suppliers? Do you have access to bank guarantees required by Fiscal Representatives? Does your business model allow enough margin to absorb the increased costs these new processes will bring?</p> <p>UK Government technical notice on VAT for businesses if there's no Brexit withdrawal agreement: www.gov.uk/government/publications/vat-for-businesses-if-theres-no-brexitdeal</p> <p>If your business currently use the UK VAT MOSS Union scheme you can continue to use the MOSS system after 29th March, but must register for the VAT MOSS non-Union scheme in an EU member state: https://www.gov.uk/guidance/vat-it-system-rules-and-processes-if-theuk-leaves-the-eu-without-a-deal-eu-exit</p>	



CURRENCY/INTELLECTUAL PROPERTY/CONTRACTS

Area	Context	To consider/ Take Action	Y/N
Currency risk	<i>The months following the EU referendum saw significant currency volatility – this may occur in future.</i>	What currency are you being paid in? Have you considered the possibility of further currency movements, and how this might affect existing and future contracts? Your local Chamber can give you recommendations for mitigating these risks.	
Intellectual Property	<i>It is unclear whether trademarks registered in the EU would be applicable to the UK in the future.</i>	<p>Do you own any Intellectual Property rights? Have you contacted trademark bodies / solicitors / IP advisors on how to protect your intellectual property after March 2019?</p> <p>UK Government technical notices on intellectual property if there's no Brexit withdrawal agreement have been published on these topics:</p> <p>Copyright if there's no Brexit deal: www.gov.uk/government/publications/copyright-if-theresno-brexit-deal</p> <p>Exhaustion of intellectual property rights if there's no Brexit deal: www.gov.uk/government/publications/exhaustion-of-intellectual-property-rights-if-theres-nobrexit-deal</p> <p>Patents if there's no Brexit deal: www.gov.uk/government/publications/patents-if-theres-nobrexit-deal</p> <p>Trademarks and designs if there's no Brexit deal: www.gov.uk/government/publications/trademarks-and-designs-if-theres-no-brexit-deal</p>	
Contracts review	<i>Some of the terms in existing contracts may no longer be relevant post Brexit or may raise legal or practical questions in future.</i>	<p>Do your contracts refer to any terms that should be reviewed in light of the UK leaving the EU? Do they make references to the UK being a member state/to the EU? Does your contract rely on EU regulation applicable to contractual arrangements?</p> <p>UK Government technical notice on civil legal cases if there's no Brexit withdrawal agreement: www.gov.uk/government/publications/handling-civil-legal-cases-that-involve-eucountries-if-theres-no-brexit-deal</p>	
EU Regulatory regime and Data protection	<i>Across a number of sectors and regulatory areas, the UK Government has expressed its intention to maintain status quo arrangements for obtaining licences to trade with the EU, and for domestic compliance and enforcement. In the event that a Brexit withdrawal deal is agreed, it remains unclear whether UK regulators would be able to provide licences for the EU market after the transition period; it is also</i>	<p>Which regulatory agencies do you work with? What steps might you need to take to comply with separate UK and EU regulators in the future?</p> <p>For Data Protection: For Govt. guidance on using personal data after Brexit, see here: https://www.gov.uk/guidance/using-personal-data-after-brexit</p> <p>The Information Commissioner's Office (ICO) has published a checklist of six steps that businesses can take now to start preparing for data protection compliance if the UK leaves the EU on 29 March 2019 without a deal: https://ico.org.uk/media/fororganisations/documents/2553958/leaving-the-eu-six-steps-to-take.pdf</p>	

	<p><i>unclear if notified bodies in the UK will be able to conduct conformity assessment checks destined for the EU market. In the event of a 'no deal Brexit', firms may need to comply with new license requirements and changes to their competent regulatory authority. There would be no immediate change in the UK's own data protection standards. However, the legal framework governing transfers of personal data from organisations in the EU to organisations in the UK would change on exit.</i></p>	<p>More detailed information on this can be found here: https://ico.org.uk/for-organisations/data-protection-and-brexit/data-protection-if-there-s-no-brexit-deal/</p> <p>UK Government Brexit technical notices on regulation have been published for a number of sectors and cross-cutting regulatory issues. Find out more at https://www.britishchambers.org.uk/page/brexit/business-brexit-checklist-old/regulatory-compliance/data-protection</p>	
<p>Competition policy and state aid</p>	<p><i>After leaving the EU the role of policing and ensuring fair competition in UK markets (including state aid) will fully transfer to British regulators and agencies. This could result in differences to the current approach – for instance on approvals for mergers and acquisitions.</i></p>	<p>The Competition and Markets Authority (CMA) has published a notice on its role after Brexit. CMA's role after Brexit: www.gov.uk/government/collections/cmas-role-after-brexit</p> <p>And another for the specific case of a 'no-deal' exit from the EU. Effects of a 'no deal' EU Exit on the functions of the CMA: https://www.gov.uk/government/consultations/effects-of-a-no-deal-eu-exit-on-the-functions-of-the-cma</p> <p>If there is no Brexit withdrawal agreement before March 2019, the government has developed a 'no deal' competition Statutory Instrument (SI):</p> <p>Mergers: if the European Commission has issued a decision on or before 29 March 2019 (unless the decision is annulled, in full or in part, following an appeal), the UK has no jurisdiction.</p> <p>State aid: the government is expected to pass secondary legislation which will transpose EU state aid rules into UK law and provide for the CMA to take on its new state aid role, following which they will publish further details on how this function will operate.</p> <p>Antitrust: After the UK's exit from the EU, the CMA will no longer have jurisdiction to apply anti-competitive agreements including cartels or on abuse of dominance.</p>	
<p>eCommerce</p>	<p><i>UK companies retailing to consumers or trading 'information and data services' (e.g. video sharing, social media platforms and internet service providers) across the EU would face changes to their regulatory environment in the event of a 'no-deal' Brexit.</i></p>	<p>Do you know if the EU's eCommerce Directive is relevant to your business?</p> <p>Does your business operate any websites with a '.eu' domain name registration?</p> <p>Resources and information: The Department for Culture Media and Sport has produced official guidance for businesses engaged in contingency planning for Brexit.</p> <p>eCommerce EU Exit Guidance: This guidance provides businesses with information about the eCommerce Directive and sets out the government's approach to contingency planning for a 'no-deal' scenario. In this case, although there would be continuity in some areas there would be also be changes – such as the Directive's country of origin principle, which UK companies would cease to benefit from. eCommerce EU Exit Guidance: https://www.gov.uk/government/publications/e-commerce-eu-exit-guidance</p>	

		Companies with websites carrying '.eu' domain names: DCMS has produced official guidance for companies with existing domain name registrations under '.eu' or an interest in registering a domain name under '.eu' in the event of a 'no-deal' Brexit: https://www.gov.uk/government/publications/guidance-on-eu-top-level-domain-name-registrations-in-the-event-of-a-no-deal-eu-exit	
No deal preparation by sector	<i>Government have issued the following sectoral guidance documents which outline preparations for the UK leaving in a no-deal scenario.</i>	To search the range of advice published by government on your particular sector, visit: https://www.britishchambers.org.uk/page/brexit/business-brexit-checklist/sectors	