

# UK “No Deal” BREXIT Planning Checklist

## Introduction

**There is still much uncertainty about what Brexit will mean for businesses, and while at this stage the outcome remains very much in the balance it is still sensible to plan for a “No Deal”.**

The Government has published guidance: *“UK government’s preparations for a no deal scenario”* and it continues to provide updates on how to prepare for the event.

**See: <https://www.gov.uk/government/publications/uk-governments-preparations-for-a-no-deal-scenario>**

Businesses that buy and sell from the EU, should have contingency plans in place which will need to be flexible enough to cope with a variety of potential outcomes.

In the event that the UK does leave the EU without a deal, at 11pm GMT on 31st October 2019, many UK businesses will need to apply the same processes to EU trade that apply when trading with the rest of the world.

**Here are some areas you should consider, particularly if you import or export goods to the EU and haven’t needed to complete the various forms before. The checklist also considers general implications of a “No Deal”.**

MOVEMENT OF GOODS	REVIEW
1. Register (unless you already have) for an Economic Operator Registration and Identification (EORI) number - <a href="https://www.gov.uk/eori">https://www.gov.uk/eori</a>	
2. Consider an agent to help with completing import/export forms – <a href="https://www.export.org.uk">https://www.export.org.uk</a> or DIY the forms (see below).	
3. Contact your haulage company to check whether additional information is needed so they can make safety and security declarations or whether you will DIY these – guidance can be found from HMRC: <a href="https://www.gov.uk/guidance/declaring-your-goods-at-customs-if-the-uk-leaves-the-eu-with-no-deal">https://www.gov.uk/guidance/declaring-your-goods-at-customs-if-the-uk-leaves-the-eu-with-no-deal</a>	
4. Export rules are specific by sector so review "Preparing your business for the UK leaving the EU" on the Gov.uk website: <a href="https://www.gov.uk/business-uk-leaving-eu">https://www.gov.uk/business-uk-leaving-eu</a>	
5. If you import goods then consider registering for "Transitional Simplified Procedures" (TSP) which enables registered importers to defer making customs declarations and paying duty. See: <a href="https://www.gov.uk/guidance/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-uk-leaves-the-eu-without-a-deal</a>	
6. Review guidance on how to prepare for the Customs Declaration service (CDS) which outlines what you need to do to get ready for the CDS. This depends on whether your business currently uses the "Customs Handling of Import and Export Freight" (CHIEF): <a href="https://www.gov.uk/guidance/how-hmrc-will-introduce-the-customs-declaration-service">https://www.gov.uk/guidance/how-hmrc-will-introduce-the-customs-declaration-service</a>	
7. Review HMRC videos, webinars and consider registering for email alerts – Choose EU Exit: <a href="https://www.gov.uk/government/collections/hmrc-webinars-email-alerts-and-videos">https://www.gov.uk/government/collections/hmrc-webinars-email-alerts-and-videos</a>	
8. You may choose to register for "Authorised Economic Operator (AEO) status which enables "Trusted" businesses simplified customs procedures. Application does take time and is complex. See: <a href="https://www.gov.uk/guidance/authorised-economic-operator-certification">https://www.gov.uk/guidance/authorised-economic-operator-certification</a>	
9. HMRC have acknowledged that a "no deal" scenario may affect the working capital of many businesses and are reintroducing postponed accounting for duty and VAT which will be settled on VAT returns and not at the port. See: <a href="https://www.gov.uk/government/publications/vat-for-businesses-if-theres-no-brexiteal/vat-for-businesses-if-theres-no-brexiteal">https://www.gov.uk/government/publications/vat-for-businesses-if-theres-no-brexiteal/vat-for-businesses-if-theres-no-brexiteal</a> for further guidance.	
10. If you trade in goods with the EU and keep stock in the EU for supply to EU customers you will need local VAT registration. You could also be asked to appoint a fiscal representative (and should have bank guarantees as they will be jointly liable for VAT you owe). See: <a href="https://www.gov.uk/government/publications/partnership-pack-preparing-for-a-no-deal-eu-exit">https://www.gov.uk/government/publications/partnership-pack-preparing-for-a-no-deal-eu-exit</a>	
11. If your business currently uses the UK VAT Mini One Stop Shop (MOSS Union scheme) which allows you to account for VAT - normally due in multiple EU countries, you can continue to use the MOSS system after 31st October, but must register for the VAT MOSS non-Union scheme in an EU member state: <a href="https://www.gov.uk/guidance/vat-it-system-rules-and-processes-if-the-uk-leaves-the-eu-without-a-deal">https://www.gov.uk/guidance/vat-it-system-rules-and-processes-if-the-uk-leaves-the-eu-without-a-deal</a>	
12. Consider forming a company in the EU. Talk to us about how we can help you through our international network.	

SUPPLY CHAIN ANALYSIS	REVIEW
<p>1. In the event of “no deal” all exports and imports to the EU will be subject to tariffs under the rules of the World Trade Organisation (WTO). You will need to identify where “inputs” come from and which categories of product they fall into so you can work out the tariffs that will apply.</p> <ul style="list-style-type: none"> <li>• Identify the countries you will trade with (EU and non-EU) and the value they represent.</li> <li>• Identify EU and International standards your business is currently required to comply with.</li> <li>• Identify cross border services provided.</li> </ul> <p>For further guidance see: <a href="https://www.brexittoolkit.co.uk/tools/our-blog/post/13635/brexit-preparation-guide-supply-chain-mapping">https://www.brexittoolkit.co.uk/tools/our-blog/post/13635/brexit-preparation-guide-supply-chain-mapping</a></p>	
<p>2. Review WTO and EU rates online and check the tariff data for your business. See: <a href="https://www.wto.org/english/tratop_e/tariffs_e/tariff_data_e.htm">https://www.wto.org/english/tratop_e/tariffs_e/tariff_data_e.htm</a> and <a href="http://madb.europa.eu/madb/euTariffs.htm">http://madb.europa.eu/madb/euTariffs.htm</a></p>	

PRODUCT STANDARDS AND COMPLIANCE	REVIEW
<p>1. UK product standards and regulations will be aligned to the EU at the point of exit, however in the event of “No Deal” then UK assessment and certification arrangements could cease (but see below) to be recognised by the EU. You should ensure your documentation on standards for all product lines is up to date and readily available in case this needs to be reviewed post Brexit.</p>	
<p>2. The European Committee for Standardization (CEN) and the European Committee for Electrotechnical Standardization (CENLEC) are the leading providers of voluntary European Standards and related products and services for the benefit of businesses, consumers and other standard users in Europe. They are independent of the EU. They provide a single model, whereby each European standard is adopted identically as a national norm. The British Standards Institute (BSI) is a member and will remain so after Brexit (this was agreed 23 November 2018). You should regularly review the BSI website for updates with reference to your industry sector: <a href="https://www.bsigroup.com/en-GB/">https://www.bsigroup.com/en-GB/</a></p>	

CONTRACTS WITH EU COMPANIES	REVIEW
<p>1. If you currently have business agreements with EU companies these may need to be redrafted to cover off areas such as customs arrangements, import duties, how VAT is accounted for, definitions such as “Territory”, dispute resolution and unanticipated administration as a result of Brexit. Consult your lawyer for advice to avoid any potential issues sooner rather than later. See also: <a href="https://www.gov.uk/guidance/international-trade-paperwork-the-basics">https://www.gov.uk/guidance/international-trade-paperwork-the-basics</a></p>	

EU EMPLOYEES IN THE UK AND POST BREXIT PLANNING	REVIEW
<p>1. Review all EU employees currently working in your business and ascertain whether they are applying for “Settled Status” by 31 December 2020. See: <a href="https://www.gov.uk/government/publications/eu-settlement-scheme-employer-toolkit">https://www.gov.uk/government/publications/eu-settlement-scheme-employer-toolkit</a></p>	
<p>2. 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.</p>	
<p>3. Your UK employees working in the EU may need to apply for similar status.</p>	
<p>4. Prepare a plan of your aims, hopes and ambitions (strategy) for your business and examine the need for further employees from the EU and whether you should talk to a lawyer regarding immigration compliance post Brexit. See: <a href="https://www.employment-studies.co.uk/">https://www.employment-studies.co.uk/</a> for guidance</p>	

OTHER MATTERS	REVIEW
<p>1. If your business has a “.eu” domain name you should check the eligibility to hold such a domain here: <a href="https://www.gov.uk/government/publications/guidance-on-eu-top-level-domain-name-registrations-in-the-event-of-a-no-deal-eu-exit/guidance-on-eu-top-level-domain-name-registrations-in-the-event-of-a-no-deal-eu-exit">https://www.gov.uk/government/publications/guidance-on-eu-top-level-domain-name-registrations-in-the-event-of-a-no-deal-eu-exit/guidance-on-eu-top-level-domain-name-registrations-in-the-event-of-a-no-deal-eu-exit</a></p>	
<p>2. If you are involved in eCommerce then read the Government's EU exit guidance: <a href="https://www.gov.uk/government/publications/ecommerce-eu-exit-guidance">https://www.gov.uk/government/publications/ecommerce-eu-exit-guidance</a></p>	
<p>3. Data Protection – you may need to comply with new license requirements and changes in regulation. The Information Commissioner’s Office (ICO) has published a six step checklist to prepare for data compliance: <a href="https://ico.org.uk/media/for-organisations/documents/2614365/leaving-the-eu-6-steps-to-take-final.pdf">https://ico.org.uk/media/for-organisations/documents/2614365/leaving-the-eu-6-steps-to-take-final.pdf</a></p>	
<p>4. Copyrights, Intellectual Property (IP) and trademarks - at this point in time it is not clear if EU trademarks would be applicable in the UK post Brexit. If you own intellectual property rights contact your lawyer with regard to protecting your IP post Brexit.</p> <p>For copyrights see: <a href="https://www.gov.uk/government/publications/copyright-if-theres-no-brexit-deal">https://www.gov.uk/government/publications/copyright-if-theres-no-brexit-deal</a></p> <p>For IP see: <a href="https://www.gov.uk/government/publications/exhaustion-of-intellectual-property-rights-if-theres-no-brexit-deal">https://www.gov.uk/government/publications/exhaustion-of-intellectual-property-rights-if-theres-no-brexit-deal</a></p> <p>For trademarks see: <a href="https://www.gov.uk/government/publications/trade-marks-and-designs-if-theres-no-brexit-deal">https://www.gov.uk/government/publications/trade-marks-and-designs-if-theres-no-brexit-deal</a></p>	
<p>5. Management of currency risk. There has been a downward trend in the pound to Euro rate following the Referendum in 2016. Volatility may occur post-Brexit and you should talk to us about managing your currency risk leading up to the 31st October 2019 and beyond.</p>	

REFERENCES AND FURTHER RESOURCES	REVIEW
<p>1. Prepare for EU exit: <a href="https://euexit.campaign.gov.uk/">https://euexit.campaign.gov.uk/</a></p>	
<p>2. British Chamber of Commerce: <a href="https://www.britishchambers.org.uk/page/brexit/business-brexit-checklist">https://www.britishchambers.org.uk/page/brexit/business-brexit-checklist</a></p>	
<p>3. ICAEW: <a href="https://www.icaew.com/technical/economy/brexit">https://www.icaew.com/technical/economy/brexit</a></p>	
<p>4. EEF (The Manufacturers’ Organisation): <a href="https://www.brexittoolkit.co.uk/tools/our-blog/post/13635/brexit-preparation-guide-supply-chain-mapping">https://www.brexittoolkit.co.uk/tools/our-blog/post/13635/brexit-preparation-guide-supply-chain-mapping</a></p>	
<p>5. European Union: <a href="https://europa.eu/youreurope/index.htm#en">https://europa.eu/youreurope/index.htm#en</a></p>	

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This checklist should not be relied upon as comprehensive guidance but as a reminder of some of the key planning questions and resources for businesses in the event of a “no deal” Brexit. No responsibility for loss occasioned to any person acting or refraining from action as a result of the material in this document can be accepted by the authors or TC Group Ltd.