

No-Deal Readiness Report



No-Deal Readiness Report

Presented to Parliament by the Chancellor of the Duchy of Lancaster by Command of Her Majesty

October 2019

OGL

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Foreword by the Prime Minister



On 23rd June 2016, 17.4 million people voted to leave the European Union (EU). It was a bold and brave decision. The referendum was an historic event, but one that also aroused strong opinions on both sides of the divide. While it has engaged many people in the democratic

process, it has also left many confused over why their fellow citizens voted the way they did.

For me, it was clear what the British people voted for they voted to take back control of their laws, money, trade and borders. They saw that, over the last thirty years, what was once the European Economic Community (EEC) had metamorphosed into something far more political. We were no longer part of what was essentially an economic community, but instead members of a full-blown political union with large budgets, a foreign relations component and subject to huge tracts of regulation on everything from clinical trials to VAT.

It is easy to see why, for many, this change created such unease and a sense that they had lost control – today the EU has a say over practically all areas of our

domestic life. Be it trade, immigration, competition law, agriculture, fisheries, environment, consumer protection, transport, security, justice, culture, tourism, education or even 'youth', everywhere you look you find the tell-tale signs of growing EU influence and a corresponding decline in democratic control.

Many EU Member States have happily chosen to embrace this expanding EU competence into their domestic policy. That is, of course, their right. But the British people were less happy to take this step. For many, the EU had turned into something that they didn't like – they were concerned about the corrosive impact that its ever growing competence had on our democratic institutions and equally worried that the European Court of Justice is now freely adjudicating on a huge range of issues, including human rights questions.

Indeed there are many rules and procedures described in the following pages that have been laid down by the EU, but which – without Brexit – the UK on its own would have no power to vary in any way. That is why, after 45 years in which the pace and range of this rule-making has increased far beyond what was expected (or advertised) in 1973, it is time to come out! It is why Brexit is such an exciting opportunity – it is a once in a generation chance not just to restore democratic self-governance in hundreds of different policy areas, but also to restore confidence in our institutions. It was a

result that I campaigned for and, as Prime Minister, am determined to deliver by the end of this month.

But if we are going to restore faith in our institutions, we must make sure that Britain leaves the EU on 31 October. Politicians of all parties promised the public that they would honour their vote, and if we are to have any hope of restoring faith in our governing institutions it is imperative that we uphold the democratic mandate of that referendum. I hope – and believe – that we will leave with a deal. We have set out a bold, fair offer to our European friends and I look forward to engaging with them on the detail of what we have set out.

But, whatever happens, we must be prepared to leave on 31st October – even if that means leaving without a deal. This is not the option I want, but it is vital that we are as prepared as possible for all eventualities.

That is why, when I became Prime Minister, I gave the order that preparing for no-deal is the central task of all officials, and why I asked the Chancellor of the Duchy of Lancaster - my friend and colleague Michael Gove – to take on one of the most important jobs in government: to prepare the UK for a no-deal Brexit. Over the last 76 days, the Chancellor has thrown himself into this role with his trademark enthusiasm. Thanks to his hard work, and the hard work of many other Cabinet colleagues and thousands of civil servants, we have made huge strides in preparedness, and can now confidently say that the

UK is prepared to leave the EU without a deal on 31st October.

This report sets out all the very hard work that has been done over the past few months, and sets out how the Government has taken steps to make sure that we are fully prepared for a no-deal Brexit on 31st October.

I commend the herculean effort that has taken place over the past three months, and this excellent publication. It shows that we are ready to honour the promises that were made to the British people, and that we *will* grasp the opportunities that so many voted for three years ago.

Bos Jamson

PRIME MINISTER

RT HON BORIS JOHNSON MP

Preface by the Chancellor of the Duchy of Lancaster



More than three years have passed since the British people voted to leave the European Union (EU). This Government is determined to uphold that democratic decision and deliver Brexit on 31 October 2019.

It is our aim to make sure that we can leave with a deal that reflects our long and close relationship with our friends, allies and neighbours in the EU.

Until then, we will do everything in our power to reach a good agreement that honours the desire for change that was so clearly signalled in the referendum, and paves the way for a bright future outside the Single Market and the Customs Union.

But while we remain optimistic, we are also realistic about the need to plan for every eventuality. If we cannot secure a good agreement with the EU, we must be prepared to leave without a deal.

It is the top priority of this Government, and principal focus of my job, to prepare comprehensively for Brexit. This report sets out what will change if we leave without a deal and explains what the Government is doing to prepare. Significant preparations have been underway for the last three years and these have been accelerated and intensified under the Prime Minister's leadership.

Because we will be leaving both the Customs Union and the Single Market, whether or not we secure a deal, many of the preparations required if we leave without a deal will be needed, eventually, in any case. Leaving without a deal, of course, accelerates the need for these provisions to be in place, but adjusting to new customs rules is a necessary part of our departure from the EU.

This report, therefore, outlines what businesses and individuals must do to get ready for Brexit. It sets out the issues which form the basis of our public information campaign – from citizens' rights and new customs requirements to mobile roaming surcharges and passport renewals.

In any significant endeavour, it is the responsibility of government to assess all the risks involved and ensure plans are in place to deal with every eventuality.

At every point, the Government will be candid about the challenges ahead as well as clear-eyed about the opportunities. Together, government, businesses and

citizens can work to get ready for Brexit – and look forward to the future with confidence.

CHANCELLOR OF THE DUCHY OF LANCASTER

RT HON MICHAEL GOVE MP

Executive summary

The United Kingdom (UK) is getting ready to leave the European Union (EU) on 31 October 2019. While the Government would prefer to leave with a deal and will work to the final hour to achieve one, we are prepared to leave without a deal in order to respect the referendum result.

This document outlines the way that the Government hopes to seize the opportunities of Brexit, while preparing for an outcome in which we leave without a deal.

What does leaving without a deal mean?

Leaving the EU with no-deal would mean leaving without a Withdrawal Agreement or a framework for a future relationship in place. In the absence of an implementation period, businesses and citizens would need to adapt immediately to the UK's new relationship with the EU.

In the immediate aftermath, the UK and the EU would trade with each other on World Trade Organization terms. The UK would be outside the jurisdiction of the European Court of Justice and the direct effect of EU law would no longer apply.

Given the implications for citizens, consumers, businesses and the economy, the Government is committed to prioritising stability. In some areas, the Government would act unilaterally to provide continuity for a temporary period, irrespective of whether the EU reciprocates.

What kinds of opportunities does Brexit provide?

Trade: For the first time in nearly 50 years, the UK will have an independent trade policy, and be free to articulate our own voice at the World Trade Organization. We will be able to set our own tariffs, take our own decisions on regulatory issues, and create new and ambitious trade relationships around the world.

People: The Government will be able to end free movement and introduce a new, fairer immigration system that will prioritise skills and what people can contribute to the UK, rather than where they come from. Our new points-based system will enable us to attract the skilled and talented workers we need for the economy to continue to prosper.

Finance: High regulatory standards and our leading role in setting global standards are the foundations of our position as a global financial centre. Autonomy over regulation will also allow us to respond flexibly and quickly to major trends shaping the financial sector, such as technological innovation and green finance.

Farming and Fishing: Leaving the EU's Common Agricultural Policy (CAP) and the Common Fisheries Policy (CFP) provides a range of opportunities for the agrifood and fisheries sectors. Farmers will be free to continue producing world-class food that can be traded globally. And we will be free to decide who can access our waters to fish, and on what terms.

Public Services and Local Authorities: Following Brexit, the UK will have more control over how it funds and shapes the local growth agenda. And other funding currently spent through EU funds and programmes on public services could also be replaced by alternatives that can provide better value for money or conform more closely with the UK Government's priorities.

Health: The UK will continue to play a world-leading role in health security, patient safety and medical advance after Brexit. Opportunities may include innovative regulation of novel advanced therapies and medicines, and a streamlined approach to clinical trial reporting and conduct. These strengths in health research will be further supported by Fast Track visas for world-leading scientists.

Procurement: Leaving the EU presents an opportunity to design a radically new regulatory framework for public procurement which better meets UK needs, drives improved commercial outcomes, delivers greater

simplification and flexibility, reduces burdens on the public sector and business, and is more transparent.

International Sanctions: Sanctions are an important foreign policy and national security tool. If we leave without a deal, the UK would pursue an independent sanctions policy to support UK interests and values. For example, the Government has announced its intention to establish a UK autonomous human rights sanctions regime once we leave the EU, demonstrating our continued commitment to the worldwide protection of human rights.

How is the Government preparing?

The Government has been preparing to leave without a deal since 2016. In that time we have:

- Announced more than £4 billion for Brexit planning before 24 July 2019.
- Signed or secured continuity Trade Agreements with non-EU countries, as well as continuity agreements across key sectors, including aviation, civil nuclear power and trade.
- Recruited up to 1,000 new staff to help maintain security and support flows at the border.
- By the end of September almost 1.5 million people had already been granted a status under the EU Settlement Scheme and 1.7 million had applied. EU

citizens who received settled status have the same access to benefits as a comparable UK national. EU citizens with pre-settled status will have the same access as now, until they have accumulated five years of residence when they will have the same access as comparable UK nationals.

- Taken the necessary steps to ensure the statute book is ready for Brexit by working to deliver an unprecedented programme of legislation.
- Continued to work with the Scottish and Welsh Governments and, in the absence of an Executive in Northern Ireland, the Northern Ireland Civil Service, to make preparations for leaving without a deal.
- Released more than 750 pieces of guidance outlining the potential impacts of leaving without a deal, and how businesses and traders should prepare.
- Ensured that we have more than 15,000 of the best and brightest civil servants working on Brexit.

Since 24 July 2019, the Government has intensified nodeal preparations. Examples of these additional measures are outlined below:

 The Chancellor allocated £2.1 billion additional funding in August this year to increase no-deal preparations and a further £2 billion for delivering Brexit next year.

- The Government has a public information campaign 'Get Ready for Brexit', to advise everyone of the clear actions they should take to prepare for no-deal.
- The Government has committed to uprating the UK state pensions of those eligible recipients that live in EU Member States for a further three years beyond the Government's initial one year commitment for each year up until March 2023 while the Government seeks to negotiate a new arrangement with the EU so that uprating continues.
- The Government has launched a £10 million Brexit readiness fund for business organisations and trade associations to support businesses to prepare for nodeal.
- The Government has set up face-to-face Brexit Readiness Roadshows across the UK to provide businesses with information and advice as to what actions they should take.
- The Government has launched a new checker tool on GOV.UK so audiences can identify what they need to do to get ready for Brexit.
- The Government has secured further continuity Trade Agreements with South Korea, Lebanon, SACU+M (South African Customs Union and Mozambique) and Tunisia.

- The Government has put in place a framework agreement with eight operators creating a list of approved operators to provide freight capacity for Category 1 goods.
- The Government has automatically allocated an Economic Operator Registration and Identification (EORI) number to 88,000 VAT registered companies across the UK that HMRC know trade with the EU, to help businesses continue trading with customers and suppliers in the EU.
- The Government is developing an improved infrastructure solution for transit movements in the event that we leave without a deal on 31 October 2019 through securing six alternative government offices of destination or departure in Kent and Essex.
- The Government has set up two Cabinet Committees to oversee the strategy and operations of Brexit.

Many of these Brexit preparations will be needed whether the UK leaves the EU with or without a deal. The Government is seeking a 'best in class' free trade agreement with the EU. This will require the UK to make changes in many areas, regardless of whether the UK's new relationship with the EU is agreed before or after Brexit.

This document is intended to update Parliament and the public on what will change if we leave without a deal. It

covers legislation, regulation and systems, the critical steps that the Government has taken and will continue to take, and the actions that businesses and citizens need to take to prepare. This document is not intended to be exhaustive, however, and circumstances can change. Business and citizens should continue to check for the most up-to-date detailed advice on GOV.UK.

Our policies

Chapter 1 - Borders:

This chapter sets out what will change at the border if we leave without a deal. It considers the flow of trade at the border between the UK and the EU, and the changes which will affect customs, commercial transport and tariffs. It contains information and advice for traders and the wider border industry about the relevant action they will need to take, for example a trader who buys or sells products within EU countries.

It also sets out the steps the Government is taking in response to these changes. However, actions by third parties are critical in ensuring that the smoothest possible flow continues at the border.

• Chapter 2 - Citizens:

This chapter reiterates the Government's commitment to the rights of over three million EU citizens in the UK and around one million UK nationals in the EU. It sets out the actions they will need to take to prepare for the UK's exit

from the EU and the mitigations the Government has put in place or is pursuing to make sure that citizens' rights are protected. This chapter also addresses the changes that will affect UK nationals who wish to travel to the EU and EU citizens who wish to travel to the UK if we leave without a deal.

Chapter 3 - Data Protection:

This chapter sets out the actions Government has taken to allow the free flow of personal data from the UK to the EU if we leave without a deal, while making sure that there is no immediate change to the UK's high data protection standards. Action is required by organisations in the EU and the UK in order to enable the continued flow of personal data from the European Economic Area (EEA) to the UK.

Chapter 4 - Energy and Environment:

This chapter covers the civil nuclear industry after the UK leaves the European Atomic Energy Community (Euratom); energy and gas interconnectors between the UK and the EU, fuel supplies in the UK and the impact of leaving the EU Emissions Trading Scheme (EU ETS). The Government has taken steps to ensure continuity where the UK will no longer be bound by EU regulations and continues to work with industry to assess risks and communicate actions third parties will need to take.

Chapter 5 - Services:

This chapter outlines changes in regulations that would apply to the services sector if we leave without a deal. It sets out the actions the Government has taken to support businesses, including legislating, ensuring professionals with EU/EEA and Swiss qualifications have a means to seek recognition of their qualifications in the UK, and publishing country guides that signpost UK services exporters to essential information.

The chapter also sets out the actions businesses should take to prepare for the UK leaving without a deal. These include checking regulations in the EU/EEA states in which they operate and familiarising themselves with the immigration rules of relevant countries.

• Chapter 6 - Industry:

This chapter details changes in regulations that will apply to industries if we leave without a deal. It sets out the actions the Government has taken to support industry. It also sets out the actions which businesses should take to prepare for no-deal, such as considering whether they need new product approvals and what manufactured goods they use as inputs as well as final products.

The chapter also covers what will happen regarding agrifood and fish when the UK leaves the EU. It sets out the actions the Government has taken and will take in

the future, as well as recommended actions for third parties.

• Chapter 7 - Public Services and Local Authorities:

This chapter outlines the key changes required to support the delivery of public services if the UK leaves the EU without a deal. It sets out the actions Government has taken to prepare local authorities, Local Resilience Forums, schools, and other public sector institutions. It outlines measures to ensure organisations of this kind continue to receive supplies of critical goods, such as food and medical supplies. It also summarises the arrangements that the Government has put in place to support programmes that currently receive funding from the EU.

Chapter 8 - Northern Ireland:

This chapter sets out the Government's position in a number of areas relating to Northern Ireland. The Government will continue to uphold the Belfast (Good Friday) Agreement in all circumstances. It will continue to maintain existing Common Travel Area (CTA) arrangements and under no circumstances will it put in place infrastructure, checks, or controls at the border between Northern Ireland and Ireland. This chapter provides information for citizens and advises them where they will need to take action, such as when driving across the land border. It also sets out the

requirements for businesses trading goods into Northern Ireland from Ireland.

Chapter 9 - Devolved Administrations, Crown Dependencies and Overseas Territories:

This chapter sets out the work that the Government has undertaken with the devolved administrations, Crown Dependencies and Overseas Territories to identify, understand and mitigate the effects of leaving without a deal. It contains information on ministerial and official engagement, and the progress made on statutory instruments, common frameworks and technical assistance. It also outlines where people can find relevant information from the UK Government, devolved administrations, Crown Dependencies and Overseas Territories.

Chapter 10 - Operation Yellowhammer and Security:

This chapter outlines Operation Yellowhammer, the contingency plans developed by the Government based on what might happen in a reasonable worst case scenario after leaving without a deal. In addition, this chapter also sets out how the Government has been making extensive preparations to ensure the continued safety and security of our citizens.

1. Borders

A bright future for UK trade after we leave the EU

For the first time in nearly 50 years, the UK will have an independent trade policy and be free to articulate our own voice at the World Trade Organization. We will be able to set our own tariffs, take our own decisions on regulatory issues, and forge new and ambitious trade relationships around the world.

This chapter sets out what would change at the border if we leave without a deal. It considers the flow of trade at the border between the UK and the EU, and the changes that would affect commercial transport and tariffs. It sets out the steps the Government is taking wherever possible to ensure that goods would continue to flow as smoothly as possible but actions by third parties are critical in helping to ensure that this happens.

The different arrangements for goods crossing the land border from Ireland into Northern Ireland are covered in Chapter 8.

The 'Get Ready for Brexit' campaign helps businesses prepare for these changes, and the Government

A: Flow at the Border - Goods

- Businesses would still be able to import and export goods if the UK leaves without a deal, though the flow of goods would be affected.
- The Government has prioritised the smooth flow of goods across the UK border by putting easements in place and providing information to traders, businesses and hauliers on what they need to do to prepare.
- Traders, businesses and hauliers can help ensure the smoothest possible flow at the border by being aware of and being ready to comply with new customs and regulatory controls.
- The Government's planning for Brexit will ensure border security is maintained as well as making the trading process as frictionless as possible.

CASE STUDY

A UK-based manufacturer wants to export an engine part for a car, via Dover, to a customer in France using the standard export procedure.

The UK manufacturer would need to ensure that UK export procedures are complied with, and its French customer would need to ensure that French import procedures are complied with in order to move the car part from the UK to France.

The UK manufacturer would need to have a UK Economic Operator Registration and Identification (EORI) number. If it is registered for VAT it is likely to have been automatically provided with one recently by HM Revenue and Customs (HMRC). If it does not have a UK EORI number, it can apply for one online at Get an EORI – it takes five to ten minutes to apply.

The UK manufacturer may want to consider employing a customs agent to handle its exports. If it uses a customs agent it should provide its UK EORI number and information about the car part and the vehicle moving the goods to its customs agent. The customs agent would use the information to submit a combined Export and Exit Summary Declaration on HMRC's customs declaration system on behalf of the manufacturer.

If it decides not to use a customs agent, it may either choose to submit their declaration online, free, through HMRC's National Export System (NES) or can purchase specialist software to access HMRC's customs declaration system. Using either method, it would need to register for NES and apply for a Customs Handling of Import and Export Freight (CHIEF) badge – this is part of the NES application process. It would complete and submit a combined Export and Exit Summary Declaration using NES for itself.

In most cases, once the combined Export and Exit Summary Declaration is submitted HMRC will provide permission to progress. Once granted, the UK manufacturer's haulier can take the goods through Dover and onto its French customer. The driver taking its goods will need an EU import declaration in the form of a Movement Reference Number, to get the goods across the French border.

The UK manufacturer would need to keep records of the goods it has exported to France for six years. It may need this to claim any appropriate relief or refunds. Business would still be able to export and import goods from and to the UK if the UK leaves without a deal, though leaving without a deal would affect the flow of goods across the UK border.

If the UK leaves the EU without a deal on 31 October 2019, the following changes would affect the flow of goods at the border:

- The EU would impose new controls at borders for UK businesses that trade with the EU. These would include new customs procedures and sanitary and phytosanitary (SPS) checks on animals, products of animal origin, plants and food.
- UK exports to the EU, and EU imports to the UK, would be subject to customs duties for the first time. Businesses would be required to pay import VAT, rather than acquisition VAT, on any imports from the EU. Imports of excise goods from the EU would be treated the same as imports from the rest of the world.

The Government has prioritised the smooth and continued flow of goods in and out of the UK in the event of the UK leaving without a deal on 31 October 2019.

The Government's preparations for leaving without a deal:

- The Government has decided not to impose new routine checks at the border on 31 October 2019, in order to maximise the flow of goods. Instead, it would move to new border requirements over time. Imports moving from the EU to the UK would not be subject to SPS border checks, would not need to enter through a Border Inspection Post (BIP), and products of animal origin would not need a health certificate.
- The Government has made £8 million available to train customs agents and increase automation in the intermediary sector.
- The Government has acted to increase the capacity of the UK's Customs Handling of Import and Export Freight (CHIEF) customs declaration system, and tested that it can cope with extra volume, in anticipation of an increased number of customs declarations if we leave without a deal.
- The Government has developed a new Import of Products, Animals, Food and Feed System (IPAFFS) to replace the EU's Trade Control and Export (TRACES) system. This digital service would monitor the control and import of animals, animal related products and high risk food and feed from the EU and rest-of-world countries. Further information on the new customs and regulatory requirements for

- agrifood products can be found in the industry chapter (see chapter 6 on industry).
- The Government has ensured that the existing Automatic Licence Verification System (ALVS) continues to allow the smooth sharing of information between the network of Government IT systems at the border.
- For imports to the UK, the Government has introduced temporary easements and committed to phase in UK border processes for traders and hauliers to help smooth the transition to new controls. These easements will:
 - Allow businesses registered for Transitional Simplified Procedures (TSP) importing most goods moving from the EU into the UK to delay the submission of customs declarations and postpone the payment of customs duties. Businesses who want to take advantage of TSP will need to register via GOV.UK.
 - Allow importing businesses a period of grace to get a guarantee in place to cover any additional duties that they need to defer.
 - Phase in pre-arrival requirements for Entry Summary Declarations for the import of goods moving from the EU (sometimes known as safety and security declarations).

- The Government has introduced postponed VAT accounting for both EU and non-EU imports, enabling VAT registered businesses to wait until their next VAT return to declare and recover import VAT on goods, helping their cash flow and reducing costs at the point of import.
- The Government has negotiated UK accession to the Common Transit Convention (CTC) in its own right so that both imported and exported goods moving under transit can continue to flow across international borders without the payment of duties until they reach their final destination.

The Government has intensified preparations since 24 July 2019:

• The Government has automatically allocated a UK Economic Operator Registration and Identification (EORI) number to 88,000 VAT registered companies across the UK that HMRC know trade with the EU, to help businesses continue trading with customers and suppliers in the EU after 31 October 2019.¹ Non-VAT registered businesses that trade only with the EU have not been automatically given a UK EORI number as these businesses are harder for the Government to identify. Businesses will need an EORI number to move goods of any origin into or out

¹ <u>'Chancellor accelerates Brexit preparations for businesses'</u>, GOV.UK, August 2019.

of the EU after Brexit and they should check that they have one:

- The Government has allocated an extra £16 million for training thousands of customs staff, traders and hauliers.² This sum supplements the £8 million previously available to train customs agents and to increase automation, further encouraging the intermediary sector to support businesses. The Government has been working to design customs, agrifood and other controls at the UK border that support the flow of goods and are ensuring that IT systems, resourcing and infrastructure for the border will be ready.
- The Government has launched the Brexit imports and exports helpline: this is a dedicated telephone service for UK businesses importing from and exporting to the EU after Brexit. The helpline will provide up-to-date signposting and guidance to help these businesses prepare for Brexit and to continue to operate afterwards through a single point of enquiry. The telephone number is 0300 3301 331 and lines are open from 8am to 6pm Monday to Friday.
- The Government will continue its comprehensive programme of additional support and advice to

² <u>'£16 million funding boost to support thousands more customs experts'</u>. GOV.UK, September 2019.

improve trader and haulier readiness. This includes publishing a series of leaflets, step-by-step guides, process maps, checklists and videos, engaging with third parties through industry events, and running a series of on-line webinars. The Government will also ensure that hauliers can get information from information points on commonly used routes in both the UK and the EU, supporting them to get 'border ready'.

- In addition to the 900 Border Force officers recruited as of April 2019, Border Force has since received additional funding to recruit up to an additional 1,000 Border officials to protect border security and promote flows at the border, including approximately 250 required to undertake transit checks on 31 October.
- Traffic management and infrastructure plans are being enhanced in Kent. This includes:
 - Improving our ability to ensure compliance with Operation Brock, the critical contingency plan for queuing HGVs. On both the M20 and at Manston, the Government will deploy resources to establish whether drivers have the necessary border documentation prior to proceeding to their point of departure at the Port of Dover or Eurotunnel. Access to the roads leading into the Channel Tunnel terminal at Folkestone and the Port of Dover

will be made conditional on compliance with these 'border readiness' checks. These measures are designed to help improve traffic flow in Kent by helping to ensure that exports from UK ports are not held up by French customs checks.

- Developing an improved infrastructure solution for transit movements in the event that we leave without a deal on 31 October 2019 through securing sites in Kent and Essex. Guidance on finding and using these six government offices of destination or departure for moving goods under CTC through the Port of Dover or Eurotunnel has been published on GOV:UK:3
- Although the EU Commission sets the rules for border controls, Member States can decide how to operationalise them. For example, by developing their infrastructure and ensuring sufficient resourcing of border posts, Member States may improve border fluidity, especially in ports and airports that receive a high volume of UK trade and UK nationals.



Traders, businesses and hauliers should ensure they and their suppliers have the necessary paperwork to continue importing and exporting to ensure the smoothest possible flow at the border.

^{3 &#}x27;Moving goods through the Port of Dover and Eurotunnel using common transit', GOV.UK, September 2019.

- If a trader buys any items for its business from an EU country, or sells products to customers in EU countries, even if it is only once a year, it would be affected by new import and export arrangements after 31 October 2019 in the event that we leave without a deal. A trader needs to follow the steps below to prepare their business for Brexit⁴:
 - o Traders will need a <u>UK EORI number</u>.⁵ In most cases traders will not be able to move goods into and out of the UK without one and it takes less than ten minutes to apply. While HMRC has auto-allocated UK EORI numbers to 88,000 UK VAT-registered businesses that they know trade with the EU⁶, those companies below the VAT threshold that trade with the EU will need to register. Traders will also require an EU EORI if they have to make customs declarations to EU customs authorities.
 - Customs forms will be needed if a trader wants to <u>move items into the UK</u>⁷ or <u>move items out of the</u> <u>UK</u>⁸. Each business will need to decide whether it

⁴ 'Get ready for when the UK leaves the EU', GOV.UK.

⁵ 'Get an EORI number', GOV.UK

⁶ 'Chancellor accelerates Brexit preparations for businesses', GOV.UK, August 2019.

⁷ 'Customs declarations for goods brought into the EU', GOV.UK, January 2019.

⁸ 'Customs declarations for goods taken out of the EU', GOV.UK, January 2019.

- can complete customs declarations itself, which will require specialist skills and software, or secure a customs expert to do this for them.
- Each trader should visit GOV.UK to find Brexit guidance and help for importing9 and help for exporting¹⁰.
- o If a business is registered for VAT in the UK, it will be able to postpone paying UK import VAT until its next VAT return and declare and recover the import VAT on the same return. Find out how to account for import VAT¹¹.

⁹ 'Get your business ready to import from the EU to the UK after Brexit', GOV.UK.

^{10 &#}x27;Get your business ready to export from the UK to the EU after Brexit'. GOV.UK.

^{11 &#}x27;Check when you'll need to account for import VAT in a no-deal Brexit', GOV.UK, March 2019.

If a trader sells products to the EU, they need:

If a trader buys items from EU countries to bring to the UK they need:

A UK Economic Operator Registration and Identification (EORI) number.

A UK Economic Operator Registration and Identification (EORI) number¹².

To check with the people or company that moves its business's products — for example, the postal service, courier or haulier — to find out if they need extra information from the trader in order to carry on doing this.

To consider applying for simplified import procedures¹³ known as **Transitional Simplified** Procedures to get extra time to submit their customs documentation.

¹² 'Get an EORI number', GOV.UK, 2019.

^{13 &#}x27;Register for simplified import procedures in a no-deal Brexit', GOV.UK, February 2019.

To check that the people to whom the trader is selling are ready to bring the trader's goods into their country, are following that country's customs processes, and are ready to provide each party to the transaction with the relevant information they will need to comply with EU customs procedures (for example, to complete an EU import declaration).

To check the duty¹⁴ they will have to pay on the items they are bringing in.

To ensure processes are in place for providing the necessary customs documentation to the haulier.

To apply for a duty deferment account¹⁵ on GOV.UK to help with cashflow, if they are registered for Transitional Simplified Procedures and if import duty is payable.

^{14 &#}x27;Check temporary rates of customs duty (tariffs) on imports after a no-deal Brexit', GOV.UK, March 2019.

^{15 &#}x27;Setting up an account to defer duty payments when you import goods', GOV.UK, August 2019.

EU Member States will apply their own import VAT processes, which will be checked at the EU border. A trader will continue to be able to zero-rate sales of goods to the EU, by retaining evidence to prove that the goods have left the UK. Traders can check what they need to do if moving excise goods¹⁶.

Businesses:

 Businesses should check whether their goods require additional paperwork, such as Export Health Certificates (EHCs) for food or Catch Certificates for fish, and whether their goods need to go via a Border Inspection Post. Businesses can find out what additional requirements apply to their goods by filling out a <u>checklist</u>.¹⁷ Further information for businesses exporting live animals, products of animal origin, animal by-products, fish, food and drink is provided in

¹⁶ 'Moving and declaring excise goods in a no-deal Brexit', GOV.UK, February 2019.

¹⁷ 'Get ready for Brexit', GOV.UK, 2019.

the agrifood section of this report (see chapter 6 on industry).

• There will be some changes to the export licensing arrangements for items, currently controlled under EU export control regulations such as dual-use items (those with both civil and military uses). Licences will be required to export these items to the EU. The Government has sought to reduce the impact of this change by introducing a simplified licensing procedure for dual-use items. Exporters of controlled items are encouraged to register to use the simplified procedure as set out in the Guidance for exporting controlled goods after Brexit¹⁸ where there is further information available.

Hauliers:

Hauliers should refer to GOV.UK for a comprehensive checklist¹⁹ of documents that haulage drivers must carry to pass through customs if we leave without a deal. It is the responsibility of the trader to make customs declarations and provide the relevant documentation relating to goods being carried. The driver will need to carry different documentation depending on whether they are declaring the import and export of goods, or moving an empty vehicle or trailer.

¹⁸ 'Exporting controlled goods after Brexit', GOV.UK, March 2019.

¹⁹ 'International road haulage: no-deal Brexit haulier checklist', GOV.UK, March 2019.

- Drivers should ensure they have the right driver and vehicle documentation to drive in the EU after 31 October 2019. The transport section of this chapter (section B) provides information on the actions hauliers and motorists must take to continue driving in the EU.
- The Government has separately published a comprehensive Hauliers and Commercial Guidance²⁰ for hauliers and haulage drivers on all new border requirements. In summary, haulage businesses should update their guidance to drivers on what the trader must provide before hauliers take goods to the border:
 - After the UK leaves the EU, hauliers will need new customs and other SPS documents from the exporter for goods to cross the border into the EU. Relevant customs declarations for the goods will need to be completed and their drivers provided with the right licences and paperwork.
 - If the goods are being picked up from a consignor (a business that has been authorised to begin transit movements from a nominated site, rather than from a government-run Office of Departure), drivers can proceed directly to the port or Eurotunnel with a Transit Accompanying Document

²⁰ '<u>Transporting goods between the UK and the EU in a no-deal Brexit:</u> <u>Guidance for hauliers</u>', GOV.UK, September 2019.

- (TAD), which carries a Movement/Master Reference Number (MRN) in the form of a barcode on the TAD.
- If the goods are not being picked up from an authorised consignor, drivers will need to go to the Office of Departure with a Local Reference Number (LRN). The LRN will be processed there into a TAD / MRN.
- If hauliers are moving goods temporarily, such as material for an exhibition or a concert, under the ATA Convention, drivers need to go to the appropriate location to get customs to stamp the ATA Carnet form to avoid paying any duty.
- Ountil the UK leaves the EU, hauliers moving goods from the UK under excise duty suspension must ensure the excise warehouse keeper or producer provides the driver with a copy of the electronic Administrative Document (eAD) from the Excise Movement and Control System, or commercial documentation that clearly states the Administrative Reference Code (ARC) for that movement. If the goods are energy products, then they may give the driver a paper W8 form to accompany the consignment instead.
- If hauliers are transporting certain controlled products they will also need to provide the driver with a certificate to accompany the goods, for

- example all products of animal origin must be accompanied by their signed EHC. The agrifood section of this report sets out more information on these requirements.
- Haulage businesses should explain to their drivers that for goods leaving the UK, the trader will need to make an export declaration after which they will be informed whether they have received 'permission to progress' (P2P). The driver should check with the trader that the goods have received P2P to the port from HMRC before taking them across the border.

B:Cross-Border Transport Operations

- Both freight and passenger transport providers will be able to continue offering services to and from the EU if we leave without a deal, though some regulatory requirements will change.
- The Government has been working closely with operators to ensure services will continue.
- The measures and information put in place by the Government will ensure services remain smooth.

Commercial Transport Operators services would continue but requirements would change.

- If we leave without a deal, UK transport operators providing services to and from the EU would be able to keep operating but some regulatory requirements would change.
- As a result of provisions the EU has put in place, almost all current rights for UK operators to operate to and from the EU will be preserved until 31 July 2020 (for road transport) and October 2020 (for air transport).²¹

²¹ Subject to formal adoption by the EU of new end-dates in the EU contingency measures, expected to be confirmed in October.

A programme of legislation and engagement with EU Member States has ensured the continuation of Commercial Transport Operations.

The Government's preparations for leaving without a deal:

- The Government has put legislation in place to maintain the rights for EU road freight and passenger transport operators to provide services to the UK after Brexit, mirroring EU measures guaranteeing rights for UK hauliers. This ensures no new barriers on goods transported into the UK by EU hauliers.
- The Government has put legislation in place to allow European Conference of Ministers of Transport (ECMT) permits to be allocated on the basis of priority need using objective criteria; these permits will only be required for a limited number of UK haulier journeys not covered by the EU Regulation.
- The Government has already allocated a number of ECMT permits for 2019.
- The Government is continuing to encourage the Commission to allow the UK to remain within the motor insurance Green Card Free Area.
- The Government has been working closely with operators of cross-border rail services both through the Channel Tunnel and on the island of Ireland to

- ensure all the necessary regulatory approvals are in place to allow services to continue.
- The Government has confirmed that EU airlines will be able to operate to and from the UK, mirroring EU measures maintaining rights for UK airlines.
- The UK Civil Aviation Authority (CAA) and the Government have provided comprehensive guidance to airlines and other companies in the sector to ensure they have all the necessary licences and approvals to operate after Brexit.

The Government has intensified preparations since 24 July 2019:

- The Government has updated the process for allocating ECMT permits and will begin allocating ECMT permits for 2020 in November 2019.
- The Government has and will continue to work closely with the transport industry to ensure it is prepared for 31 October 2019.
- The Government has and will continue working with Member States to ensure that driving licences for commercial drivers operating in the EU will be recognised without need for an International Driving Permit (IDP).



Commercial Transport Operators need to take action to continue operating as usual and ensure both freight and passenger services continue

Hauliers:

- UK hauliers who require an ECMT permit should contact the Driver and Vehicle Standards Agency (DVSA). In 2019, these will cost £10 per application for an ECMT permit, and a further £10 for each ECMT permit awarded. Annual permits cost £133.
- After 31 July 2020, a wider range of UK hauliers operating to the EU may require an ECMT permit.
 Further guidance on the allocation of ECMT permits for 2020 will be available shortly and the window for applications will open in November 2019.
- Hauliers with commercial trailers weighing over 750kg will need to be registered with DVSA prior to travelling abroad. Hauliers will need to make sure they display a trailer registration plate and carry DVSA papers. Drivers with a mixed load will need to plan their journey, as where the driver needs to report may differ.
- EU hauliers will be able to operate in the UK as they currently do.

Commercial drivers, bus and coach operators:

- Drivers should ensure they have the right driver and vehicle documentation to drive in the EU after 31 October 2019. They should have a valid passport and the relevant operator licence.
- Drivers may also need to obtain an International Driving Permit (IDP), depending on the country to which they travel. Additionally, depending on the actions of the European Commission, they may need a Green Card for proof of third party motor insurance and obtain a GB sticker to display on their vehicle. Commercial motorists should check chapter 2 on Citizens for more information.
- Drivers doing business to and from the EU for UK businesses will still be able to rely on their existing Certificate of Professional Competence (CPC) qualifications. But UK drivers working for businesses based in the EU will need to contact the relevant authorities to have the CPC qualification transferred to the EU State. UK transport managers working for EU businesses may face further requirements and should consult GOV.UK.
- Bus and coach operators currently running occasional services (e.g. tourist trips) to the EU will continue to be able to operate these services but will be required to carry a certified copy of their standard

- international operator licence and a top copy of the Interbus Agreement waybill to travel.
- Bus and coach operators currently running scheduled services to the EU will continue to be able to operate until 31 July 2020²². However, if we leave without a deal, operators would not be able to renew existing authorisations after the UK leaves the EU. Therefore, operators with authorisations due to expire before 31 July 2020²³ are advised to renew them by 31 October 2019.

Cross-border rail operators:

 Holders of UK-issued licences working in EU countries will need to obtain a licence from an authority in an EU member state. Cross-border rail operators are already making the necessary preparations.

UK airlines:

 UK airlines operating to and from the EU will need to obtain a Part-TCO safety authorisation from the European Aviation Safety Agency (EASA) and an operating permit from each relevant Member State. The Civil Aviation Authority (CAA) website provides

Subject to formal adoption by the EU of new end-dates in the EU contingency measures, expected to be confirmed in October.
 Subject to formal adoption by the EU of new end-dates in the EU contingency measures, expected to be confirmed in October.

extensive and detailed information on the actions that airlines need to take on its website.

- UK aviation personnel involved in the operation and maintenance of aircraft (pilots, cabin crew, engineers and air traffic controllers) will need to ensure they have obtained the relevant licences and safety authorisations from the CAA and EASA. The CAA website provides extensive and detailed information for the action that personnel and UK airlines need to take.
- EU airlines will need to apply for an operating permit from the CAA, their website provides extensive and detailed information on the actions that EU airlines need to take.

UK ferry companies:

 Those operating regular scheduled services should check with the relevant port authorities in EU Member States to understand what pre-arrival notification (PAN) information they need to provide before arriving at that port. This may include: details of the ship; last 10 ports visited; special or additional security measures taken by the ship; crew list; and passenger list.

C:Import Tariffs

- The UK can pursue its own independent trade policy once it leaves the EU, taking its own decisions on regulatory issues and forging new trade relationships across the world.
- Currently, the UK's import tariffs are set by the EU. If we leave without a deal, the UK would be free to set its own import tariff schedule.
- The Government has set out a Temporary Tariff Regime (TTR) that would apply to all imports where the UK does not have a preferential trading arrangement in place, including from the EU, for up to 12 months. Businesses should familiarise themselves with the most recent online draft of the TTR to identify changes in tariffs and how that would impact their business by visiting GOV.UK.

UK trade policy would no longer be determined by the EU if the UK leaves without a deal. The UK would be free to set its own import tariff schedule for the first time in almost fifty years.

 The UK's trade policy, including tariffs on imports to the UK, is currently set by the EU. If the UK leaves the EU without a deal, goods traded between the UK and the EU would be subject to the same requirements as third country goods, including the payment of tariffs, as required under the WTO's Most Favoured Nation (MFN) principle. Once the UK has left the EU, the UK will be free to determine its own tariff schedule.

The Government has set out a Temporary Tariff Regime for all imports where the UK does not have a preferential trading arrangement in place. This would maintain trade for the majority of UK imports, helping to support consumers, business supply chains and sensitive sectors in the UK economy.

The Government's preparations for leaving without a deal:

- In March 2019, the Government set out a Temporary Tariff Regime (TTR) that would apply to all imports where the UK does not have a preferential trading arrangement in place, including from the EU.
- This is a temporary policy for a period of up to 12 months that would be introduced only in the event that the UK leaves the EU without a deal on 31 October 2019.
- The TTR does not apply to goods crossing the land border from Ireland into Northern Ireland, provided that goods have not been diverted with the intention of avoiding UK duties that would otherwise be

payable. The UK Government would not introduce any tariffs, new checks or controls on goods at or near the land border between Ireland and Northern Ireland. Further detail is available in Chapter 8 on Northern Ireland.

- In addition, there are a number of sectors where trade remedy tariffs help protect UK producers from unfair global trading practices, such as dumped or subsidised imports and unexpected surges in imports. The Government will transition the EU trade remedy measures that matter to UK industry and retain MFN tariffs on those products. Where the EU drops a remedy measure the UK intends to transition prior to the UK leaving the EU, the UK will not be able to transition that measure.
- The UK will continue to meet our long-standing commitment to reduce poverty through trade by offering preferential access to the UK market for developing countries. The TTR preserves this preferential access for these developing countries.
- The Government is also focused on continuity for UK businesses as we leave the EU. We have made some small changes, such as making sure that updates to commodity codes are incorporated to minimise disruption to business.
- When a trade agreement is in effect, there may be a 'preferential tariff rate' which is lower than the MFN

tariff rate. Where this applies, the lower preferential rate (which varies per trade agreement) is the tariff rate a business will be eligible to pay when importing from that specific partner country under the trade agreement. Otherwise, businesses will need to pay the MFN tariff rate.

 Businesses will be required to pay import VAT, rather than acquisition VAT, on any imports from the EU.
 Imports of excise goods from the EU will be treated the same as imports from the rest of the world.

The Government has intensified preparations since 24 July 2019:

- The Government has reviewed and revised the TTR.
 The final TTR liberalises tariffs on 88% of imports (by value). Tariffs would still apply to 12% of goods imported into the UK, including:
 - A mixture of tariffs and quotas on beef, lamb, pork, poultry and some dairy products to support farmers and producers who have historically been protected through high EU tariffs.
 - A number of tariffs on finished vehicles in order to support the automotive sector and in light of broader challenging market conditions. However, to prevent impacts on supply chains car manufacturers relying on EU supply chains would not face additional tariffs on car parts imported from the EU.

- Following the announcement of the TTR in March, the Government listened to the concerns and needs of businesses across a range of sectors. The Government decided to make three specific changes to the tariff schedule. These are to:
 - Lower tariffs on HGVs entering the UK market, striking a better balance between the needs of British producers and the Small Medium Enterprises (SMEs) that make up the UK haulage industry, ensuring that crucial fleet replacement programmes that help to lower carbon emissions can continue.
 - Adjust tariffs on bioethanol to retain support for UK producers, as the supply of this fuel is important to critical national infrastructure.
 - 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.
- The Government has continued to remain responsive to the concerns of business and has reviewed the tariffs that would come into effect if the UK left the EU without a deal. The announcement helps traders finalise their preparations.
- The Government will bring forward secondary legislation under the Taxation (Cross-border Trade) Act 2018 to give effect to the TTR prior to Brexit.

- To remain responsive to the needs of UK businesses as the UK leaves the EU, the Government will offer an Exceptional Review Procedure (ERP) for the first six months of the TTR's operation. More details will be available on GOV.UK soon.
- The Government has also committed to conducting a public consultation to inform the UK's permanent tariff policy, which will take effect after the temporary period. A consultation will enable the views of a wide range of voices to be heard. More details will be available on GOV.UK soon.



Businesses should familiarise themselves with the most recent online draft of the **Temporary Tariff Regime to identify changes** in tariffs and how that will impact their business by visiting GOV.UK.

For businesses to prepare:

• Businesses should familiarise themselves with the most recent online draft of the TTR to identify changes in tariffs and how that will impact their business. Businesses that import should visit GOV.UK to consult the list of the TTR's preferential, MFN and tariff rate quotas, or from 31 October 2019 use the UK Trade Tariff tool available on GOV.UK to search for rates based on commodity code. Where customs duty is payable this could vary depending on where goods are imported from.

- To find the MFN tariff rate a business will need to:
 - o Either visit GOV.UK for the list of TTR's preferential, MFN and tariff rate quotas, or from 31 October 2019 use the UK Trade Tariff tool to find the 10-digit commodity code.
 - Search for this commodity code in the tariff reference document.
- If the list on GOV.UK or the UK Trade Tariff tool shows that a tariff rate quota applies, UK businesses can apply to import a limited amount of a good at a specified tariff which is lower than the out of quota tariff rate. They will need to search for the tariff-rate quota (TRQ) order number in the TRQ Reference Document which is available on GOV.UK.
- Where the UK and partner countries have brought continuity agreements into effect, businesses will continue to need proof of origin to access preferential market access opportunities. Guidance is available on GOV.UK.

D:Export Tariffs

- If we leave without a deal, tariffs are expected to apply to UK businesses exporting to the EU and to the rest of the world where a trade agreement is not in place.
- The Government has made clear its intention to accelerate talks on new and ambitious trade relationships around the world, and we will look to secure greater access to overseas markets including tariff schedules on exports.
- The Government has already secured agreements with countries covering 72% of the trade (by value) for which we are seeking continuity if we leave without a deal. We have also secured an agreement to join the World Trade Organization's Agreement on Government Procurement as a party in our own right ensuring continuity of access for UK business to £1.3 trillion of global public procurement opportunities.

New tariff regimes will apply from 31 October 2019 if the UK leaves without a deal. This will result in the introduction of tariffs on some of the UK's exports to the EU and, in some cases, the rest of the world.

 If we leave without a deal, the EU's Common External Tariff is expected to apply to UK exports to the EU from 31 October 2019. This would result in the introduction of tariffs on 60% of the UK's exports to the EU (based on current UK exports trade by value).²⁴These tariffs would vary by sector. While for some sectors (such as life sciences or electronics) the effect of any tariffs would be minor, other sectors would be more affected – for example, the EU would introduce tariffs of around 65% on fresh boneless beef²⁵, around 53% on fresh bone-in lamb²⁶ and 10% on finished automotive vehicles.²⁷

• In addition, UK businesses would face new MFN tariffs when exporting to the rest of the world where an existing trade agreement with the EU has not been replaced. For example, continuity trade agreements have not been reached with Japan and Turkey. The impact of this would vary by sector, and would depend on each World Trade Organization member's MFN tariff rates and the value of UK exports.

The Government is working intensively to deliver continuity of the effects of existing EU third country

²⁴ Calculated using HMRC trade data and International Trade Centre's, Market Access Conditions, 2017-2018 data on the EU's Common External Tariff, 'Market Access Map', ITC, 2019.

²⁵ 'Brexit prospects for agri food trade', Agriculture and Horticulture Development Board, February 2019.

²⁶ 'Brexit prospects for agri food trade', Agriculture and Horticulture Development Board, February 2019.

²⁷ 'Market Access Map', ITC, 2019.

agreements that are relevant and important to the UK ahead of Brexit.

The Government's preparations for leaving without a deal:

- The Government has secured 16 trade continuity agreements to date, ²⁸ covering 46 countries that account for 72% (or £100 billion) of the trade for which we are seeking continuity if we leave without a deal. ²⁹ That has increased from 28% (or £39 billion) since March.
- In addition, in February the Government secured agreement to join the World Trade Organization's Agreement on Government Procurement as a party in our own right if we leave the EU without a deal,³⁰ ensuring continuity of access for UK business to £1.3 trillion of global public procurement opportunities.³¹ This also covers a substantial proportion of the access that UK businesses have to EU government procurement contracts as part of the single market.

²⁸ '<u>UK agreed trade continuity with six African nations</u>', DIT, September 2019.

²⁹ 'UK Trade with Trade Agreement Continuity (TAC) countries: statistical ad-hoc release', DIT, August 2019.

^{30&#}x27;WTO agreement secures £1.3 trillion market for British contractors', DIT, February 2019.

³¹ 'Trade White Paper: Preparing for our future UK trade policy - Government Response', DIT, January 2018.

 The Government has also built a new digital service, the 'Find a Tender Service', where UK public sector procurement opportunities will be advertised instead of in the Official Journal of the EU.

The Government has intensified preparations since 24 July 2019:

- The Government has continued to work intensively to deliver continuity of existing EU trade agreements, which the UK participates in as a member of the EU. For example:
 - A trade continuity agreement with South Korea was signed on 22 August 2019. Total UK trade with South Korea in 2018 was £14.6 billion.³²
 - An Economic Partnership Agreement was agreed in principle with Southern Africa Customs Union and Mozambique (i.e. South Africa, Botswana, Lesotho, Namibia, Eswatini and Mozambique) on 11 September 2019, which will be formally signed in October. Trade with these countries in 2018 was £9.7 billion.³³

³² 'UK and Korea to sign trade continuity agreement deal to ensure businesses are ready to trade post-Brexit', GOV.UK, August 2019. ³³ 'UK agreed trade continuity with six African nations', GOV.UK, September 2019.

- An Association Agreement with Lebanon was signed on 19 September 2019. Total UK trade with Lebanon in 2018 was £603 million.³⁴
- A trade and political continuity agreement with Tunisia was signed on 4 October 2019. Trade between the UK and Tunisia was worth £378 million in 2018.³⁵
- The Government will continue to work intensively on remaining trade continuity agreements, including the use of contingency options where possible, such as provisional application and bridging mechanisms to bring agreements into effect on 31 October 2019.



Businesses should act now to ensure they are prepared for exporting if we leave without a deal.

For businesses to prepare:

 Businesses will need to familiarise themselves with the EU's Common External Tariff by reviewing the integrated Tariff of the EU database (TARIC), as well as the relevant tariff rates and commodity codes for exporting to non-EU countries. TARIC is an online database where businesses can easily

³⁴ '<u>UK and Lebanon sign trade continuity agreement</u>', GOV.UK, September 2019.

^{35 &#}x27;UK and Tunisia sign continuity agreement', GOV.UK, October 2019

access information about tariffs applicable to all Member States when importing and exporting. This is available on the EU Commission's Taxation and Customs Union website. Businesses will be able to check export tariffs for the rest of the world by using the replacement for the EU's Market Access Database, which DIT is delivering. DIT's replacement service will ensure continuity of access to data on rest-of-world tariffs, rates, quotas as well as import procedures that UK businesses currently obtain from the EU's service. The name and URL of DIT's service are still to be confirmed, but the service will be launched before 31 October 2019.

2. Citizens

Shaping a new future with and for EU and UK citizens

With the end of free movement, the Government can boost the labour market by introducing a fairer immigration system based on skills and talent – not where people come from. At the same time, we are protecting the rights of more than 3 million EU citizens in the UK who contribute so much to our nation and are encouraging EU Member States to do the same for our nationals living across the EU.

- While freedom of movement as it currently stands will end on 31 October 2019, the UK values enormously the millions of EU citizens resident in our country who make such a significant contribution to society.
- The Prime Minister has made clear that law-abiding EU citizens now living in the UK can be absolutely certain of their right to live and remain here.
- They will continue to be able to work, study, and access benefits and services such as the NHS in the

UK on the same basis after 31 October 2019 as they do now.

This chapter details the changes that will affect more than 3 million EU citizens living in the UK³⁶ and around 1 million UK nationals living in the EU³⁷. It sets out the changes that will affect UK nationals who wish to travel, reside, work or study in the EU after 31 October 2019 and the mitigations the Government has put in place or is pursuing to ensure citizens' rights are protected.

The EU Settlement Scheme delivers on that promise and gives EU citizens an immigration status under UK law. By the end of September 2019 almost 1.5 million people had already been granted a status under the Scheme and 1.7 million had applied.³⁸ It is free and EU citizens have until at least December 2020 to apply.

Different arrangements will apply for UK and Irish citizens travelling to or residing in the other state, as the UK and Irish Governments are committed to maintaining Common Travel Area (CTA) arrangements including the associated rights of British and Irish citizens. More

³⁶ Population of the UK by country of birth and nationality: January to December 2018', Office of National Statistics, May 2019.

³⁷ Living abroad: British residents living in the EU: April 2018', Office of National Statistics, April 2018.

³⁸ 'Media Factsheet: EU Settlement Scheme', GOV.UK, September 2019.

information is available at GOV.UK.³⁹ The UK and Irish Governments signed a CTA Memorandum of Understanding reaffirming this commitment in May 2019.⁴⁰

CASE STUDIES

Maria, a French doctor living in the UK since 2007 and working for the NHS, will be able to stay in the UK, and have her qualification recognised. She will need to apply to the EU Settlement Scheme before 31 December 2020. Should Maria wish to re-train in the future, she can go to a UK university and pay the same fee as a UK national.

John, a Scottish student living in Berlin, will be able to see out his studies in Germany. To continue living in Berlin after Brexit, John will need to apply for a temporary residence permit for the purposes of education. Should he choose to stay in Germany after the end of his studies, he will need to apply for a permanent title and will be able to pursue employment. The situation will differ between countries and students should speak to their education provider.

Kevin is a UK state pensioner who has retired to an EU Member State. He is exporting his uprated UK

³⁹ 'Common Travel Area Guidance', GOV.UK, February 2019.

⁴⁰ 'Memorandum of Understanding between the UK and Ireland on the CTA', GOV.UK, May 2019.

State Pension and receives reciprocal healthcare cover from the UK.

- Kevin will continue to receive his UK State Pension and this will be uprated until at least 31 March 2023. His UK State Pension would continue to be uprated beyond the end of March 2023 if the Government is successful in securing reciprocal arrangements with either the EU or his Member State of residence.
- We have taken a number of steps to support access to healthcare for individuals like Kevin after Brexit, including covering healthcare costs in an individual's Member State of residence for six months if we leave without a deal.
- We have proposed to each EU Member State that, if we leave without a deal, existing healthcare arrangements should continue until 31 December 2020 in the same way that they do now. Should arrangements with the EU or with Kevin's Member State of residence be secured, the way he accesses healthcare should not change until at least that date.

Rebecca is planning a holiday to France in the car with her family and pet dog.

 She should contact their vet at least four months ahead of departure to ensure their dog can travel as the UK will no longer be listed on the EU's Pet Travel Scheme. She should also ensure the family enter the EU through a designated point of entry for pets.

- In addition, at least three weeks ahead of travel, all members of the family with less than six months remaining on their passports will need to apply to renew their passports. The family should also purchase appropriate health insurance (including for pre-existing conditions), as UK-issued European Health Insurance Cards may not be valid if we leave without a deal.
- Anyone planning on driving in France will need to obtain and bring with them an International Driving Permit (to be purchased from the Post Office) and a free 'green card' from their vehicle insurance company (to be ordered at least one month ahead of travel). If they are using a UK registered vehicle it will also require a GB sticker.
- Upon arrival at French border control, the family may be asked for information about their stay, such as showing a return or onward ticket and that they have enough money for their stay. They may need to use separate lanes from EU citizens when queuing.

 As the family is not staying for longer than 90 days and are all UK nationals, they will not need a visa for entry into France.

A: EU Citizens in the UK

- By applying to the EU Settlement Scheme, EU citizens living in the UK before Brexit will be able to work, study and access benefits and services in the UK on the same basis after 31 October 2019 as they do now.
- EU citizens with more than five years' residency will receive settled status. Those with less than five years' residency will receive pre-settled status, giving them time to accumulate the five years required for settled status. This mirrors provisions under EU law. Whether someone has pre-settled status or settled status, this means they have been accepted through the Scheme and have secured their rights in UK law.
- EU citizens who received settled status have the same access to benefits as a comparable UK national. EU citizens with pre-settled status will have access on the same basis as now, until they have

accumulated five years' residence when they will have the same access as comparable UK nationals.

Freedom of movement as it currently stands will end when we leave the EU.

 However, the new immigration arrangements will not impact EU citizens who are residents in the UK by 31 October 2019. EU citizens are our friends, family and neighbours, and we will continue to protect their rights.

The EU Settlement Scheme means that EU citizens can stay in the UK indefinitely and their rights will be protected in UK law.

The Government's preparations for leaving without a deal:

- The Government has established the EU Settlement Scheme. If we leave without a deal, the scheme enables EU citizens (including EEA, EFTA and Swiss nationals) resident in the UK by 31 October 2019 and their family members to apply to remain in the UK and protects their rights after we leave the EU. They will have until 31 December 2020 to apply.
- The Government has also reached separate agreements on citizens' rights with the EEA EFTA

states (Norway, Iceland and Liechtenstein) and Switzerland. These agreements provide certainty to both UK nationals in the EFTA states and EFTA nationals in the UK, who are legally resident before exit day, that they can continue to live, work and study as now.

- Over 1.7 million people have applied to the scheme and almost 1.5 million have received their status.⁴¹
- To support the scheme, the Government has put in place a free assisted digital service, under which applicants can access support over the phone, faceto-face in almost 300 centres across the UK, or from an in-home tutor. The Government has made £9 million available to 57 voluntary and community sector organisations to reach an estimated 200,000 vulnerable or at-risk EU citizens who may need additional support to apply.⁴²
- The rights of EU citizens and their family members will be protected under existing primary and secondary legislation. EU citizens will have continued access to domestic healthcare, education and benefits and ongoing recognition of professional

⁴¹ 'Media Factsheet: EU Settlement Scheme – latest information', GOV.UK, September 2019.

⁴² 'Funding awarded to support vulnerable EU citizens apply for settled status', GOV.UK, April 2019.

- qualifications. The EFTA agreements are also being implemented by existing legislation.
- The rights of EU citizens to vote and stand in UK local elections will not immediately change on exit from the EU and we are seeking reciprocal bilateral agreements to maintain this right. As is currently the case, EU citizens will not be able to vote or stand in UK parliamentary elections. The Scottish and Welsh Governments are responsible for their own franchise for local and devolved elections.
- EU motorists (both private and commercial) will be able to continue to drive to the UK as they do now.
 They will not need to obtain an International Driving Permit (IDP) or a Green Card.

The Government has intensified preparations since 24 July 2019:

- The Prime Minister has given an unequivocal guarantee to over three million EU citizens now living and working here: that they can have absolute certainty of the right to live and remain in the UK.
- The Home Office is processing up to twenty thousand applications a day for the EU Settlement Scheme.
 Almost 1.5 million people have now been granted a status under the scheme.

⁴³ Irish, Cypriot and Maltese citizens can vote under separate arrangements.

- The 57 organisations, which were funded by the Home Office's £9 million grant for vulnerable or at risk EU citizens, have now mobilised their outreach and a range of practical assistance (such as language support, technical help and guidance giving) is available to enable more vulnerable citizens to apply.
- The Government is undertaking an extensive communications campaign to support the EU Settlement Scheme, with a particular focus on supporting the vulnerable.
- Advertising and local events to reach EU citizens are underway to support the cross-government 'Get ready for Brexit' public information campaign and further publicity will roll out over the lifetime of the scheme.



EU citizens are encouraged to apply online for the EU Settlement Scheme now so that they and their family members secure their status in the UK.

For individuals to prepare:

 EU citizens and their family members resident in the UK by 31 October 2019 will have until at least 31 December 2020 to apply to the EU Settlement Scheme.

- Applicants only need only to prove their identity, provide evidence of their residence in the UK and declare any criminal convictions. No-one is granted pre-settled status without first being offered the opportunity to submit evidence that they qualify for settled status, and we are making it as simple as possible for people to demonstrate their right to settled status by accepting a wide range of evidence. A dedicated helpline (0300 123 7379 or +44 203 080 0010 if calling from outside the United Kingdom) is available seven days a week to help people get the status to which they are entitled.
- To obtain settled status EU citizens and their family members will generally need to have lived continuously in the UK for five years. Those with less than five years' residence will be granted pre-settled status until they accumulate their five years, and can then apply for settled status (without paying a fee).
- Irish citizens are not required to apply for status as their rights will be protected under domestic CTA arrangements.
- Employers are encouraged to communicate with their EU staff about the EU Settlement Scheme and urge them to apply. Employers can view the employer toolkit page⁴⁴ on GOV.UK and download

⁴⁴ 'Employer introduction to the EU Settlement Scheme', GOV.UK, September 2019.

• Employers, including those of seasonal workers from the EU, should continue to ensure that after 31 October 2019 all their employees have the right to work in the UK. This is an existing requirement that all employers should already be following. Until the end of 2020, they continue to fulfil this duty by checking their EU employee's passport or national identity card.

B: EU Citizens Coming to the UK after Brexit

- As we leave the EU, there will be a transition to a new points-based immigration system.
- EU citizens moving to the UK after a no-deal Brexit on 31 October 2019 will still be able to live and work in the UK for a temporary period, but new border controls will be introduced to make it harder for serious criminals to enter the UK.
- To remain in the UK after 2020, EU citizens moving to the UK after exit, and their close family members, will be able to apply for European Temporary Leave to Remain, a new scheme that will launch after Brexit.

 The Government will introduce a new, Australianstyle points-based immigration system from January 2021.

When we leave the EU, there will be a transition to a new points-based immigration system, based on the skills and talent that people have – not on where they come from.

- In the short term, EU citizens moving to the UK if we leave without a deal on 31 October 2019 will be able to work, study and access benefits and services in the same way as EU citizens resident before exit day.
- However, to remain in the UK after 2020 they will be able to apply for European Temporary Leave to Remain (Euro TLR) which will last three years.
- The Government believes that UK businesses and employers should be looking to employ and train up workers locally, but this new approach gives businesses the certainty they need to employ EU citizens for the transition period.
- Irish citizens' rights will continue to be protected under domestic CTA arrangements.

The Government's preparations for leaving without a deal:

- Since the referendum result, the Government has been preparing for the end of free movement and the introduction of a new immigration system.
- In December 2018 the Government published an Immigration White Paper setting out proposals for a single, skills-based immigration system where it is workers' skills that matter, not which country they come from.⁴⁶
- We are engaging with employers across the UK on the future system and the Home Secretary has commissioned the independent Migration Advisory Committee to review how a points-based system can be used to strengthen the UK labour market and attract the best and brightest from around the world.
- This new points-based system will be introduced from 2021 whether we leave the EU with or without a deal.

⁴⁵ 'No-deal immigration arrangements for EU citizens arriving after exit', GOV.UK, September 2019.

⁴⁶ 'The UK's future skills-based immigration system', Home Office and UK Visas and Immigration, December 2018.

The Government has intensified preparations since 24 July 2019:

- The Government has announced that for a transitional period after Brexit on 31 October 2019 until 31 December 2020, law-abiding EU citizens and their family members will be able to move to the UK and live, study, work and access benefits and services in the same way as EU citizens resident before exit day.
- For the time being, border crossing arrangements will remain largely unchanged. Until further notice, EU citizens will enter the UK as they do now, using their passport or national identity card.⁴⁷
- They will be able to use eGates if they are travelling on a biometric passport, and they will not face routine questioning by a Border Force officer.

⁴⁷ After Brexit, residence cards issued to third country national family members of EEA citizens by EEA Member States under article 10 or 20 of Directive 2004/38/EC will no longer be valid for admission to the UK. Affected individuals may obtain an EEA family permit for this purpose (see 'Apply for a Permit to join your EU or EEA family member in the UK', GOV.UK) or a UK-issued biometric residence card (see 'Apply for a residence card', GOV.UK). Further, EEA citizens and their family members who do not produce on arrival the required documentation (a valid EEA passport or national identity card for an EEA citizen; a valid passport and valid EEA family permit or UK-issued residence card for a third country national family member) will no longer be able to establish a right of admission by other means.

- EU citizens who move to the UK during the transition period will be able to apply for a 36-month temporary immigration status Euro TLR. Applications to the new Euro TLR scheme, which will open after Brexit, will be simple and free and will be made after arrival in the UK.
- Until the future immigration system is introduced in 2021, all EU citizens will be able to take up employment and rent property as now and prove their rights to do this by showing a passport or national identity card.
- The Home Secretary has commissioned the Migration Advisory Committee to consider a new points-based immigration system for introduction in 2021 built around the skills and talent people have – not where they come from.
- The Government will commence a communications campaign to explain the immigration arrangements for EU citizens arriving after exit, including the Euro TLR scheme.



Individuals and businesses should check relevant information on GOV.UK about the arrangements that will apply for EU citizens arriving after Brexit.

For individuals and businesses to prepare:

- EU citizens travelling to the UK after Brexit will not need to make any special arrangements in advance, but EU citizens who move to the UK after Brexit and who do not apply for Euro TLR will need to leave the UK by 31 December 2020 – unless they have applied for and obtained a UK immigration status under the UK's new points-based immigration system.
- EU citizens visiting the UK after Brexit may find their healthcare cover in the UK changes, if measures to continue the current reciprocal healthcare arrangements until the end of December 2020 are not in place with the EU or individual Member States. The UK Government continues to advise visitors to the UK to take out travel insurance so that any costs a visitor is asked to pay can be reclaimed from the insurer.
- Until 2021, employers and other third parties will not need to differentiate between those with status under the EU Settlement Scheme and new arrivals.

- In the interim, EU citizens will be able to evidence their right to live and work in the UK by using a valid EU passport or national identity card, as now.
- Further information about the immigration arrangements for EU citizens arriving in the UK after Brexit is available on GOV.UK.⁴⁸ The same arrangements will also apply to citizens of Iceland, Liechtenstein, Norway and Switzerland.

C: UK Nationals in the EU

- There are currently around 1 million UK nationals living, working and studying in the EU. If we leave without a deal, their ability to continue to do so may be affected.
- The Government continues to engage with EU
 Member States to seek to secure the same rights as
 would be afforded EU citizens in the UK if we leave
 without a deal. Even with this engagement, it is clear
 that many Member States will not fully reciprocate
 the UK's guarantee and UK nationals may face
 change and uncertainty.

⁴⁸ 'Moving to the UK after Brexit: EU citizens and their families', GOV.UK, September 2019.

 There are actions UK nationals can take to be prepared, including familiarising themselves with the requirements of their Member State of residence.

While the Government cannot protect the rights of UK nationals in the EU unilaterally, it has undertaken an intensive lobbying campaign to encourage the EU and its Member States to reciprocate, in full, the guarantees the UK has unilaterally given to EU citizens resident here.

- All Member States have made commitments to protect the rights of UK nationals, but these vary in the extent to which they reciprocate the UK's guarantee.⁴⁹
- British citizens can continue to enter, live and work in Ireland without requiring permission under CTA arrangements.
- All Member States have prepared or enacted no-deal contingency legislation that will come into place if we leave without a deal. The extent to which this will protect existing rights and services will vary by Member State, with the risk that some UK nationals

⁴⁹ 'Residence rights of UK nationals in EU27 Member States', European Commission.

- Access to healthcare and social security cover.
- The right to vote and stand in local elections.
- The right to provide services (see chapter 5 on services).
- Other aspects that remain uncertain include data sharing and provisions ensuring UK nationals who work across multiple States pay social security contributions into only one system.

The Government has engaged extensively with the EU and its Member States to attempt to secure continued protections for the rights of UK nationals living in the EU so they can continue their lives as smoothly as possible.

The Government's preparations for leaving without a deal:

- The Government is monitoring the offers of all EU Member States. All Member States have committed to protect the rights of UK nationals, albeit in varying detail. We continue to lobby Member States to improve their offer for UK nationals and provide clear communications to UK nationals.
- The UK will continue to operate the EU social security coordination rules as far as possible

- The UK is therefore also seeking an EU-wide approach or reciprocal bilateral arrangements with Member States to transitionally continue the current social security coordination rules, including reciprocal healthcare, in full until the end of December 2020. Many Member States have already put in place comprehensive healthcare arrangements for UKinsured people. The UK is taking a three-stranded approach to protecting the healthcare of UK nationals in the EU: communications with citizens; discussions with the EU and Member States; and contingency planning.
- On contingency planning for reciprocal healthcare, we legislated earlier in 2019 so that UK nationals in the middle of treatment over exit day will be covered for that course of treatment for up to one year.
- UK State Pension recipients will continue to receive their UK State Pension, whatever the position on the social security coordination rules. See below for the position on UK State Pension uprating.

- The UK and Irish Governments have concluded a reciprocal agreement to ensure continuity of certain social security rights of British and Irish citizens moving between the two countries.
- UK nationals living in the EFTA states will have their rights protected by the citizens' rights agreements we have reached with those states.
- The Government has published detailed living in country guides⁵⁰ covering what UK nationals need to do in each Member State. As part of the Government public information campaign, the Government is delivering an £11 million campaign to provide clear and factual information to UK nationals living in the EU and to those travelling there.
- Our network of embassies and consulates across Europe has led over 552 outreach events with UK nationals to understand their concerns and explain actions that they need to take. These events have reached over 258,000 people since November 2017.
- The UK Government has been clear that the issue of local voting rights of EU citizens living in the UK needs to be considered alongside the rights and interests of UK nationals living abroad.
- The UK has already signed bilateral agreements with Spain, Portugal and Luxembourg to guarantee local

⁵⁰ 'Living in country guides', GOV.UK, June 2018.

- voting and candidacy rights for UK nationals in those states. Together, these three voting rights treaties protect the rights of a third of UK nationals living in EU Member States.
- UK nationals in the EU in receipt of Erasmus+ funding on 31 October 2019 may continue their placements as the EU has passed a regulation permitting those undertaking Erasmus+ learning mobility activities at the time of Brexit to continue for the duration of their mobility period. For other Erasmus+ projects, the Government's Guarantee commits to underwrite successful bids for Erasmus+ funding that have had their bids approved before the end of 2020, if we leave without a deal. Further information on EU funds and the scope of the Guarantee is covered in the section on EU funds (see chapter 7 on public services).
- The Government has significantly increased consular capacity to ensure an effective response to enquiries from UK nationals seeking help in the EU, including requests for assistance from the most vulnerable. The Government created a new network of 20. Regional Consular Policy Advisers in the EU and EFTA states in 2018 who lead on understanding the issues presented by leaving the EU and has hired Regional Healthcare Advisors to support people accessing healthcare in the EU. By exit day we will

have more than 100 additional consular staff in place in Europe.

The Government has intensified preparations since 24 July 2019:

- The Government is having regular discussions with the EU and its Member States to encourage them to do as much as they can to protect UK nationals' rights and to communicate their no-deal plans to UK nationals living in their territories as a matter of urgency. We are calling on the EU to facilitate our bilateral discussions with Member States, rather than to seek to restrict or limit them.
- Following UK Government lobbying, we have seen positive steps being taken by Member States.
 Cyprus, for example, has confirmed that UK nationals resident by exit day will have a 'grace period' until 31 December 2020 in which to apply for permanent residence, Romania has decided to speed up the legislative process for no-deal contingency measures, and other Member States have agreed to examine their citizens' rights legislation and processes.
- The UK Government continues to pursue bilateral agreements with other Member States on local voting rights.

- The UK and Spain have also taken steps to ensure that people living in each country can continue to access healthcare as they do now until at least 31 December 2020.
- On contingency planning for reciprocal healthcare, on 23 September 2019, the Government announced provisions that go further, in the event we do not reach reciprocal arrangements with the EU or with Member States. The UK Government will now fund the healthcare of existing UK insured individuals living or working in the EU, on the same basis as now, for a further six months after Brexit (and during registration if necessary).⁵¹
- This provision is aimed at providing people time to make alternative arrangements for their future healthcare cover, including registering for healthcare in their country of residence. People should, however, check the requirements for the country in which they live as action may be necessary before the 6 month period ends. The UK will also continue to cover those travelling to the EU, whose visits or treatment commenced prior to exit day until they return to the UK, as well as cover for students who began their courses in the EU ahead of exit day for the duration of their course. UK-insured people will continue to be eligible for NHS-funded treatment

⁵¹ Students already in the EU have cover for the duration of their course where reciprocity has not been secured.

when visiting England, Scotland or Wales. Any UK national who returns to live in the UK (including Northern Ireland) will be eligible for NHS-funded treatment.

- On 30 August 2019, the Government launched a UK Nationals Support Fund, providing up to £3 million of grant funding to third party organisations to support and inform UK nationals living in the EU and EFTA states who might otherwise struggle to register or apply for residency in the Member State in which they live.
- The Government is currently recruiting additional staff in the FCO Consular Contact Centre to manage phone and written enquiries and we are ready to draw on our third-party call-handling supplier if necessary.
- With regard to UK state pensions paid to eligible UK state pension recipients living in Member States, in the event of leaving without a deal the UK has now committed to uprate state pensions paid in the EU for a further three years until the end of March 2023, beyond our initial one-year commitment to uprate for the financial year 2019/20. This means we will uprate state pensions for eligible people in the EU for 2020/21, 2021/22 and 2022/23. This additional commitment would extend both to those UK State Pension recipients in the EU on 31 October 2019 and

to those pensioners who move there from the UK or start to receive their UK State Pension during the period of the commitment. During that period, we will continue to seek EU-wide reciprocity and/or agreements to maintain the current policy with individual Member States.



Individuals should make themselves aware of the policies in their host country, and take any action required as outlined in the appropriate 'living-in guide' on GOV.UK

For UK nationals to prepare:

- Make sure they are aware of the policies of their host country and take the necessary actions to secure their rights. They should sign up for updates on the living in country guides and foreign travel advice.52 The UK's Embassies, High Commissions and Consulates across the EU will also continue to hold outreach events for UK nationals in the EU, and provide information via their social media channels.
- Register as a resident in the country they are currently living in. The rules and process for this vary between Member States - UK nationals should check

⁵² 'Living in country guides', GOV.UK, June 2018.

the living in country guide for the actions they need to take in their Member State.⁵³

- Make sure they have sufficient healthcare cover and are aware of any further steps which are required in their host country.
- Check with their local healthcare service to understand how their healthcare cover may change. Actions that may be required include registering with their local health services in their host Member State. Some people may also want to consider buying health insurance while they are applying to join, or if they are not eligible for, their local healthcare service. Detailed country-by-country guidance has been published on GOV.UK.⁵⁴

In addition, the following specific audiences will need to take action:

- Those working in the EU but who pay National Insurance contributions in the UK should check with the social security authorities of the Member State where they live or work whether they need to start paying social security contributions in that Member State, as well as the UK, from 1 November 2019.
- Providers of personal pensions, occupational pensions or annuities should be checking their processes to

⁵³ 'Living in country guides', GOV.UK, June 2018.

⁵⁴ 'Living in country guides', GOV.UK, June 2018.

ensure payments continue and confirming this with UK nationals. If UK nationals have concerns, they should contact their scheme or provider.

 UK nationals studying for a degree in higher education in the EU should speak to their higher education provider in the first instance and familiarise themselves with the relevant guidance on GOV.UK. For information specific to individual Member States, students should consult the living in country guides.55

D: UK Nationals Travelling to the EU (Including for Work or Study Purposes)

- If the UK leaves the EU without a deal, existing rules covering travel to the EU by UK nationals will no longer apply. Travel to the EU may involve increased immigration checks and other additional requirements.
- The EU has confirmed that UK nationals will not require a visit visa for short stays of up to 90 days in every 180-day period for purposes such as tourism.
- UK nationals will still be able to travel to EU Member States and should be prepared to bring the correct

⁵⁵ 'Living in country guides', GOV.UK, June 2018.

- documentation (see chapter 5 on services for further information on travelling for work).
- Pet owners will still be able to travel with their pet but they will need to take additional steps to ensure their pet can enter the EU.

There may be changes in the requirements needed to travel to EU Member States but these should not restrict or limit travel for tourism.

- There may be increased immigration checks and documentation requirements for UK nationals travelling to the EU. These might include showing evidence of the purpose of their trip and proof that they can afford to cover its costs.
- Those planning to work or deliver services in the EU, even for short visits, may need to meet additional conditions around supporting documentation, work permits or visas (see chapter 5 on services for further information).
- British citizens can continue to enter, live and work in Ireland without requiring permission under CTA arrangements.

- UK nationals may lose access to dedicated lanes for EU/EEA/Swiss nationals and/or automated points of entry.
- Other changes to documentation requirements:
 - Passports will need to be valid for at least six months after the date of entry to the EU and have been issued within the past ten years. This does not apply to travel in Ireland.
 - European Health Insurance Cards (EHICs) issued by the UK may not be valid in EU Member States and people should check for the latest information on GOV.UK for the country they are visiting.⁵⁶ Government advice has consistently been that UK nationals need to get travel insurance to cover emergency healthcare costs. Travel insurance may not cover, or may cost more for people with, preexisting conditions that are currently covered by the EHIC scheme.
 - UK nationals intending to drive in the EU may need to obtain an International Driving Permit and Green Card.
 - EU Member States may no longer recognise prescriptions issued by UK medical professionals.
- If we leave without a deal, roaming arrangements for UK consumers travelling to the EU may change.

⁵⁶ 'Travelling and living abroad', NHS, September 2019.

Some mobile operators have stated that they have no current plans to change their mobile roaming policies after the UK leaves the EU.

• Pet owners (of dogs, cats and ferrets only, including those with assistance dogs) will still be able to travel to Europe with their pet after Brexit but may need to take additional steps to prepare. UK-issued pet passports will no longer be valid for entry to the EU, and cats, dogs and ferrets will need an animal health certificate for each trip (valid for entry 10 days from issue and for four months' travel within the EU).

UK nationals have been provided with detailed guidance on steps they should take before travelling to the EU after Brexit to ensure a smooth and safe trip.

The Government's preparations for leaving without a deal:

- The Government has developed an online checker to allow British passport holders to see if their passport is valid for travel.⁵⁷
- The Government has provided detailed advice on GOV.UK on what UK nationals need to do if planning to visit the EU after Brexit.⁵⁸

⁵⁷ 'Check a Passport for Travel to Europe after Brexit', GOV.UK.

⁵⁸ 'Visit Europe after Brexit', GOV.UK.

 The Government has launched a communications campaign to prepare pet owners and assistance dog users.⁵⁹

The Government has intensified preparations since 24 July 2019:

- The Government is seeking an EU-wide continuation, or reciprocal bilateral arrangements with Member States, to transitionally continue the current social security coordination rules, including reciprocal healthcare, in full until the end of December 2020. If our proposal is accepted, this would ensure that workers only pay into one social security system at a time as well as ensuring that EHICs can still be used by UK travellers.
- The UK and Spain have each taken steps to ensure that people travelling to each country can continue to access healthcare as they do now until at least 31 December 2020.
- On 23 September 2019, we announced that we will continue existing cover for the healthcare costs of students for the duration of their studies, if their studies started before Brexit.

⁵⁹ 'Pet owners reminded to seek advice on travel plans ahead of 31 October', Defra, June 2019.

 The Government will continue to provide information where available about entry requirements on the FCO's country-specific foreign travel advice pages.



Individuals should visit GOV.UK and other sources of information to: ensure that they understand entry and exit requirements; have the correct documentation and cover to travel; and understand whether they need to pay social security contributions in both the UK and the EU at the same time.

To prepare, individuals and business will need to:

- Visit GOV.UK for information regarding immigration requirements of the country they are travelling to if the reason for their visit is work or study, or if they intend to remain for longer than 90 in any 180-day period.
- Check that their passport complies with the Schengen entry requirements using the online tool.⁶⁰ Priority services are available for more urgent travel, at an additional fee.

^{60 &#}x27;Check a passport for travel to Europe after Brexit', GOV.UK.

- Ensure that they have documentation required by immigration authorities, such as proof of sufficient funds for the duration of their stay or a return ticket.
- Continue to buy comprehensive travel insurance, as UK-issued EHICs may no longer be valid depending on the country they are visiting. People with preexisting medical conditions, which would have been covered by the EHIC, should discuss how this would affect travel plans and insurance cover with their GP and insurer.
- Contact the relevant EU country's authority to see if they need to start paying any social security contributions in that country.⁶¹
- If intending to drive in the EU, familiarise themselves with the information in the transport section of this chapter which details the documents that may be required.
- Check the roaming policy of their mobile operator before travelling to the EU and EEA countries.

In addition, those travelling with pets (or assistance animals) should:

 Contact a vet at least four months prior to travelling to get the latest advice and ensure that the requisite

⁶¹ Details of EU country social security authorities can be found on the European Commission's website. See '<u>Employment, Social Affairs & Inclusion</u>', European Commission.

health preparations for pets have been undertaken. Cats, dogs and ferrets travelling to the EU will need to have an up-to-date rabies vaccination (whether that is a booster or initial vaccination) followed by a blood test a minimum of 30 days later. This test must be carried out at least three calendar months before travel.

• Enter Member States via a Travellers Point of Entry (TPE). Details of designated points of entry throughout the EU are published on the European Commission's website. Practical, straightforward and up to date pet travel advice⁶² for those travelling to the EU after 31 October 2019, and for those entering or returning to the UK,⁶³ has been published on GOV.UK.

E: Transport

- If we leave without a deal, citizens will still be able to travel between the UK and EU, but there may be changes to the documents they need.
- Flights, cross-border rail services, bus and coach services, and ferries between the UK and the EU will be able to continue.

^{62 &#}x27;Pet travel to Europe after Brexit', Defra, August 2019.

^{63 &#}x27;Bringing your pet dog, cat or ferret to the UK', GOV.UK.

 All citizens and businesses travelling to the EU should ensure they have complied with the travel advice outlined on GOV.UK and have the necessary documentation and insurances.

The UK and the EU have put in place measures to ensure that passenger services, whether by road, rail, sea or air, will continue immediately after exit.

- There may be new document requirements for drivers (both commercial and private), who plan on driving to, from or within the EU, to comply with.
- Changes to immigration checks in EU Member States may result in some issues at both UK and EU ports of entry.

The Government has put in place significant mitigations to ensure that transport to and from the EU can continue.

The Government's preparations for leaving without a deal:

 The Government has permitted EU airlines to continue to fly to and from the UK until 24 October 2020, mirroring EU measures for UK airlines.⁶⁴ This

⁶⁴ Subject to formal adoption by the EU of new end-dates in the EU contingency measures, expected to be confirmed in October.

means that citizens will be able to continue to fly with confidence after 31 October 2019.

- The Government has completed the process to accede to the Interbus Agreement, which allows UK occasional bus and coach services (e.g. school trips) to the EU to continue and has been updated to include scheduled services, pending ratification. Regular bus and coach services (e.g. scheduled) will continue to operate to the EU until 31 July 2020.⁶⁵
- The Government has put measures in place to ensure that cross-border rail services to the EU, including on the Island of Ireland, will continue.
- The majority of EU Member States have stated that they will recognise the UK photocard driving licence of visiting UK motorists without requiring an International Driving Permit (IDP). Motorists should check details on the GOV.UK website before travelling.⁶⁶

The Government has intensified preparations since 24 July 2019:

 The Government has and will continue to work with Member States, with the aim that UK driving licences

Subject to formal adoption by the EU of new end-dates in the EU contingency measures, expected to be confirmed in October.
 'Driving in the EU after Brexit: international driving permits', Department for Transport, August 2019.

will be comprehensively recognised without the need for an IDP.

 The Government has and will continue to encourage the Commission to allow the UK to remain within the Green Card Free Area, which would remove the requirement for UK motorists to obtain a Green Card from their insurer to show proof of third party insurance.



The Government recommends that all citizens and businesses travelling to the EU should ensure that they have complied with all travel advice and have the necessary documentation and insurances. Travellers should also check with their travel operators and allow sufficient time in case of minor disruption.

For those planning on driving in the EU, there may be some changes to documentation requirements with which motorists would need to comply:

 Depending on the EU Member State, an International Driving Permit (IDP) may be required. While the majority of Member States have now stated that most visitors from the UK will not require one, the Government is awaiting formal confirmation in a

number of cases. Motorists should always check on GOV.UK to see whether they need one or multiple IDPs. These can be obtained from the Post Office at a cost of £5.50 per permit.

- Motorists should plan on the basis that they will need a motor insurance Green Card to drive their vehicle in the EU and the EEA. Motorists should contact their insurers one month in advance of travel to obtain a Green Card. If the vehicle is towing a trailer or caravan, two Green Cards will be required (one for the towing vehicle and one for the trailer/caravan). It is possible this requirement may change after Brexit, depending on EU action.
- Motorists will need to display a GB sticker on the rear of their vehicle, even if they currently have a number plate that includes the GB identifier.
- Motorists will need to carry either their vehicle log book (V5C) or a VE103 if they are using a hired or leased vehicle abroad.
- Private motorists travelling with a trailer weighing over 3,500 kg will need to register that trailer with DVSA, prior to travelling abroad. Drivers with these trailers will need to make sure they display a trailer registration plate and carry DVSA papers.
- UK driving licence holders who live in the EU, EEA or Switzerland should exchange their UK driving licence

for a licence in the country where they live before 31 October 2019. Licence exchange arrangements may stop in some EU and EEA countries, if we leave without a deal, and UK licence holders may then have to retake their driving test in the EU or EEA country where they live.

F: Tax and Customs for Parcels Sent from Abroad

- The tax and duty rules will change for goods when they are sold and sent in parcels from overseas (this includes the EU, outside the EU and the Channel Islands).
- There will be different rules depending on the value of the goods in the parcel.

For individuals to prepare:

Goods sent in parcels worth over £135:

- Individuals will be contacted by the parcel operator explaining how to pay any VAT, duty and fees.
- VAT will be charged at the VAT rate that applies to the goods. VAT is charged on the total value, including: the price paid for the goods; postage, packaging and insurance; and any duty owed.

 Customs Duty will be charged on goods sent in parcels valued at over £135. The value includes: the price paid for the goods, postage, packaging and insurance.

Excise Duty:

- Individuals who are sent alcohol or tobacco from outside the UK of any value, will be charged Excise and Customs Duty, as well as VAT at current rates.
- It does not matter whether the goods are bought or sent as a gift.
- Goods can be seized if they are either: spirits over 35 centilitres without a UK duty stamp; or cigarettes or hand-rolling tobacco without UK health warnings or fiscal marks.

Goods sent in parcels worth £135 or less:

- The overseas seller will be responsible for paying the VAT to HMRC. There may be instances (such as if the overseas seller does not comply with the rules) where individuals may be contacted by the parcel operator and asked to pay the VAT and any fees. If these are not paid, the parcel may not be delivered.
- No Customs Duty is due on goods in parcels worth £135 or less.

Gifts:

- If an individual receives a gift from outside the UK that is worth £39 or less, no import VAT is due.
- To qualify as gifts, goods must be: described as gifts on the customs declaration; for a birthday, anniversary or other occasion; sent between private individuals (not companies); and intended for personal use.

3. Data Protection

The UK as a global leader on data protection

The UK has a long-standing commitment to data protection that predates any obligations imposed by the EU. We intend to maintain our high standards, which are good for business, our security and our citizens. For the first time in decades, UK data protection law can be made wholly in the UK, not Brussels. Important decisions affecting UK nationals, such as to where UK data can freely flow, will be made by UK Ministers and scrutinised by UK Parliamentarians.

New legislation ensures there would be no immediate change to the UK's high data protection standards if we leave without a deal.

 If the UK leaves the EU without a deal, existing arrangements on the flow of personal data would no longer apply. The Government has put in place legislation to ensure there would be no immediate change to the UK's high data protection standards and has taken action to allow the free flow of

- personal data from the UK to the EU/EEA, if we leave without a deal. The UK would keep this under review.
- In order to allow the ongoing free flow of personal data from the EU/EEA to the UK, the European Commission is able to adopt adequacy decisions under the General Data Protection Regulation (GDPR) and the Law Enforcement Directive (LED) for third countries. Adequacy decisions are the EU's central legal mechanism for enabling the transfer of personal data from the EU/EEA to non-EU/EEA countries.
- The Commission does not plan to adopt adequacy decisions with regard to the UK at the point of exit as part of their pre-exit contingency planning. Therefore, organisations receiving personal data from the EU/EEA need to make alternative legal arrangements.
- Maintaining personal data flows from the EU/EEA will depend on the steps taken by EU/EEA and UK businesses, public sector bodies, charities and civil society organisations to allow for ongoing lawful transfers.

The Government's preparations for leaving without a deal:

- The GDPR will be brought into UK law and the Information Commissioner will remain the UK's independent supervisory authority on data protection.
- The UK has legislated to continue the free flow of personal data from the UK to the EU/EEA (on a transitional basis and to be kept under review).
- Where the EU has made an adequacy decision in respect of a country or territory outside of the EU prior to 31 October 2019, the UK Government has preserved the effect of these decisions on a transitional basis.⁶⁷ Personal data transfers from the UK that currently rely on adequacy decisions can continue to these countries uninterrupted. Twelve of these thirteen EU adequate third-countries/territories (all except Andorra) will also maintain free flows of personal data to the UK and have published guidance or legislation confirming this.⁶⁸

⁶⁷ As set out on the European Commission's website, the Commission has so far recognised Andorra, Argentina, Canada (commercial organisations), Faroe Islands, Guernsey, Israel, Isle of Man, Japan, Jersey, New Zealand, Switzerland, Uruguay and the United States of America (limited to the Privacy Shield framework).

⁶⁸ 'Amendments to UK data protection law in the event the UK leaves the EU without a deal', Department for Digital, Culture, Media and Sport, April 2019.

- Within the public sector, all Government departments have reviewed their reliance on personal data flows from the EU/EEA and developed appropriate contingency plans to mitigate any identified risks to public sector service provision.
- The Government has also worked to ensure third party organisations understand the action they need to take to ensure that personal data flows can continue. Personal data preparations was a key theme of the early 2019 public information campaign.
- The Information Commissioner's Office (ICO) is supporting UK organisations and in December 2018 published guidance for organisations processing under the GDPR and the LED that outlines how to secure the transfer of data, if we leave without a deal. 69 This guidance sets out the actions that organisations need to take. The ICO has published an interactive tool to help organisations understand and complete Standard Contractual Clauses (SCCs), the principal alternative legal mechanism for personal data transfers from the EU/EEA to the UK. The ICO has published further guidance on other steps that certain organisations may need to take.

⁶⁹ '<u>Data protection if there's no Brexit deal</u>', Information Commissioner's Office, 2019.

 The Government has undertaken an engagement campaign in EU Member States to encourage organisations to take the steps required to enable the continued free flow of personal data. Officials have met relevant Member State government departments, data protection authorities, business federations and digital interest groups across the EU and will continue to push for EU parties to prepare for leaving without a deal.

The Government has intensified preparations since 24 July 2019:

- The Government is continuing to press the Commission to grant the UK adequacy decisions if we leave without a deal.
- Data protection features in the business strand of the public information campaign launched in September 2019. This is targeting priority business sectors and other organisations through digital and social activity as well as trade and regional print and advertorials, and covering all nations of the UK.
- Action on data protection is also being communicated through a series of Business Roadshows across the UK.
- The Government has produced a range of Brexit branded creative assets which it is currently promoting across its digital channels.

- The Government and the ICO will continue to provide advice and support to any organisation seeking to understand how to prepare for leaving without a deal.
- Departments have continued to work to ensure that public sector personal data flows continue uninterrupted including increasing engagement with local authorities, Arm's Length Bodies (ALBs) and the wider public sector.
- The Government is engaging with Andorra, the only EU adequate country/territory yet to agree to maintain free flows of personal data to the UK.



UK businesses and other organisations should check whether they need to put in place alternative legal mechanisms to continue receiving personal data from the EU/EEA.

- All businesses, civil society organisations and other organisations should identify the personal data they receive from organisations in the EU/EEA and where this data is held.
- All businesses, civil society organisations and other organisations should review their contracts relating to these personal data flows and, where absent, include alternative transfer mechanisms, such as Standard Contractual Clauses (SCCs), to ensure that they can

continue to legally receive personal data from the EU/EEA.

- Many UK businesses, public sector bodies, charities and civil society organisations need to put in place an alternative legal basis for the continued transfer of personal data from the EU/EEA to the UK. It is important that UK organisations work with their EU/EEA partners to identify transfers from the EU/EEA to the UK and put in place alternative transfer mechanisms to ensure that personal data can continue to flow.
- Alternative transfer mechanisms to allow lawful ongoing transfers include:
 - Standard contractual clauses (SCCs) These are pre-approved by the Commission and can be inserted into contracts to provide a lawful mechanism for transferring personal data from the EU to a third country which does not have an adequacy decision. We expect these to be widely relied upon for EU/EEA to UK personal data transfers.
 - Binding Corporate Rules These provide an alternative legal mechanism for intra-group transfer and are used primarily by large multinational businesses.
 - Administrative agreements These are provisions to be inserted into administrative arrangements

between public authorities or bodies which include enforceable and effective data subject rights. This supports transfers between public authorities or bodies who cannot, or would prefer not to, enter into a legally binding contract with each other.

- Organisations may also be able to transfer personal data from the EU/EEA to the UK if they satisfy one of the conditions listed in Article 49 of the General Data Protection Regulation (GDPR) and Article 38 of Law Enforcement Directive (LED). In line with European Data Protection Board guidance, these derogations must generally be interpreted restrictively. It will be the duty of the organisation sending the personal data (the EEA organisation) to comply with the conditions attached to any derogation on which they seek to rely.
- Organisations should visit GOV.UK and use the ICO guidance⁷⁰ for further information on alternative transfer mechanisms and how to use them, and on the other, less critical steps they may need to take.
- UK organisations who receive personal data from Andorra should work with their partners to follow advice from the Andorran data protection authority to continue legal transfer.

⁷⁰ '<u>Data protection and Brexit</u>', Information Commissioner's Office, 2019.

4. Energy and Environment

Secure energy in a cleaner, greener world

Great Britain's energy security will be maintained and the Single Electricity Market that Northern Ireland shares with Ireland is expected to continue if we leave without a deal. Consumers can be confident that energy trade with European countries will continue if we leave without a deal, albeit under different arrangements. Our commitment to restoring and improving the environment is unaffected by Brexit.

This chapter covers the civil nuclear industry after the UK leaves the European Atomic Energy Community (Euratom), energy and gas interconnectors between the UK and the EU, fuel supplies in the UK and the impact of leaving the EU Emissions Trading Scheme (EU ETS). The Government has taken steps to ensure continuity where the UK will no longer be bound by EU regulations and continues to work closely with industry to assess risks and communicate actions third parties will need to take.

Leaving the EU will not affect our statutory commitments under the UK's Climate Change Act, which is domestic legislation. The UK will also remain a party to

international climate change agreements, including the Paris Agreement. In June 2019, the UK became the first major economy in the world to set a 'net zero' greenhouse gas emissions target and will therefore continue to take ambitious steps to reduce greenhouse gas emissions.

The Government has transposed current EU Environmental Regulations into the UK statute book to ensure that standards on environmental regulations such as air and water quality are maintained. Leaving the EU will provide the opportunity not only to maintain but enhance environmental standards through the introduction of the Environment Bill, which will include the creation of a new, world-leading Office for Environmental Protection.

A: Civil Nuclear

- The Government has put in place all necessary nuclear-specific measures to ensure that the UK nuclear industry can continue to operate after Brexit.
- When the UK leaves the EU, the UK will also leave the European Atomic Energy Community (Euratom).

The UK has a robust and well-established domestic civil nuclear safety and security regime in place, which is regulated by the Office for Nuclear Regulation (ONR), and which will remain in place when Euratom arrangements no longer apply to the UK.

- When the UK leaves the EU, the UK will also leave the European Atomic Energy Community (Euratom).
- Euratom facilitates cooperation between EU countries in the civil nuclear sector and applies safeguards to nuclear material.
- Euratom is a party to a number of Nuclear Cooperation Agreements (NCAs) with third countries which currently provide the framework for the UK's civil nuclear trade with these countries.
- In the UK, civil nuclear safety and security is already regulated by the Office for Nuclear Regulation (ONR), irrespective of our membership of Euratom.

The Government has acted to ensure that the UK nuclear industry can continue to operate safely after Brexit.

The Government's preparations for leaving without a deal:

 The Government has established a new domestic nuclear safeguards regime, run by the ONR, that will

- commence when Euratom arrangements no longer apply to the UK.
- The Government has signed new international safeguards agreements with the International Atomic Energy Agency (IAEA) to replace the existing trilateral agreements between the IAEA, Euratom and the UK.
- The Government has concluded replacement bilateral Nuclear Cooperation Agreements (NCAs) with key partners to ensure continuity of civil nuclear trade following exit from Euratom.
- The Government has put in place all the necessary legislation to ensure that the UK continues to have a robust civil nuclear legal framework.
- None of these arrangements requires there to be a deal with the EU and Euratom.
- All essential nuclear-specific actions have now been taken but the Government will continue to work closely with the civil nuclear industry to support a smooth transition to these new arrangements.



Individuals do not need to take action. All nuclear-specific measures to ensure that the UK nuclear industry can continue to operate safely after Brexit are in place. Businesses will need to familiarise themselves with relevant new arrangements and online guidance, and implement any actions.

For businesses to prepare:

- Businesses should familiarise themselves with the guidance on actions that businesses and stakeholders in the civil nuclear sector will need to take to prepare if we leave without a deal.⁷¹
- As appropriate, businesses should register to use the Open General Export Licence (OGEL) to export Dual-Use nuclear-related items to the EU or Channel Islands.
- As appropriate, businesses will need to apply for an import licence from the ONR to import relevant

^{71 &#}x27;Prepare to import 'relevant' nuclear materials from the EU after Brexit: licensing requirements', BEIS, January 2019; 'Exporting nuclear-related items after Brexit', BEIS, February 2019; 'Shipping radioactive waste and spent fuel after Brexit', BEIS, February 2019; 'Shipping radioactive sources between the UK and EU after Brexit', BEIS, March 2019; 'Radioactive waste disposal: reporting and notification obligations after Brexit', BEIS, August 2018; 'Nuclear Cooperation Agreements: implementation guidelines for operators', Office for Nuclear Regulation and BEIS, June 2019.

nuclear materials from the EU. This is the same as the current process for importing from non-EU countries.

- Businesses that use or import chemicals will need to check whether they have new obligations under UK REACH (Registration, Evaluation, Authorisation and Restriction of Chemicals Regulation) and carry out the necessary REACH registrations in order to maintain market access and legal compliance in the UK and EU under the REACH regulations (see chapter 6 on industry).
- In addition, where relevant, stakeholders should:
 - Check whether existing authorisations for shipments of radioactive waste and spent fuel between the UK and EU will remain valid and apply for any new authorisations with the relevant competent authority, if required.
 - Familiarise themselves with the Shipments of Radioactive Substances (EU Exit) Regulations 2009, which set out the new arrangements for the movement of radioactive sources between the UK and EU if we leave without a deal.
- Stakeholders that will be covered by the new nuclear safeguards regime should familiarise themselves with the guidance for inspectors that has been published by the ONR, as well as the new Nuclear Safeguards (EU Exit) Regulations 2019.

 UK operators that are currently developing an Article 37 submission (reporting and notification of plans to dispose of radioactive waste), or are unsure if they need to complete a new submission, should contact the Department for Business, Energy and Industrial Strategy (BEIS) for further information.

B: Electricity and Gas Interconnectors

- When the UK leaves the EU, the UK will be outside the EU's Internal Energy Market (IEM). If the UK leaves without a deal, electricity interconnector capacity will no longer be allocated through the EUwide trading platforms.
- The Government, interconnected Member States and respective national regulators have taken steps to enable electricity and gas trade to continue and help maintain the effectiveness of the regulatory framework.
- Market participants will be able to continue to trade gas using existing arrangements, and to trade electricity using alternative trading arrangements put in place by interconnector operators based on existing fallback systems.

- Great Britain is interconnected with France, Belgium and the Netherlands to trade electricity, and with Belgium, the Netherlands and Ireland to trade gas. There are also two electricity interconnectors between Great Britain and the Single Electricity Market that Northern Ireland shares with Ireland (see chapter 8 on Northern Ireland). When the UK leaves the EU, the UK will become a third country outside of the EU's Internal Energy Market (IEM). If we leave without a deal:
- Trade of both electricity and gas over the interconnectors should continue but electricity interconnector capacity will no longer be allocated through the EU's market coupling process. Market participants will be able to use alternative trading arrangements put in place by interconnector operators. These alternative arrangements are based on existing fallback systems.
- Gas trading arrangements are not expected to fundamentally change. Trade between the UK and Norway in gas will continue in its current form regardless of the energy relationship with the EU.

 Energy regulators in both Ireland and Northern Ireland have set out that the Single Electricity Market will continue to operate after Brexit.

The Government has taken steps to enable electricity and gas trade to continue and maintain the effectiveness of regulatory frameworks.

The Government's preparations for leaving without a deal:

- The Government, interconnected Member States and respective national regulators have taken steps to enable trade to continue and maintain the effectiveness of the regulatory framework on both sides of the interconnectors, notably:
- The Government has made a package of Statutory Instruments to ensure the UK's energy laws continue to work effectively after Brexit. Interconnected EU countries have, where necessary, put in place legislation to support continuity of interconnector trade.
- Ofgem, and regulators in connected countries, have approved new interconnector trading arrangements.

The Government has intensified preparations since 24 July 2019:

 The Government has communicated the UK customs procedures for importing and exporting gas and electricity. Relevant parties will also need to ensure they understand the customs procedures in place in connected jurisdictions.



Consumers do not need to take action. Market participants should familiarise themselves with the relevant technical notices and register with the relevant EU regulatory authority.

- The Government recommends that third parties familiarise themselves with the Electricity Trading and Gas Trading technical notices that have informed industry and consumers of necessary preparations they should make. UK market participants will need to register under the Regulation on Energy Market Integrity and Transparency (REMIT) with an EU regulatory authority for the purposes of market monitoring to continue participating in cross-border trade, trade within EU wholesale energy markets, or trade within the Single Electricity Market (SEM).
- Consumers need to take no action. National Grid Electricity and Gas System Operators have had Brexit-related risks included in the usual planning for

⁷² 'Trading electricity if there's no Brexit deal', BEIS, March 2019; 'Trading gas with the EU if there's no Brexit deal', BEIS, March 2019.

both control rooms, and are therefore in the bestprepared position to manage and mitigate the impacts of Brexit and to ensure continuity of supply.

C: Fuel Supplies

- If the UK leaves the EU without a deal, supplies of crude oil, fuel and important chemicals for refineries are expected to remain available through the UK's diverse supply chains from Europe and the rest of the world.
- The UK will continue to fulfil its international oil stocking obligations as a member of the International Energy Agency (IEA).
- The Government has a long-standing fuel supply contingency programme that includes measures that can be deployed in support of industry to maintain supplies so consumers will not need to act.

The UK can draw on both substantial domestic production and oil imports from diverse international sources, including Europe, meaning that supply is secure.

 Supplies of crude oil, fuel, and important chemicals for refineries are expected to remain available through the UK's diverse supply chains from Europe and the rest of the world. Fuel is mainly imported through dedicated oil terminals away from the short straits, and most border and import processes will remain the same.

 If the UK leaves the EU without a deal, the UK will no longer be bound by the EU Oil Stocking Directive 2012, but will continue to fulfil its international oil stocking obligations as a member of the International Energy Agency (IEA). These international arrangements are more than sufficient to ensure security of supply and will lower costs for UK-based oil companies that are required to hold these emergency stocks.

The Government has been working with the fuel industry to mitigate the risks leaving the EU could have on fuel supplies.

The Government's preparations for leaving without a deal:

• The Government has been working with the fuel industry to ensure continued fuel supplies. This is an area that the Government is focusing on closely, including as part of Operation Yellowhammer, for example working with the major refiners and fuel suppliers to ensure that they have assessed the risks to their wider supply chains and business models. The Government has a long-standing fuel supply

contingency programme which includes measures that can be deployed in support of industry to maintain supplies.

The Government has intensified preparations since 24 July 2019:

- The Government will continue to work closely with industry to ensure it develops appropriate plans for risks - for example, to safeguard the supply of reagents for refineries and fuel additives which come through ports.
- The Government will also continue to engage proactively with all major fuel suppliers to ensure their contingency plans are enacted if any issues arise.
- In the event that a risk to fuel supplies becomes material, the Government would:
 - Activate the Downstream Oil Protocol, to strengthen coordination of industry contingency plans to improve the distribution of oil fuels.
 - Make available to industry the Reserve Tanker Fleet of eighty vehicles to add capacity to the fuel distribution system.



Individuals and businesses do not need to take any action.

D: EU Emission Trading Scheme (EU ETS) and Carbon Emissions Tax

- If the UK leaves the EU without a deal on 31 October 2019, a Carbon Emissions Tax (CET) will be introduced. This would replace UK participation in the EU Emissions Trading System (EU ETS).
- It will maintain similar protections for industrial competitiveness as the EU ETS.
- Leaving without a deal will have no impact on the UK's dedication to meeting our domestic and international climate commitments. The UK will continue to be a world leader in its efforts to reduce emissions.

The UK will be leaving the shared EU carbon pricing policy and will replace it with a new domestic Carbon Emissions Tax.

 If the UK leaves the EU without a deal on 31 October 2019, a Carbon Emissions Tax (CET) will be introduced from 4 November 2019. This would replace UK participation in the EU Emissions Trading System (EU ETS). The tax will ensure that carbon pricing can continue to apply at a similar level to support the UK in meeting its legally-binding carbon reduction commitments. It will maintain similar protections for industrial competitiveness as the EU ETS. The CET rate has been set at £16 per tonne of CO₂ in 2019. Aviation emissions are not covered by the CET, but aviation operators will continue to be required to monitor their emissions and to submit an annual independently verified report of their emissions from the previous year to their UK regulator.

A new Carbon Emissions Tax supports the Government's legally binding carbon reduction commitments so the UK will not back down from its environmental obligations.

The Government's preparations for leaving without a deal:

- The Government has introduced and passed the Finance Act 2019 which established the CET.
- The Government has laid Statutory Instruments retaining existing Monitoring, Reporting and Verification requirements as under EU ETS to underpin the CET. These will come into force from exit day.
- A consultation on 'The Future of UK Carbon Pricing' concluded on 12 July. This consultation sets out the UK Government's and devolved administrations'

- preferred approach to UK carbon pricing once we have left the EU, and sought stakeholders' views.
- The Government has published a technical notice on GOV.UK to provide advice to stakeholders on meeting climate change requirements if we leave without a deal.⁷³
- The Government has published a technical notice on GOV.UK on the Carbon Emissions Tax setting out how it will be implemented.⁷⁴

The Government has intensified preparations since 24 July 2019:

- The Government will announce at Budget 2019 the 2020 CET rate.
- The Government will lay secondary legislation in 2020 on the operational detail of the CET.
- The Government response to the consultation on 'The Future of UK Carbon Pricing' will be published in due course.

⁷³ 'Meeting climate change requirements if there's no Brexit deal', BEIS, July 2019.

⁷⁴ 'Carbon Emissions Tax technical note', HM Revenue & Customs, September 2019.



Consumers do not need to take action. Market participants should familiarise themselves with the relevant technical notices and make alternative arrangements for access to the Consolidated System of European Registries.

- UK operators subject to the CET should continue to comply with emissions Monitoring, Reporting and Verification requirements (this applies also to aviation operators). Notices are available on GOV.UK setting out the post-Brexit carbon pricing policy. 75 Interested parties are advised to keep checking for updates on the practical preparations they must make before the CET commences on 4 November 2019.
- UK Registry Account Holders (including Kyoto Protocol National Registry users) should take the following action:
 - All UK Registry Account Holders should open an account in another country's registry into which they transfer allowances or units, if access after withdrawal date is to be retained.
 - Kyoto Protocol Registry users should download their UK account history to retain for audit purposes.

^{75 &#}x27;Carbon Emissions Tax technical note', HM Revenue & Customs, September 2019.

 Clean Development Mechanism project developers who have a letter of approval from the UK should consider whether to reapply for a letter of approval from a different country.

CASE STUDY

Carbon Emissions Tax (CET)

If we leave without a deal, the UK would no longer participate in the EU Emissions Trading System (EU ETS). We would continue emission monitoring and reporting requirements for 2019 and beyond, and maintain momentum towards our ambitious 2050 net zero target.

We would introduce our own Carbon Emissions Tax (CET) from 4 November 2019 – maintaining a stable carbon price and providing clarity for businesses. The tax would help the UK meet its legally-binding carbon reduction targets, which would be unaffected by leaving the EU.

Permit holders of stationary installations currently covered by the EU ETS would be set a tax emission allowance for each calendar year. These include: power generators; certain large industrial premises and manufacturers (including food processing plants); certain public sector facilities; and those small emitters

and hospitals that are subject to simplified reporting arrangements.

Under EU ETS, installations must obtain permits to monitor their emissions and submit annual reports in order to carry out regulated activities. Under CET, permits will remain in place and would become valid for tax purposes.

The CET will be collected by HMRC annually, with the first payment due in 2021, covering the period from 4 November 2019 to 31 December 2020.

The tax rate for 2019 would be £16 per tonne of CO₂. The tax rate for 2020 will be announced at Budget 2019. The arrangements for carbon pricing after 2020 will be announced in due course.

E: Environment

- When we leave the EU, we will have the opportunity to lead an environmental transformation that will help our country – and the planet – to thrive.
- The Government has transposed current EU environmental regulations into the UK statute book to make sure that we maintain environmental standards and continue to protect critical environmental assets.
- The Environment Bill will ensure that environmental ambition and accountability remain at the heart of Government after Brexit, so that environmental standards are not only maintained but enhanced.

The Government will maintain environmental standards and continue to protect critical environmental areas, when the UK leaves the EU.

 This Government is committed to be the first generation to leave our environment in a better state than we found it. As we leave the EU, we have the opportunity to lead an environmental transformation that will help our country – and the planet – to thrive. The Government has transposed current EU environmental regulations into the UK statute book to make sure that we maintain environmental standards and continue to protect critical environmental areas.

The Government's preparations for leaving without a deal:

- The Government has already taken action to ensure existing environmental protections are maintained. We have transposed current EU environmental regulations into the UK statute book to make sure that we maintain environmental standards and continue to protect critical environmental areas including:
 - Access to environmental information.
 - Public participation and access to justice in environmental matters.
 - Environmental impact assessment and strategic environmental assessment.
 - Industrial emissions.
 - o Air emissions and air quality targets and ceilings.
 - Nature and biodiversity conservation.
 - Waste management.

- Protection and preservation of the aquatic environment.
- Protection and preservation of the marine environment.
- Prevention, reduction and elimination of risks to human health or the environment arising from the production, use, release and disposal of chemical substances.
- Climate change.

The Government has intensified preparations since 24 July 2019:

- The Government is committed to going further. The Government will introduce an Environment Bill that will ensure environmental ambition and accountability remain at the heart of Government after Brexit, so that environmental standards are not only maintained but enhanced. The Bill will ensure we improve air quality so that our children live longer, that we restore and recover nature, strive towards a more circular economy and ensure we can manage our precious water resources in a changing climate.
- Most critically, the Bill will establish a comprehensive legal framework for environmental improvement. It will chart a clear course for a greener future, creating a new, world-leading Office for Environmental

Protection (OEP) that will hold this Government and future Governments to account.

 The Government will work to ensure that the OEP is in place as soon as possible, subject to the approval of Parliament and Royal Assent of the Environment Act. If necessary, we are ready with interim environmental governance arrangements. These arrangements will provide a mechanism for the OEP to receive a report of any perceived or claimed breaches of environmental law made during this interim period. This means that the OEP can consider any early action it may need to take upon its establishment and ensures there is no period of time during which Government actions cannot be held to account. The Government will continue to work closely with the devolved administrations on environmental governance arrangements.



Individuals and businesses do not need to act, but can follow on Environment Bill developments on www.parliament.uk.

5. Services

Securing our global reputation in the services sector outside the EU

The strength of the UK services sector reflects our global reputation and role in setting high regulatory standards, particularly in law and finance. Outside the EU, the UK will be free to negotiate services-friendly trade deals, while autonomy over regulation will allow us to respond flexibly and quickly to major trends shaping the services sector.

This chapter details changes that will affect service sector businesses operating in the UK, and UK service sector businesses operating in, or trading with, the EU and the European Economic Area (EEA), which includes a small number of other countries that combine as one single market, and Switzerland, which applies many EU rules. It outlines changes in regulations that will apply to the services sector if we leave without a deal. It also sets out the actions the Government has taken to support businesses and the actions that businesses should take to prepare if we leave without a deal.

A: Service Sectors

- The UK will no longer have to apply EU rules to service sectors within the UK, and UK businesses will no longer have the freedom to establish or provide services on the same terms as EU businesses within the Single Market in services, if we leave without a deal.
- The Government is mitigating as many of the domestic and export impacts upon UK business and service providers as it can, through legislation and clear communications to businesses and service providers on what they need to do to remain compliant.
- Nonetheless, this will mean some changes to UK businesses and individuals operating in the EU. They will need to comply with host state rules, including on business travel, investing in and running companies, getting professional qualifications recognised and the level of access to markets.
- The UK will no longer be bound to EU harmonisation of professional qualification standards, which exist for certain professions – meaning that if the UK wishes to alter the training standards required for certain professions, we are at liberty to do so.

The UK will no longer be subject to EU regulations on service sectors if we leave without a deal. This will mean some changes for UK services providers operating within the EU, however.

- Within the EU single market, services trade is governed by Member State domestic law and supported by overarching EU treaty freedoms and directives. EU provisions aim to prohibit discrimination against services firms and investors within the single market.
- The UK will no longer have to apply EU rules to services sectors if the UK leaves the EU without a deal on 31 October 2019. This will mean that:
- The WTO General Agreement on Trade in Services (GATS) will replace the single market protections for UK services firms and investors operating in the EU/EEA. These firms will face an increase in regulatory barriers, the nature of which will vary across countries and sectors.
- UK businesses may face new discriminatory and non-discriminatory barriers and/or qualification requirements, where Member State rules limit provision of services or investment to locals or other EEA nationals.
- UK businesses and professionals providers will face new mobility restrictions, such as visa and work

permit requirements, although UK nationals will be able to travel to the EU without a visa for short-term visits for a limited set of activities (including business meetings).

 UK nationals seeking recognition of their professional qualifications after October 31 will be assessed under the rules of the individual country and professionals will no longer be able to provide services based on a temporary and occasional declaration. Decisions taken before 31 October 2019 by Member States and EEA countries to recognise UK professional qualifications will not be affected.

The Government has taken steps to ensure service providers are protected if we leave without a deal.

The Government's preparations for leaving without a deal:

• The Government has legislation before Parliament to end the EU legal requirement that EU/EEA services providers and investors are guaranteed the right to provide services in the UK without barriers, which would amount to preferential treatment in the UK compared to services providers and investors from other countries. This will ensure that the UK complies with the World Trade Organization's Most Favoured Nation principle.

- The Government has ensured that professionals with EU/EEA and Swiss qualifications can seek recognition of their qualifications in the UK. UK regulators will be required to recognise EU/EEA qualifications that are of an equivalent standard to UK qualifications, but will no longer be obliged to offer 'compensatory measures' such as aptitude tests or adaptation periods to applicants below the UK standard.
- The Government has published 31 country guides for all the EU/EEA states and Switzerland, which signpost UK services exporters to information on cross-border trade, establishing and structuring businesses, business travel and visa requirements, recognition of UK professional qualifications, and data protection.⁷⁶ This is not an exhaustive list of the changes that will take place or the preparations that the Government is putting in place.
- The Government has published technical notices on providing professional services including those of a qualified professional⁷⁷, geoblocking of online content⁷⁸, and on the provision of services regulation,

⁷⁶ 'Providing services to the EU, Iceland, Liechtenstein, Norway or Switzerland after Brexit: collected guidance', GOV.UK, April 2019.

^{77 &#}x27;Providing services including those of a qualified professional after Brexit', GOV.UK, October 2018.

⁷⁸ 'Geo-blocking after Brexit, GOV.UK, August 2019.

for UK businesses⁷⁹ and guidance for UK regulators⁸⁰ applying these changes.

- The Government has taken steps to help ensure that:
 - Our businesses and public services, such as schools, continue to have access to professionals with qualifications gained in EEA countries or Switzerland.
 - Recognition decisions of professional qualifications for EEA and Swiss citizens made before Brexit will be protected.
 - The UK meets its international obligations under WTO rules.
- Specifically, the Government has legislated to update the Recognition of Professional Qualifications Regulations, as the EU framework will no longer apply if we leave without a deal. The new system that will come into force from 31 October 2019 keeps some elements of the current framework to continue to help meet public and private sector workforce demands as well as provide clarity and certainty to businesses and professionals. For example, we will protect recognition decisions made before Brexit,

⁷⁹ 'Provision of services regulations: guidance for UK service providers and Competent Authorities', GOV.UK, March 2019.

⁸⁰ 'Recognition of professional qualifications: guidance for regulatory bodies', GOV.UK, April 2019.

- ensuring that EEA and Swiss nationals already working in the UK do not face additional barriers.
- The Government has also made changes to the recognition framework for European qualifications so that it is: fit for the UK as a sovereign state; operates effectively alongside existing arrangements for non-European qualifications; and ensures those working in the UK are suitably qualified. It will no longer be legal to retain preferential treatment for EEA and Swiss nationals under WTO rules, and therefore eligibility will be based solely on whether an individual holds an EEA or Swiss qualification. Additionally, although UK regulators will be obliged to recognise EEA and Swiss professional qualifications that are equivalent to the UK standard, they will no longer be required to offer compensatory measures, such as an aptitude test or undertaking further studies.
- Arrangements for certain professions, such as health and care, architects and lawyers, are addressed in separate sector specific legislation.

The Government has intensified preparations since 24 July 2019:

 The Government will encourage UK and EU regulators to sign Mutual Recognition Agreements (MRAs) that provide routes for recognition for qualifications of UK and EU professionals. This would facilitate UK professionals' ability to practise in other parties' jurisdictions.

- The Government will encourage Member States to clarify the immigration arrangements that will apply to UK nationals after 31 October 2019 so that UK businesses can prepare.
- We will encourage Member States to consider mirroring or adopting similar measures to those the UK is taking to reduce the impact of leaving without a deal on businesses and individuals particularly in relation to service providers, posted workers or intracorporate transferees.



UK businesses and professionals should check the rules and regulations in the EU/EEA states in which they operate to remain compliant.

 UK businesses and professionals will need to check the regulations in the EU/EEA states in which they operate to remain compliant, including any additional requirements for accounting, reporting and real estate/ownership. Familiarisation with the rules of individual export destinations will be crucial. Businesses should consult the guidance on providing services to EU and EEA countries, as well as <u>Switzerland</u>, which outlines many EU rules.⁸¹ These signpost UK businesses to official information about exporting to these countries, including:

- Cross-border trade in services.
- Establishing and structuring a business.
- Business travel and visa requirements.
- Recognition of UK professional qualifications.
- Service providers travelling to Member States or EEA countries will have to comply with the immigration rules of the relevant country. Businesses should familiarise themselves with these rules ahead of travel in order to ensure they have the right permissions and paperwork.
- UK professionals planning to practise within a regulated profession in EU and EEA countries, as well as Switzerland, should seek a recognition decision before 31 October 2019, and in some Member States will need to ensure the decision is granted before Brexit.
- UK professional services businesses employing EU nationals to provide services under an EU professional qualification should check with their UK

⁸¹ 'Providing services to the EU, Iceland, Liechtenstein, Norway or Switzerland after Brexit: collected guidance', GOV.UK, April 2019.

regulator whether any steps need to be taken to continue to provide regulated services.

B: Financial Services

- The Government has delivered a programme of legislation and temporary measures, to ensure there is a functioning standalone regime for financial services once the UK leaves the EU, with or without a deal.
- This includes transferring essential functions currently carried out by the EU to the appropriate UK bodies and introducing a range of temporary permissions and transitional regimes to smooth the transition for firms and consumers.
- We welcome the steps taken by the EU and some Member States to mitigate certain risks to the sector that could arise if we leave without a deal.
- Firms should continue to work with regulators to ensure they are prepared.
- The UK will continue to maintain high standards of regulation and a level of resilience that exceeds baseline international standards. High regulatory standards and our leading role in setting global standards are the foundations of our position as a global financial centre.

The Government has introduced legislation and transitional measures to prepare for changes to financial services regulation.

- The UK is currently part of the EU single market and joint supervisory framework for financial services. This includes 'passporting' arrangements, which enable EEA authorised firms to carry on business in the UK, and UK authorised firms to do business elsewhere in the EEA. If the UK leaves the EU on 31 October 2019 without a deal, the UK will fall outside these arrangements and alternative measures will be necessary to smooth the transition for firms and consumers. In particular, transitional arrangements will be needed to ensure EEA firms can continue to do business in the UK and to prevent disruption to UK markets and consumers. This is also true for UK firms which operate in the EEA.
- High regulatory standards and our leading role in setting global standards are the foundations of our position as a global financial centre. Autonomy over regulation will allow us to respond flexibly and quickly to major trends shaping the financial sector, such as technological innovation and green finance.

The Government's preparations for leaving without a deal:

- The Government, financial services regulators, and the financial services industry, have worked extensively to prepare for leaving without a deal. We have put in place wide-ranging measures to mitigate risks, reducing the impacts of the UK leaving the EU's single market and joint supervisory framework for both UK and EEA firms. The Government, the Financial Conduct Authority and Bank of England have also made sure we will continue to have a stable and functioning financial services regime at the point of leaving the EU. Regular assessments of the sector's preparedness have been carried out by the Bank of England's Financial Policy Committee, with details published in its Financial Stability Report.⁸²
- The Government has made more than 50 Statutory Instruments to amend EU legislation that will form part of UK law on 31 October 2019, to provide a functioning domestic regulatory framework across the financial services sector after 31 October 2019.
- The Government has implemented temporary permissions and transitional regimes for inbound

^{82 &#}x27;Financial Stability Report', Bank of England, July 2019.

financial services firms, including banks, central counterparties, trade repositories, credit rating agencies, insurers, funds, e-money and payment institutions and account information service providers. These regimes temporarily suspend the requirement for firms to be fully UK authorised, allowing EEA firms to continue doing business as normal in the UK while they go through the process to obtain full UK authorisation or recognition.

- The Government has delegated to UK regulators the administration of these transitional regimes and phasing in the UK requirements that will begin to apply to EEA firms to UK regulators, so these firms can make the transition to UK authorisation as smoothly as possible.
- Take-up of these temporary regimes, based on the number of firms that have notified to enter, is high, demonstrating that a substantial number of EEA firms intend to continue doing business in the UK.
- The Government has implemented financial services contractual continuity schemes that will allow firms operating in the UK that have outstanding contracts to wind down their activities in an orderly manner. These schemes are important to cover those firms that may not wish to continue carrying on business in the UK over the long term – and who do not enter the temporary permissions regimes referred to above –

- while still enabling these firms to meet their existing commitments to UK consumers and to ensure continuity.
- UK-based firms will also see some regulatory requirements change. While exit legislation preserves existing regulation as much as possible, some requirements will need to change to reflect the UK's new position outside of the EU. For the majority of these changed requirements, comprehensive transitional arrangements will be used to give firms the time they need to adapt. For example, specific transitional measures in legislation include the ability for firms to continue using EEA-issued credit ratings and financial prospectuses for 12 months from Brexit. In addition to these specific transitional provisions, UK regulators have been given the flexibility to delay or phase in requirements which change as a result of Brexit. The regulators are proposing to use this power broadly - firms can find more detailed information on the regulators' transitional approach on the Bank of England and FCA websites.
- As part of the Government's work to ensure the UK has an effective standalone regime for financial services outside of the EU, we have transferred essential functions currently carried out by the EU to the appropriate UK bodies. For instance, responsibility for supervising credit rating agencies (CRAs) and trade repositories (TRs) after Brexit has

been transferred from the European Securities and Markets Authority (ESMA) to the Financial Conduct Authority, and powers in relation to non-UK central counterparties (CCPs) and central securities depositories (CSDs) have been transferred to the Bank.

 The Bank of England and the Financial Conduct Authority have provided detailed regulatory information to firms and market participants.⁸³

These preparations are in addition to the following measures taken by the EU and its Member States:

- The EU has adopted temporary regulatory 'equivalence' decisions to allow EEA firms to continue to use some UK financial market infrastructures like clearinghouses.
- UK financial services regulators have agreed supervisory 'Memoranda of Understanding' (MoUs) with EU Member State regulators and EU regulatory authorities. These include MoUs to allow continued portfolio delegation between the UK and EEA, and facilitate supervisory cooperation of cross-border investment and insurance activities between the UK and EEA post Brexit.

⁸³ 'Preparing for Brexit', Financial Conduct Authority, September 2019; 'EU Withdrawal', Bank of England, September 2019.

- For UK citizens living in the EU, Norway, Liechtenstein or Iceland, many UK financial services firms are taking steps to ensure they will continue to be able to serve their customers after the UK leaves the EU.
- Some EU countries have also announced that they
 are taking steps to help ensure that UK financial
 services firms will be able to serve their existing
 clients and customers after the UK leaves the EU.
 However, if providers need to make any changes to
 customers' products or the way they are provided,
 they are expected to get in contact with affected
 customers.
- The UK will continue to participate in the Single Euro Payments Area (SEPA) in the event of leaving without a deal. This means that UK Payment Service Providers can continue to send and receive Euro payments within SEPA schemes.
- Depositor protection for clients who bank with a UK branch of an EEA firm will be provided by the UK Financial Services Compensation Scheme up to £85,000 from 31 October 2019.

The Government has intensified preparations since 24 July 2019:

 The Government has made a further four Statutory Instruments to provide a functioning domestic regulatory framework across the financial services sector after Brexit. The UK authorities are not able through unilateral action to fully address risks to EEA customers of UK firms currently providing services into the EEA using the financial services passport. The EU authorities and some individual Member States have taken legislative steps to prepare for leaving without a deal, which the Government welcomes, but in the absence of further actions by EU authorities residual risks remain. Accordingly, the Government is continuing to:

- Work with EU partners to encourage actions that match the effect of the UK's.
- Encourage the European Commission to make regulatory 'equivalence' decisions to address unmitigated risks in relation to fragmentation of financial markets.
- Monitor with the financial services regulators any risks to financial and market stability and have contingency plans in place to manage the risks that could arise.

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As a starting point, the checklist provided by the Financial Conduct Authority may help firms decide if they conduct business in the EEA or if Brexit might affect their business.⁸⁴ Firms should then seek information to prepare through the Financial Conduct Authority and Prudential Regulation Authority, and test with the regulators the ways in which they intend to provide services in the EU after Brexit. Further information is available on GOV.UK.⁸⁵



Individual and business customers based in the UK, and UK Nationals based in the EU27, should familiarise themselves with the detailed guidance on GOV.UK, which covers pensions, insurance and debit and credit card payments, among other services.⁸⁶

⁸⁴ 'Brexit: considerations for UK firms', Financial Conduct Authority, September 2019.

⁸⁵ 'Information for Financial Institutions if there's no Brexit deal', GOV.UK, August 2019.

⁸⁶ 'Information for Financial Institutions if there's no Brexit deal', GOV.UK, August 2019.

C: Legal Services

- In the event that the UK leaves without a deal, UK lawyers would no longer be able to rely on Single Market rights to provide legal services in the EU and would be subject to individual EU/EEA member states' domestic legal services rules after 31 October 2019.
- The Government has legislated to remove the preferential framework for EU/EEA lawyers, bringing their rights in line with those for third country lawyers. This legislation provides a transitional period to 30 December 2020 to allow EU/EEA lawyers who are already registered in the UK time to adapt.
- The Government has been working with UK professional bodies and regulators to support business readiness.
- The Government has legislated to provide a clear legal framework for cross-border civil and family disputes after 31 October 2019.

In the event that the UK leaves without a deal, UK lawyers would no longer be able to rely on Single Market rights to provide legal services in the EU/EEA and would be subject to individual EU/EEA

member states' domestic legal services rules after 31 October 2019.

- When the UK leaves the EU, UK lawyers will no longer be able to rely on rules allowing EU lawyers to practice across the EU/EEA under their 'home' (UK) legal title. Outside the EU framework, UK lawyers will be treated as third country lawyers under each individual EU/EEA member states' domestic legal services regulations (and immigration controls for nationality/residence requirements). UK qualified lawyers will also lose their rights of audience before EU courts and institutions. UK lawyers with EU/EEA qualifications will also be subject to individual EU/EEA member states' domestic legal services regulations.
- EU/EEA lawyers in the UK will no longer be able to rely on the EU framework to provide services in the UK, and will be treated as third country lawyers under the regulations for England and Wales, Scotland and Northern Ireland respectively. EU/EEA lawyers who are registered in the UK will benefit from transitional arrangements.

The Government has been working with UK professional bodies and regulators to support business readiness for leaving without a deal.

The Government's preparations for leaving without a deal:

- The Government legislated to remove the preferential framework for EU/EEA lawyers in the UK, reverting to provision for third country lawyers. This legislation includes transitional arrangements for EU/EEA lawyers who are registered in the UK or have applied to be registered, before Brexit. These transitional arrangements allow them to continue to practise as now, until 30 December 2020, while they take steps to adapt to the new arrangements.
- The Government published a technical notice on providing professional services with specific reference to legal services.
- The Government published 31 country guides for all the EU/EEA states and Switzerland, which signpost UK services exporters to information on cross-border trade, establishing and structuring businesses, business travel and visa requirements, recognition of UK professional qualifications, and data protection. This is not an exhaustive list of the changes that will take place or the preparations that the Government is putting in place.

- The Government has published updated GOV.UK content on UK lawyers in the EU, EU lawyers in the UK, and legal services business owners.
- The Government has run a series of roadshows for legal professionals and businesses in the UK.

Law firms and individual lawyers should contact their regulator to understand their position after 31 October 2019.

- EU lawyers in the UK, and UK law firms employing EU nationals should contact their UK regulator.
- UK lawyers in the EU should contact their local EU member state regulator. Their UK regulator may also be able to provide advice.

Civil Judicial Cooperation

- The UK will no longer be covered by the civil judicial cooperation rules that apply to cross border legal disputes. Citizens may need to take legal advice and lawyers will need to advise their clients on the new rules that will apply to their cases.
- The EU's civil judicial cooperation framework provides clear rules for resolving cross border disputes around family law, civil law and insolvency matters. These rules determine which country's

courts should hear a case, which country's law applies and make sure that judgments can be recognised and enforced across borders.

The Government's preparations for leaving without a deal:

- The Government has introduced legislation to provide a clear and workable legal framework for cross border disputes.
- The Government has put in place legislation to revoke any EU civil judicial cooperation rules that rely on reciprocity to operate effectively.
- In the absence of these rules the UK will fall back onto existing international conventions, where they exist, as a means of cooperation with EU member states on cross border disputes.
- Where such international conventions do not exist we will revert to applying our domestic rules which currently govern cross border cases between the UK and non-EU countries.
- Our legislation also provides that the UK courts will continue to treat ongoing cases under the current EU rules until their conclusion.
- The Government has published technical notices which explain the changes.

The Government has intensified preparations since 24 July 2019:

- The Government has published updated GOV.UK content on family law disputes involving the EU after Brexit.
- The Government has run a series of roadshows for legal professionals and businesses in the UK.



Law firms and individual lawyers should familiarise themselves with published guidance to ensure that they understand the legal framework that will exist and are able to advise their clients appropriately.

- Lawyers operating in the field of family law should consult published guidance to ensure they understand how cross border family disputes will be dealt with if we leave without a deal.
- Lawyers operating in the field of civil law should consult published guidance to ensure they understand how cross border civil disputes will be dealt if we leave without a deal.

6. Industry

Harnessing economic opportunities

If we leave without a deal, there are opportunities to reform our agriculture and fishing, secure new trade deals, develop new technologies and better support business with a different approach to government procurement.

This chapter details changes that will affect industry operating in the UK, and UK businesses operating in, or trading with, the EU and the European Economic Area (EEA), which includes a small number of other countries that combine as one single market, and Switzerland, which applies many EU rules. It outlines changes in regulations that will apply to industries if we leave without a deal. It also sets out the actions the Government has taken to support industry, including the agriculture, food and fisheries sectors, and the actions which businesses should take to prepare if we leave without a deal.

The Government is monitoring businesses and sectors which may be exposed to short-term difficulties as a result of Brexit and is considering how best to support

businesses across the country in the run up to or immediately after Brexit.

A: Manufactured Goods Regulation

- The EU and UK would have separate regulatory regimes for manufactured goods if we leave without a deal.
- The Government has taken action to provide as much continuity as possible for businesses and will introduce new UK regulatory frameworks, such as a new regime for CE-marked goods.
- The UK will be able to set its own regulatory provisions for EU and Rest of World businesses to place products on the UK market.

The UK would manage its own set of regulations on manufactured goods separate from the EU if we leave without a deal, and UK businesses exporting to the EU would need to meet EU rules.

 Many manufactured goods sectors, such as chemicals, aerospace goods, human and veterinary medicines, medical devices and automotive vehicles, are subject to common rules across the EU. These rules establish common requirements for manufacturing, testing and marketing products from

these sectors. Currently, it is a legal requirement to follow these rules before selling regulated products in the EU.

- Having separate regulatory regimes for manufactured goods will mean that:
- The UK will be able to set its own regulations that the businesses in the EU and other countries will have to follow before selling products on the UK market. This means that the UK could set regulations for imports into the UK rather than having to follow EU regulations.
- UK businesses exporting to the EU will need to make sure they meet EU rules. This includes, where relevant, having goods approved by EU-based bodies or having legal representatives in the EU.
- Approvals and authorisations on goods issued by UK bodies will not be accepted in the EU, even where these meet EU regulations or were issued by a UK body while the UK was still an EU member state. However, there are some exceptions to this if the EU has made a short-term commitment to accept goods.
- The UK will no longer be part of any ongoing EU agency or regulator activities. For human and veterinary medicines, chemicals and aerospace products, the relevant EU agencies which play a role in regulating goods are the European Medicines Agency

(EMA), the European Chemicals Agency (ECHA) and the European Aviation Safety Agency (EASA) respectively. UK regulatory bodies will no longer be able to license products for the EU market and the UK will no longer participate in relevant committees.

 UK regulators will take on regulatory functions currently carried out by EU regulatory bodies.



The Government will introduce a new UK regulatory framework for CE-marked goods that aims to provide as much continuity for businesses as possible.

The Government's preparations for leaving without a deal:

- The Government has introduced new regulations to accept goods made against EU rules (including goods subject to assessments made by EU conformity assessment bodies) in the UK. This will mean that goods with the CE mark (which also include toys, electronics and machinery) can still be sold in the UK.
- The Government will provide continuity in goods regulation for a temporary period after exit day in order to provide as much stability as possible for businesses immediately following the UK leaving without a deal.

- For the automotive, chemicals and medicines sectors the UK is putting in place light-touch processes to allow businesses to convert existing EU approvals into UK approvals.
- The Government will introduce a new UK regulatory framework for CE-marked goods that will allow manufacturers to show that products meet UK rules and can be sold in the UK. This will include introducing a UK-only mark - called the UKCA mark and a system of UK Approved Bodies. The Government published advice on using the <u>UKCA</u> mark.⁸⁷
- The CE mark will be retained for medical devices to ensure continued access for UK patients. Section B sets out the Government's preparation for the regulation of medical devices.
- The Government has published technical notices on placing manufactured goods on the <u>UK</u>⁸⁸ and <u>EU</u>⁸⁹ markets after Brexit, as well as on what has changed across the <u>product safety and legal metrology</u>

⁸⁷ 'Prepare to use the UKCA mark after Brexit', BEIS, February 2019.

⁸⁸ 'Placing manufactured goods on the UK market after Brexit', BEIS, September 2019.

⁸⁹ 'Placing manufactured goods on the EU market after Brexit', BEIS, April 2019.

The Government has intensified preparations since 24 July 2019:

- The Government is preparing a new public database of conformity assessment bodies who will be able to assess products against UK rules before they are UKCA marked.
- The Government will engage with industry before making any changes to regulatory arrangements, and, in the event of any changes, the Government is committed to giving sufficient notice of any change.

⁹⁰ 'UK Product Safety and Metrology changes in a no-deal scenario', Office for Product Safety and Standards, September 2019.

⁹¹ 'Consumer rights and business: changes after Brexit', BEIS, August 2019.

^{92 &#}x27;The chemicals sector and preparing for Brexit', BEIS, March 2019.

⁹³ 'Businesses supplying medicines and medical devices – what to expect on day one of a no-deal scenario', DHSC, September 2019.

⁹⁴ 'VMD EU Exit Information Hub', Veterinary Medicines Directorate, January 2019.

⁹⁵ 'Construction Products Regulation if there is no Brexit deal', Ministry of Housing, Communities and Local Government, August 2019.

⁹⁶ 'The aerospace sector and preparing for Brexit', BEIS, March 2019.

⁹⁷ 'Rail transport, safety and technical standards if there's no Brexit deal', Department for Transport, May 2019.

⁹⁸ 'The automotive sector and preparing for Brexit', BEIS, March 2019.

The Government will give two years' notice of any changes to regulations for medical devices.

 The Government has refreshed the information in all of the aforementioned technical notices with up-todate advice for businesses.

All businesses who manufacture, trade or distribute manufactured goods should take action.

All businesses who manufacture, trade or distribute manufactured goods should take the following actions:

- Check all relevant guidance available on GOV.UK and pay close attention to the Government's Brexit communications campaign for more details on the actions required to prepare if we leave without a deal.
- Check whether they need new product approvals, whether they need to appoint new representatives in the EU, make changes to the labels and markings on their goods, or submit information to new UK systems.
- Check what actions they or their suppliers need to take in relation to the manufacture and import of chemicals so that they continue to receive necessary 'input' goods. These actions are listed below.

Manufacturers of goods currently regulated under the EU's 'new approach'99 (i.e. mostly CE-marked goods) should take the following specific actions:

^{99 &#}x27;The 'New Approach', CEN, June 2019.

- Businesses exporting CE-marked goods should check whether their goods are supplied in the EU via an EUbased distributor. If so, that distributor will become an importer. UK distributors of CE-marked goods from the EU will also become importers. Importers have certain legal responsibilities, including making sure products are accompanied by their address.
- Where businesses are required under EU law to get third party approval of their goods, they should confirm whether current approvals are issued by a UK or EU-based notified body. If unsure, the business will need to check with its notified body as in some cases, they may be making arrangements on businesses' behalf. If the business uses a UK notified body but plans to continue to export CE-marked goods to the EU, further arrangements should be made to have the products approved by an EU recognised notified body. To do this, the business can either get the products reassessed by an EU recognised notified body or arrange for the files to be transferred to an EU notified body before the UK leaves the EU.
- If the business only sells to the UK market and uses a UK-based notified body, action should now be taken to be ready to use the UKCA mark.

- For medical devices, there will be no UKCA marking so all devices sold in the UK will continue to require the CE marking (see below for details).
- Businesses who currently use an Authorised Representative to act on their behalf should confirm where their Authorised Representative is located. EUbased Authorised Representatives who received their mandate before 31 October 2019 will still be recognised in the UK after 31 October 2019. However, a UK-based Authorised Representative will not be recognised in the EU as able to fulfil this role after 31 October 2019.
 - OUK businesses who export machinery to the EU will need to make sure they have nominated a person authorised to compile technical files who is based in the EU. This person could also be an importer or Authorised Representative.
- Where businesses have made any changes to how their product is approved or marked, or if there is a new importer or Authorised Representative, they should draw up a revised declaration of conformity with the correct details. Where the CE marking is used, this should still be an EU declaration of conformity. If the UKCA marking is used, then it will need to be a UK declaration of conformity.
- Businesses that self-certify compliance with EU law and place the CE marking on the product can continue to do so.

B: Medical Devices

- The Medicines and Healthcare products Regulatory Agency (MHRA) would take on the responsibilities for the UK market currently undertaken through the EU system if we leave without a deal as the UK would no longer be part of the European regulatory network for medical devices.
- The Government has chosen to continue recognising medical devices that are approved for the EU market and CE marked.
- Manufacturers should take action for medical devices being placed on UK or EU markets.

The Medicines and Healthcare products Regulatory Agency would take on the responsibilities for the UK market currently undertaken through the EU regulatory system if we leave without a deal.

- The UK's current participation in the European regulatory network for medical devices would end if we leave without a deal.
- This means that the UK would no longer be required by EU law to recognise medical devices that are approved for the EU market, but can choose to

continue recognising EU approved medical devices under domestic legislation.

The Government has made provisions to support continuity of supply of products to the UK market.

The Government's preparations for leaving without a deal:

- The Medicines and Healthcare products Regulatory Agency (MHRA) would take on the responsibilities for the UK market currently undertaken through the EU system.
- The Government has chosen to continue recognising medical devices that are approved for the EU market and CE-marked. If this changes, the Government will give at least two years' notice to manufacturers to implement any new requirements.
- Relevant labelling requirements will continue to apply, including the requirement for products to carry a CE mark and their notified body number (for devices which currently require conformity assessment).
- The Government will give UK-based notified bodies official status under domestic legislation and will continue to recognise the validity of certificates that they issued before 31 October 2019. This will allow products covered by certificates issued by UK-based

The Government has intensified preparations since 24 July 2019:

 The Government has published detailed guidance on the regulation of medical devices if we leave without a deal.¹⁰⁰



Manufacturers should take action for medical devices being placed on UK or EU markets.

For manufacturers of medical devices to prepare:

 Manufacturers will need to register any medical devices¹⁰¹ with the Medicines and Healthcare products Regulatory Agency (MHRA) before they are placed on the UK market, within the time period set out in the MHRA guidance.¹⁰²

¹⁰⁰ 'Regulating medical devices in the event of a no-deal Brexit', Medicines and Healthcare products Regulatory Agency, September 2019.

¹⁰¹ Including active implantable medical devices, in vitro diagnostic medical devices (IVDs) and custom-made devices.

Within 4 months - Class III medical devices, Class IIb implantable medical devices, Active implantable medical devices, IVD List A. Within 8 months - Class IIb non-implantable medical devices, Class IIa medical devices, IVD List B, Self-test IVDs. Within 12 months - Class I medical devices, Self-certified IVDs, Class A IVDs. Registration for custom-made devices will be in line with the risk class of the device.

- Manufacturers must continue to meet standard labelling requirements for medical devices (i.e. all products must bear a CE mark to be placed on the market and devices requiring a conformity assessment must bear the notified body number.)¹⁰³
- Manufacturers that wish to place a medical device on the UK market and that are not established in the UK will need to additionally designate a Responsible Person in the UK, who acts on behalf of the manufacturer and also registers the device with the MHRA.
- Manufacturers that wish to place a medical device on the EU market will need to:
 - Have in place a valid CE certificate and, where required, find and apply for transfer to the EU/EEA notified body accredited to assess the particular class of device.
 - Establish an Authorised Representative within an EU Member State.
 - Register with the national Competent Authority (depending on the requirements of the Member

For more information, see: 'Further guidance note on the regulation of medicines, medical devices and clinical trials if there's no Brexit deal', Medicines and Healthcare products Regulatory Agency, September 2019.

¹⁰³ 'Regulating medical devices in the event of a no-deal Brexit', Medicines and Healthcare products Regulatory Agency, September 2019.

- State in which the Authorised Representative is established).
- o Ensure all associated documentation is up to date.
- Make all necessary labelling changes to products (i.e. reflect any change to notified body numbers and, where necessary, include the Authorised Representative on the label).¹⁰⁴

¹⁰⁴ 'Brexit – guidance to stakeholders on impact in the field of industrial products', European Commission, January 2018.

C: Vehicles and Components

- If we leave the EU without a deal, there would be no change to the technical regulations that set safety and environmental vehicle standards, but typeapproval certification process for new vehicles sold in the UK would change.
- The Government has put in place an interim UK type-approval scheme to allow manufacturers to continue to produce and sell vehicles on the UK market.
- Manufacturers of vehicles and components would be able to continue selling in the UK or EU after Brexit if they take action to ensure they have the correct approvals.

There would be no change to the regulations that set vehicle standards if we leave without a deal, but type-approval certification would change.

- If we leave without a deal, the regulations setting vehicle standards would not change.
- There would be changes regarding type-approval certification, which would affect vehicle manufacturers and some component manufacturers.
- EU type approvals issued by the UK would cease to be valid in the EU. Vehicle and component

- To maintain an EU type approval manufacturers will need a manufacturer's representative in an EU member state if they do not currently have one.
- EU type approvals for vehicles would cease to be valid in the UK and manufacturers would need to obtain a UK type approval. EU type approvals for components and engines for non-road mobile machinery would continue to be accepted in the UK for an interim period. National type approvals issued in the UK would also continue to be valid.

The Government has put in place an interim UK type-approval scheme for UK manufacturers.

The Government's preparations for leaving without a deal:

 The Government has put in place a new interim UK type-approval scheme for vehicles. This scheme will allow the Government to issue provisional UK approvals to manufacturers who have an EC whole vehicle approval that is valid at the time of exit.

- The Vehicle Certification Agency (VCA) contacted manufacturers and their authorised representatives to ensure they supplied the required information to the VCA before the end of March 2019, so that UK approvals can be issued if needed. Provisional UK approvals will be valid for a time-limited period of two years. During this time a full UK type approval scheme will be introduced.
- The VCA has also worked with manufacturers with EU approvals issued in the UK and is providing assistance for those choosing to transfer these to another EU approval authority.

The Government has intensified preparations since 24 July 2019:

- The Government has and will continue to focus on communications, so manufacturers are fully prepared and, if needed, the VCA will issue provisional UK approvals upon exit.
- The Government has and will continue to work to put in place the full UK type-approval scheme that will be needed in the future that will allow manufacturers to obtain UK approval without first obtaining approvals in the EU.



Manufacturers of vehicles and components should take action to confirm approvals to be able to continue selling in the UK or EU after Brexit.

Manufacturers of vehicles and components should take the following actions:

- Apply to the VCA who will convert their valid EC-type approval certificates into UK type-approvals so they can continue selling vehicles and components in the UK after Brexit.
- Transfer EU vehicle and component approvals issued by the VCA to a EU Member State approval authority to continue selling in the EU after Brexit.
 Manufacturers will need to begin the process of transferring these to another approval authority following the EU's procedure prior to Brexit. The VCA is providing a transfer service for manufacturers who wish to use them.
- Manufacturers intending to continue selling into the EU will need to ensure they have a manufacturer's representative in an EU Member State.

D: Chemicals

- The UK will replicate the EU law that regulates the safe use of chemicals if we leave without a deal.
- The legislation is in place regarding requirements for the classification, labelling and packaging of chemicals (CLP), registration authorisation and restriction (REACH), the approval for biocidal products (BPR) and the export of listed hazardous chemicals (Prior Informed Consent, PIC). This will automatically come into force in UK law to establish a UK regulatory framework on exit day as required.
- UK and EU regulatory authorities would operate independently from each other. This means that for the UK market, businesses would need to submit information as required by different regimes to the UK regulator (the Health and Safety Executive). To maintain access to the EU, businesses would need to transfer their registration to an EU company under REACH.

The existing EU regulatory framework for the trade and safe use of chemicals would be brought into UK law as a domestic regime if we leave without a deal.

 If we leave without a deal, the EU REACH Regulations would be brought into UK law to create UK REACH as well as separate regulations governing the classification, labelling and packaging (CLP) of chemicals, the approval for biocidal products (BPR) and the export of listed hazardous chemicals (PIC).

 This means that the UK will be aligned to EU chemicals legislation on exit day.

All EU chemicals regulations will be brought into UK law to establish a UK regulatory framework.

The Government's preparations for leaving without a deal:

- The Government has developed a new UK REACH IT system to support businesses in registering with UK REACH.
- The Government has put in place processes to convert existing EU REACH registrations held by UKbased companies into UK REACH registrations. This will allow companies to continue to access the UK market.
- The Government has put in place a transitional notification process for importers who do not currently hold an EU REACH registration. This process will give importers a grace period before they need to register in full.

- The Government has made additional resources available to the Health and Safety Executive (HSE) and the Environment Agency (for REACH) so they can deliver new activities and functions, including those currently performed by the European Chemicals Agency.
- The Government has published guidance for businesses setting out what they need to do to comply with UK chemicals legislation.¹⁰⁵
- The Government has put in place transitional arrangements to enable UK companies to export listed hazardous chemicals to the EU in the immediate period after leaving the EU.

The Government has intensified preparations since 24 July 2019:

- The Government has published journey maps with the specific steps businesses must take if they are exporting chemicals to the EU after a no-deal Brexit. 106
- The Government will continue to work with businesses to support readiness for Brexit and throughout the period of transition to a UK chemicals

¹⁰⁵ 'How to comply with REACH chemical regulations', Defra, September, 2019.

¹⁰⁶ Chemical exporters: steps to export chemicals to the EU after Brexit, Defra, September 2019.

framework, providing information and dedicated support.

- The Government will continue to develop the UK REACH IT service to reflect user feedback.
- The Government will build further expert capacity in the regulators to ensure a high quality and robust chemicals regulation regime within the UK.
- The Government will monitor the transitional arrangements.



For the UK market, businesses would need to submit notification and documentation to the UK regulator. To maintain access to the EU, businesses would need to transfer their registration to an EU entity.

Manufacturers and importers of chemicals should note the following:

 Businesses with existing EU REACH registrations should submit a notification to the Health and Safety Executive within 120 days of exit to ensure that their registration will be recognised in UK REACH. This notification must include some basic details of their registration, such as company details, chemical(s) registered and evidence of holding an EU registration. Businesses that have submitted a

- notification will have two years to submit in full the information that supported their original registration with EU REACH. The steps that businesses should take are laid out fully online.¹⁰⁷
- Businesses that buy chemicals from chemical manufacturers, or importers that import chemicals from the EU, need to ensure these are classified, labelled and packaged (where required) under CLP and must ensure that any substances they purchase are covered by a valid UK REACH registration by someone within their supply chain. To remain compliant by registering as an importer, if we leave without a deal, businesses will have 180 days to open an account on REACH IT and provide initial information on their registration, or have their supplier appoint a representative to provide information on their behalf. They will then have two years to complete full registrations with UK REACH.
- Businesses wishing to continue trading in biocides need to follow the transitional measures required by the UK Regulations governing the biocidal products regime (BPR).¹⁰⁸

¹⁰⁷ 'REACH: What you'll need to do in a no deal scenario', Health and Safety Executive, September 2019.

¹⁰⁸ Biocides: What you'll need to do in a no deal scenario, Health and Safety Executive, September 2019.

- Businesses wishing to export listed hazardous chemicals to the EU and beyond will need to notify HSE under the Prior Informed Consent (PIC) regime.109
- Chemical businesses that want to continue to sell products in the EU should consult the advice published by the HSE and the European Chemical Agency. 110 As this guidance details, these businesses will need to transfer their REACH registration to an EU-based representative.

Agency, September 2019.

¹⁰⁹ Export and import of hazardous chemicals (PIC) if there is a no-deal Brexit, Health and Safety Executive, September 2019. 110 'How will the UK withdrawal affect you?', European Chemicals

E: Aerospace goods

- The UK Civil Aviation Authority (CAA) will take on some of the relevant functions previously performed by the European Aviation Safety Agency (EASA) if we leave without a deal.
- EASA would no longer automatically recognise aviation safety certificates and approvals issued by CAA if we leave without a deal.
- The EU has adopted a regulation that recognises some safety certificates for nine months from Brexit and ensures certificates previously issued by the CAA will remain valid permanently.
- Manufacturers should obtain the required safety authorisations and certificates from EASA and review the guidance provided by the CAA.

The European Aviation Safety Agency (EASA) would no longer automatically recognise aviation safety certificates and approvals issued by the UK Civil Aviation Authority (CAA), if we leave without a deal.

• If we leave without a deal, the European Aviation Safety Agency (EASA) would no longer automatically recognise aviation safety certificates and approvals issued by the Civil Aviation Authority. This recognition is needed by UK aerospace manufacturers to design, produce and trade their goods in the EU.

The CAA has taken on some functions performed by EASA and the EU has adopted a regulation to recognise some safety certificates for nine months and to ensure certificates previously issued by the CAA will remain valid permanently.

The Government's preparations for leaving without a deal:

- The Government has retained and applied the technical rules and standards of EU aviation safety legislation in domestic law.
- The Government has recognised aviation safety certificates issued by EASA (or a competent authority of an EASA member) on and after Brexit as if they were issued by the CAA for a period of 2 years (unless it would otherwise have expired, or there was any ongoing enforcement action). At the end of 2 years (or sooner if the certificate expires during the intervening period) new certificates issued by the CAA under UK legislation would be required.
- The CAA has taken on the functions currently performed by EASA in relation to approvals for UK designed aeronautical products and approvals for third country organisations.

- The CAA has taken on the functions and tasks of the state of design from EASA for products where the certificate holder is UK-based. This means that the CAA would issue and oversee the appropriate typecertificates, environmental certificates and certificates for existing and new products, parts and equipment. The CAA would issue certificates to design organisations in accordance with the rules that have been brought into UK law.
- The EU has adopted <u>Regulation 2019/494</u> on aviation safety as part of its no-deal planning.¹¹¹ This means that:
 - Certificates issued by the CAA before 1 November 2019 will remain valid. This includes production, maintenance, and airworthiness review certificates, and covers parts installed on aircraft or stored in warehouses across the EU. This means parts that have been produced by UK manufacturers will continue their validity across the EU.
 - The validity of certain aviation safety certificates will be extended, to allow the CAA and EASA sufficient time to issue the necessary certificates to manufacturers. These certificates will remain valid

^{111 &#}x27;Regulation (EU) 2019/494 of the European Parliament and of the Council of 25 March 2019 on certain aspects of aviation safety with regard to the withdrawal of the United Kingdom of Great Britain and Northern Ireland from the Union (Text with EEA relevance.)', Official Journal of the European Union, March 2019.

for nine months after Brexit. This covers various Type Certificates, Design Organisation Approvals and European Technical Standard Orders (ETSO).

The Government has intensified preparations since 24 July 2019:

- The Government has and will continue to support the CAA in taking on some of the functions of EASA.
- The Government has and will continue to encourage the EU to ensure that the UK remains an important partner in the European aerospace industry.



Manufacturers of aerospace goods should obtain the required safety authorisations and certificates from EASA and review the extensive guidance provided by the CAA.

To prepare individuals and business the Government recommends the following actions:

 Manufacturers of aerospace goods should obtain the required safety authorisations and certificates from EASA to continue to supply products and parts that will either be registered in the EU or used on EU registered aircraft.

 Manufacturers should consult guidance on the CAA website.¹¹² This provides extensive and detailed information for what action needs to be taken.

F: Intellectual Property

- If we leave without a deal, the UK will no longer be subject to EU arrangements for the registration and use of certain intellectual property (IP) rights. This may affect how UK businesses operate in the EU.
- The Government has taken steps to ensure that holders of intellectual property rights will continue to be protected in a no-deal Brexit.
- UK businesses and professionals should check the rules and regulations in the EU/EEA states in which they operate to remain compliant.

In the event that we leave without a deal, the UK will no longer be subject to EU regulations on service sectors, which may affect the way UK businesses operate within the EU. For intellectual property this will mean that:

 The UK will no longer be part of the EU Trade Mark and Registered Design system.

^{112 &#}x27;Brexit', Civil Aviation Authority, September 2019.

- The UK will no longer be part of the EU Unregistered Community Design Right system.
- Certain UK-EU cross-border copyright arrangements will stop.
- Parallel exports of IP-protected goods to the EEA that have already been legitimately put on the market in the UK may need to be approved by the IP right holder.

The Government has taken steps to ensure that holders of intellectual property rights will continue to be protected in a no-deal Brexit.

The Government's preparations for leaving without a deal:

- The Government has ensured holders of registered EU Trade Marks, Registered Community Designs or protected international registrations of trade marks/designs designating the EU will automatically receive an equivalent right in the UK ensuring continued protection of their IP rights.
- The Government has provided for a temporary ninemonth period during which IP rights holders with pending and deferred applications for EU Trade Marks and Registered Community Designs or international applications which designate the EU can apply for UK equivalent rights using the priority dates of their earlier application.

- The Government has ensured all existing
 Unregistered Community Design rights will continue
 to be protected in the UK through a new UK
 Continuing Unregistered Design and will create a
 Supplementary Unregistered Design Right, which will
 offer protection in the UK equivalent to the terms of
 the Unregistered Community Design right. Designs
 first disclosed in the UK after 31 October 2019 will
 also be eligible for protection under this right.
- The Government has made technical changes to patent law to ensure existing systems, including the Supplementary Protection Certificate system, continue to function.
- The Government has ensured continued UK protection for database rights held in the UK.
- The Government has protected parallel imports of IPprotected goods into the UK from the EEA by ensuring they can continue under the current rules, supporting the flow of important goods such as pharmaceuticals.
- The Government has published business readiness guidance for all IP rights, which sets out actions for IP rights holders and users to take where necessary.¹¹³

¹¹³ 'IP and Brexit: the facts', Intellectual Property Office, September 2019.

The Government has intensified preparations since 24 July 2019:

 The Government will legislate to ensure the newlyintroduced manufacturing waiver for Supplementary Protection Certificates continues to function as normal.



UK businesses and professionals should check the rules and regulations in the EU/EEA states in which they operate to remain compliant.

- Broadcasters that transmit from the UK to other EEA states by satellite should review their licences with right holders to ensure they have the necessary copyright permissions for each state to which they broadcast. Additional right holder permissions may be required after Brexit.
- Providers of online streaming and rental services may need to review their licences with right holders or adjust how UK customers access their services while travelling to the EEA. EU rules providing customers temporary cross-border access to their services while abroad will cease to cover UK customers visiting the EEA after Brexit.

- Exporters who wish to export intellectual property (IP)
 protected goods to the EEA that have already been
 legitimately put on the market in the UK after Brexit
 should review their business arrangements and may
 need to seek the IP right holder's consent.
- Businesses relying on unregistered design right protection should consider whether changes in relation to the eligibility for unregistered design rights in the UK and the EU (which from Brexit onwards will be restricted to the territory in which a design is first disclosed, i.e. UK or EU) will affect their business and they may wish to seek legal advice.
- Businesses with pending applications for EU trade marks or Registered Community Designs should file for a UK equivalent right within nine months of Brexit to maintain their priority dates.
- UK businesses will still be able to obtain trade mark and design protection in the remaining 27 Member States of the EU through an application to the EUIPO, and businesses from the EU and worldwide will still be able to apply for a UK domestic trade mark and design through the IPO.
- Museums, archives and other cultural heritage institutions that rely on the EU Orphan Works copyright exception to make orphan works available online will not be able to do so after Brexit. They may need to seek a licence under the UK's orphan works licensing

scheme, geoblock or take their orphan works offline to avoid infringing copyright.

- UK businesses that create or own databases will no longer be able to rely on sui generis database rights within the EU. They may need to consider alternative forms of protection for their databases, such as licensing agreements or copyright where applicable.
- Businesses should consider getting legal advice on any of the actions above or on the impact that the changes to the IP regime in the UK may have on them more broadly.

G: Human Medicines

- If we leave without a deal, the UK would no longer be part of the European medicines regulatory network and the UK's Medicines and Healthcare products Regulatory Agency (MHRA) would take on the functions currently undertaken by the EU for medicines on the UK market.
- The Government has put processes in place to support the timely availability of new medicines for patients in the UK.
- Within the UK, manufacturers of medicines should confirm import licences and ensure legal presence requirements are met. Manufacturers within the EU may also need to take action.

The UK's participation in the European regulatory network will cease, and the UK's Medicines and Healthcare products Regulatory Agency (MHRA) will take on the functions currently undertaken by the EU for medicines on the UK market.

 If we leave without a deal, the UK would no longer be part of the European regulatory network. The MHRA would take on the functions currently undertaken by the EU for medicines on the UK market. The Government has put processes in place to support the timely availability of new medicines for patients in the UK.

The Government's preparations for leaving without a deal:

- The Government has already made the required changes to UK law for the MHRA to take on extra functions via the Human Medicines Regulations 2012 (HMRs). These changes would come into effect at the point the UK leaves the EU without a deal.
- The Government has introduced a 'Targeted Assessment'¹¹⁴ process to support the timely availability of new medicines for patients in the UK.
- The Government has taken a pragmatic approach regarding batch testing and certification and made provisions to recognise batch testing from EU and EEA countries, and those countries with which the EU has a Mutual Recognition Agreement.¹¹⁵

¹¹⁴ 'Guidance note on new assessment routes in a no-deal Brexit', MHRA, August 2019.

¹¹⁵ '<u>List of approved countries for authorised human medicines if there is a no-deal Brexit</u>', MHRA, August 2019.

The Governments has intensified preparations since 24 July 2019:

- The Government will continue to monitor incentives and provisions to ensure that the UK remains a competitive location.
- The Government has published technical advice, including:
 - Further guidance note on the regulation of medicines, medical devices and clinical trials if there's no Brexit deal.¹¹⁶
 - Register to make submissions to the MHRA if there is a no-deal Brexit.¹¹⁷
 - Converting Centrally Authorised Products (CAPs) to UK Marketing Authorisations (MAs) in a no-deal Brexit', 'grandfathering' and managing lifecycle changes.¹¹⁸

¹¹⁶ 'Further guidance note on the regulation of medicines, medical devices and clinical trials if there's no Brexit deal', MHRA, September 2019.

¹¹⁷ 'Register to make submissions to the MHRA if there is a no-deal Brexit', MHRA, September 2019.

¹¹⁸ 'Converting Centrally Authorised Products (CAPs) to UK Marketing Authorisations (MAs) in a no-deal Brexit, 'grandfathering' and managing lifecycle changes', MHRA, March 2019.

 Converting Parallel Distribution Notices (PDNs) to UK Parallel Import Licences (PILs) in a no-deal Brexit.¹¹⁹



Within the UK, manufacturers should take action to confirm import licences and ensure legal presence requirements are met. Manufacturers within the EU may also need to take action.

The Government recommends that manufacturers of human medicines take the following actions:

- Within the UK, manufacturers should write to the MHRA within 21 days of 31 October if they wish to opt-in to converting Parallel Distribution Notices into Parallel Import Licenses. Centrally Authorised Products will automatically be converted into UK Marketing Authorisation unless indicated otherwise to the MHRA within 21 days of Brexit. They should also register on the MHRA's submissions portal.
- Within the UK, manufacturers should ensure legal presence requirements are met for the Marketing Authorisation Holder (MAH), Qualified Person (QP) and Qualified Person Responsible for Pharmacovigilance (QPPV).

¹¹⁹ 'Converting Parallel Distribution Notices (PDNs) to UK Parallel Import Licences (PILs) in a no-deal Brexit', MHRA, August 2019.

- Within the EU, manufacturers should:
 - Transfer Market Authorisation Holders to EU27/EEA.
 - Transfer both batch testing and batch release to EU27/EEA and/or request an exemption from Member States.
 - Ensure Good Manufacturing Process (GMP) certificates are in place.
 - Submit license variations to European Medicines Agency (EMA) and update packaging.

H: Veterinary Medicines

- If we leave without a deal, the UK would no longer be part of the EU regulatory framework for veterinary medicines.
- The Government is putting in place domestic replacements of EU digital systems and has made amendments to UK veterinary medicines processes to support continued registration and regulation of veterinary medicines in the UK.
- Marketing Authorisation Holders (MAH) of veterinary medicine will need to take action to ensure legal requirements are met.

If we leave without a deal, the UK would no longer be part of the EU regulatory framework for veterinary medicines.

- The Veterinary Medicines Directorate (VMD) would take on the regulatory functions currently undertaken by the EU for veterinary medicines on the UK market.
- The UK and the EU would no longer use shared systems and they would not exchange regulatory data. The UK will put in place domestic alternatives to the EU's reference databases, processes and IT systems to manage UK veterinary medicines and regulatory activities end-to-end.

The Government is putting in place domestic replacements of EU digital systems and has made amendments to UK veterinary medicines processes to support continued registration and regulation of veterinary medicines in the UK.

The Government's preparations for leaving without a deal:

- The Government is putting in place processes and IT systems to manage UK veterinary medicines and regulatory activities end-to-end.
- The Government is allowing unilateral recognition of Qualified Person (QP) batch certification activities for a time limited period. This means the Government will not require any retesting of veterinary medicines

- as the QP activity undertaken within the EU will continue to be recognised.
- The Government is permitting the use of veterinary medicines authorised in other countries which can be imported through the VMD's Special Import scheme.
- The Government is producing comprehensive guidance for the pharmaceutical industry on what these changes will mean for their business. 120

The Government has intensified preparations since 24 July 2019:

- The Government will continue to engage with stakeholders to encourage business readiness. Engagement to date includes face-to-face conversations, stakeholder events, company specific interviews, and information updates.
- The Government will continue to work to increase freight capacity for veterinary medicines, and with stakeholders on how they can utilise this option if necessary.



Marketing Authorisation Holders of veterinary medicine will need to take action.

¹²⁰ 'VMD EU Exit Information Hub', Veterinary Medicines Directorate, January 2019.

The Government recommends that Marketing Authorisation Holders (MAH) of veterinary medicines take action for the following areas, with further guidance available on GOV.UK:

- Mutually Recognised Products (MRP): to maintain EU Marketing Authorisation (MA), UK Reference Member State for MRPs must be transferred to another Member State by 31 October 2019.
- Centrally Authorised Products (CAPs): the minimum information must be submitted to the Veterinary Medicine Directorate (VMD) by 30 April 2020 and full dossier data must be submitted by 31 October 2021. Approval of mock-ups must be obtained and should include UK Veterinary Medicine Number, by 31 July 2022. Packaging must be updated to include UK Marketing Authorisation Holder details by 31 July 2021.
- Ongoing European applications: MAHs are required to positively confirm intentions to proceed with applications on a national basis.
- Location of Marketing Authorisation Holder: ensure Marketing Authorisations (MA) include a UK location by 31 July 2021.
- Pharmacovigilance: all Detailed Descriptions of Pharmacovigilance Systems (DDPS) must be

- updated to reflect the UK pharmacovigilance report system by 31 October 2020.
- Digital Services: companies must be registered and nominated administrators must assign the company as a user in order to allow that company to conduct regulatory activities in the UK. This includes, but is not limited to, applying for, varying or renewing a veterinary medicine licence.
- Pharmaceutical Batch Release: for a time-limited period the UK will continue to accept EU batch certification for products to be marketed in the UK. For products to be marketed in the EU, Marketing Authorisation Holders will need to ensure they comply with EU regulations regarding batch certification.
- Article 81 Batch Release: the VMD will continue to operate Article 81 batch release for immunological products.

I: Fisheries

- When we leave the EU, the UK will leave the Common Fisheries Policy and become an independent coastal state.
- This means that the UK will be free to decide who can access UK waters and the terms of that access.
- The Government has set up systems to regulate fishing and increased its ability to protect against illegal access to UK waters.

If we leave without a deal, the UK would leave the Common Fisheries Policy and be able to control access to its waters.

- When we leave the EU, the UK will leave the Common Fisheries Policy (CFP) and become an independent coastal state under international law. The UK will be able to decide who can access UK waters, and on what terms, for the first time in more than 40 years. Any access to fish in UK waters after Brexit for EU vessels would be a matter for negotiation.
- If we leave without a deal this would also mean that:
 - There would be no automatic access for EU vessels to fish in UK waters and EU vessels would only be

- able to land their catch into ports designated under the North East Atlantic Fisheries Commission (NEAFC) regulations.
- UK registered vessels would equally no longer have an automatic right to fish in EU waters and would only be able to land their catch into EU ports designated under NEAFC regulations.
- Fishing gear would need to be removed from non-UK waters by 22:59 GMT on 31 October 2019.
- UK vessels landing directly into NEAFC designated EU ports will need to register with NEAFC's electronic Port State Control System and submit required landing documentation.
- If access to fish outside UK waters after 31 October 2019 is negotiated, vessels will need to be licensed to do that. This will be carried out by the newly established Single Issuing Authority, set up in collaboration between the UK's Fisheries Authorities and devolved administrations. If vessels are over 12m, they would need to be registered with the International Maritime Organization in order to be licensed.
- Seafood exporters would require an Export Health Certificate (EHC), and in most cases a validated catch certificate, to export fish and fish products between the UK and EU.

- Consignments will need to enter the EU via a Border Inspection Post (BIP) that handles fisheries products.
- Any access to fish in UK waters after Brexit for EU vessels will be a matter for negotiation. If EU vessels fish in UK waters after 31 October without this having been agreed between the EU and the UK Government they will be doing so illegally. This means that the vessel in question could be subject to substantial penalties and could ultimately be listed under illegal, unreported and unregulated fishing regulations.

The Government has set up new online systems to regulate fishing, and greatly increased its ability to control and enforce UK waters.

The Government's preparations for leaving without a deal:

- The necessary legislation is in place to control access to our waters and to set quotas for the UK.
- The Government has built a digital system for exporters of fish to obtain catch certificates.
- The Government has strengthened its control and enforcement capacity, acquiring additional surface surveillance hours and aerial patrols. Specifically, compared to 2018/19 in England, the Government has:

- Increased the amount of surface surveillance (i.e. ships at sea) seven fold.
- Doubled the amount of aerial surveillance of our seas.
- Doubled the number of warranted marine enforcement officers available for fisheries protection.
- The Government has issued guidance to local government certifiers to support seafood exporters.

The Government has intensified preparations since 24 July 2019:

- The Government has made improvements to the digital Catch Certificate system, making it easier for exporters to obtain a validated Catch Certificate.
- The Government has published a process map for UK seafood exporters, providing a step-by-step guide for UK fishers and processors exporting wild fisheries products to the EU.¹²¹
- The Government has contacted all registered buyers and sellers of fish directly, using direct mail and telephone calls, to make them aware of requirements and register them for the new digital Catch Certificate system.

¹²¹ 'Seafood exporters: steps to export fishery products to the EU after Brexit', Defra, September 2019

- The Government has issued communications to urge fishers with vessels over 12m to register with the International Maritime Organization (IMO).
- The Government has trained frontline staff in the Marine Management Organisation and Inshore Fisheries and Conservation Authority in the new requirements so that they can provide direct support to businesses in their area.
- The Government will continue to hold events around the coast and issue regular written updates during October for seafood traders and processors to ensure that they are aware of the requirements for exporting fish to the EU and to demonstrate the new digital systems in place.
- The Government will continue to work closely with devolved administrations on fisheries, which is largely a devolved matter, as we prepare to leave the EU.



UK vessels should remove fishing gear from EU waters by 31 October 2019. Exporters of fish should familiarise themselves with how to create a catch certificate, and how to apply for an Export Health Certificate by visiting GOV.UK.

Fishers and traders of fish should note the following requirements if we leave without a deal.

Access to non-UK Importing and exporting fish waters UK fishers will need Exporters of fish will require an **Export Health Certificate (EHC)** to remove any fishing gear from non-UK to export fish and fish products between the UK and EU.122 waters by 22:59 GMT Guidance on how to get an EHC on 31 October 2019 is detailed in section K. unless an agreement has been reached between the UK and EU. UK vessels landing Exporters will also need a validated Catch Certificate for fish directly into EU ports will be required most fish and fisheries products. to submit Port State Exporters must send the Catch Control documents Certificate to the importer so and may only land they can give them to the into NEAFC receiving country's competent designated ports of authority. They must do this for entry in the EU123. exports by: sea (72 hours

¹²² 'Get an export health certificate', Defra and Department of Agriculture, Environment and Rural Affairs (Northern Ireland), September 2019.

¹²³ 'Export fish after a no-deal Brexit', Marine Management Organisation and Defra, September 2019.

	before landing), air and rail (four hours before arriving), or road (two hours before arriving). Further guidance can be found on GOV.UK. ¹²⁴
If access to fish outside UK waters after 31 October 2019 is negotiated, vessels will need to be licensed and, if they are over 12m, they will need to have registered with the IMO.	Businesses importing EU-caught fish and fishery products to the UK should be aware that after 31 October 2019 each consignment or direct landing of EU-caught fish or fishery products will require a validated catch certificate. The EU exporter will have to submit the certificate to the relevant Port Health Authority or fisheries authority. Further guidance can be found on GOV.UK. ¹²⁵
	UK establishments (e.g. fish, shellfish, or fish product wholesalers, auction houses, or processing plants) will need to be listed as approved food

^{124 &#}x27;Export fish after a no-deal Brexit', Marine Management Organisation and Defra, September 2019.

¹²⁵ 'Import fish after a no-deal Brexit', Defra, August 2019.

establishments with the EU to continue exporting to the EU.¹²⁶

Information required to create a catch certificate

- To create a Catch Certificate exporters will need the following information:
 - Government Gateway user ID and password
 - Company name and address of the exporter
 - Name of the person responsible for the export
 - Species (or FAO code), its state and its presentation
 - EU tariff commodity code for each product
 - Names or Port and Letter Numbers of the vessels that caught the species, and the landing dates
 - Export weights of each product
 - o In which waters the species were caught
 - Transport details for how, and where from, the export will leave the UK
 - Identification numbers of the containers used to export the product

¹²⁶ 'Approved food establishments', Food Standards Agency, December 2017.

J: Agricultural Support

- If we leave without a deal, the UK will leave the Common Agricultural Policy.
- This means that the UK will be free to design its own agricultural policy.
- The Government has pledged to continue to commit the same cash total in funds for farm support until the end of this parliament.

If we leave the EU without a deal, the UK will leave the Common Agricultural Policy and be free to design its own agricultural policy.

 After leaving the EU, the UK will have the freedom to design its own agricultural policy and the nature of support for the sector will change. All of the current rules and processes will remain the same until the UK Government and the devolved administrations introduce new agriculture policies, through an Agriculture Bill and through relevant legislation in one or more of the devolved legislatures.

The Government has committed to continuing farm support payments across the UK until the end of this parliament.

The Government's preparations for leaving without a deal:

- The Government has pledged to continue to commit the same cash total in funds for farm support until the end of this parliament. This commitment applies to the whole UK.
- If we leave without a deal, the current Common Agricultural Policy legislation will be retained under the EU (Withdrawal) Act. This will provide a legal basis for its continuation until the passing of an Agriculture Bill.
- The future of agricultural policy has been the subject of a public consultation in each country of the UK:
 - England The future for food, farming and the environment.
 - Wales Brexit and our land.
 - Scotland Stability and simplicity.
 - Northern Ireland Northern Ireland future agricultural policy framework.



Businesses and individuals do not need to take any specific action before 31 October 2019.

 All current rules and processes will remain the same until an Agriculture Bill is passed through the UK Parliament or devolved legislatures. The Government has pledged to continue to commit the same cash total in funds for farm support until the end of this parliament.

K: Exports of Food, Animals and Animal Products

- If we leave without a deal, the UK would maintain its high standards of biosecurity to ensure animals and animal products can continue to be exported to the EU.
- The Government has applied to become an EUapproved export country and is upgrading its process for issuing export certification.
- The Government will consult on improving animal welfare in the transport of live animals, including banning long journeys to slaughter.

If we leave the EU without a deal, the UK would maintain its high standards of biosecurity to ensure animals and animal products can continue to be exported to the EU.

 In order to export live animals and animal products to the EU, third countries must be on a list of EUapproved countries. Exports to the EU of animals and animal products will also need to be accompanied by Government-issued Export Health Certificates (EHCs), just as exports to third countries are now. The process for getting an EHC is detailed below.

- Leaving without a deal will lead to a significant increase in the number of EHCs that the UK will need to issue to exporters after being signed by a certifier such as an official veterinarian (OV) or a local authority Environmental Health Officer (for fish).
- The UK will lose access to the Tripartite Agreement (TPA) that currently allows horses to move between the UK, Ireland and France with less documentation than would normally be required under EU rules.
- The UK will need to have an agency listed with the European Commission (EC) and authorised to issue recognised Attestations of Equivalence for hops export consignments to the EU.

The Government has applied to become an EUapproved export country and is upgrading its process for issuing export certification.

The Government's preparations for leaving without a deal:

• The Government submitted an application in autumn 2018 to be listed as a third country after Brexit. In April, the EU considered this and the biosecurity assurances offered by the UK in association with this application and Member States voted unanimously in favour. However there has to be a new vote for an exit on 31 October 2019 based on updated and confirmed assurances. The UK has been engaging

with the Commission and this is largely complete. This listing process includes listing the UK to allow the continued movement of horses.

- For Great Britain, the Government has undertaken the following in anticipation of the expected significant increase in demand for EHCs:
 - Made available online the majority of EHCs for the EU and many for third countries.
 - Increased the number of GB vets qualified to certify EHCs by around 60% since February so that it now stands at just over 1,000 vets.
 - Created the role of Certifying Support Officer (CSO) to reduce the administrative burden on Official Veterinarians signing EHCs. To date, 48 CSOs have qualified in England, Wales and Scotland; 298 have qualified in Northern Ireland.
 - Recruited administrative staff to manage the process with the expected increase in demand.
- In Northern Ireland, the Department of Agriculture, Environment and Rural Affairs (DAERA) runs its own process for issuing EHCs which it has also upgraded.

The Government has intensified preparations since 24 July 2019:

 The Government has allocated additional funding to accelerate the development of a digital system for processing EHCs. This will provide a better user experience and reduce the running costs for the Government. This system will be introduced in stages after 31 October 2019.

- The Government has published process maps for UK exporters of live animals, meat and dairy providing a step-by-step guide for UK producers and processors exporting these products to the EU.¹²⁷
- The Government will continue to engage with the Commission in support of the UK's application for third country 'listed' status. This would ensure that the UK can continue to export animals and animal products to the EU. These exports would have to meet the EU's requirements for third countries including each consignment being accompanied by an EHC.
- The Government will provide the most affected local authorities in England with financial support to help fish exporters secure EHCs.
- The Government will provide further information to stakeholders as part of ongoing communications with affected businesses.
- The Government will continue to encourage the EU to expedite our application for the recognition of UK

¹²⁷ <u>'Flowcharts for import and export processes after Brexit</u>', Defra, September 2019.

studbooks. This will allow horses registered in UK studbooks to use Export Health Certificates only available to registered horses.

- The Government will apply to the Commission to list the Rural Payments Agency (RPA) as a recognised authority for issuing Attestations of Equivalence; until this process is complete, there may be a period during which the UK cannot export hops to the EU if we leave without a deal.
- The Government will consult on improving animal welfare in the transport of live animals, including banning long journeys to slaughter. The Government proposes to accept recommendations from the Farm Animal Welfare Committee that live animal journeys should be minimised and that animals for slaughter should not be transported longer distances if suitable alternatives are available.¹²⁸



Exporters should check what documentation will be required for them to continue exporting and familiarise themselves with new border checking processes by visiting GOV.UK/BREXIT and selecting the options relevant to them.

¹²⁸ 'New measures protect animal welfare and increase woodland cover', Defra, October 2019.

To prepare, individuals and businesses should take the following actions:

- Businesses should check the list of existing Border Inspection Posts (BIPs) in the EU and consider how to redirect their trade route if necessary.¹²⁹ Exporters should be aware that agrifood goods will only be allowed to enter the EU through a BIP designated for the specific consignment.
- Importers should contact their import agent in the EU to make sure that they use the EU Trade Control and Expert System (TRACES) to notify the EU BIP of the arrival of their consignment. An EU BIP requires 24 hours notice in advance.
- UK transporters wishing to transport live animals in the EU should appoint a representative within an EU country and apply to the relevant government department in that country to obtain a valid Transporter Authorisation, Certificate of Competence and Vehicle Approval Certificate. Journey Logs will need to be completed and authorised by the competent authority for each journey as now.¹³⁰

¹²⁹ '<u>EU Approved Border Inspection Posts (BIP)</u>', European Commission, July 2019.

¹³⁰ 'Transporting goods between the UK and EU in a no-deal Brexit: guidance for hauliers',

Department for Transport, HM Revenue and Customs, Driver and Vehicle Licensing Agency, and Driver and Vehicle Standards Agency, March 2019.

- UK approved establishments wishing to export products of animal origin should register with the UK's Food Standards Agency. The FSA will submit registrations to the European Commission and, once approved, establishments will be individually listed and appear on the EC's third country list of approved establishments.¹³¹
- As with fish, exporters of animals and animal products should apply for the relevant EHC(s). The process for getting an EHC will vary depending on location.

To export from England, Scotland or Wales exporters will need to:

Find the relevant export health certificate for your commodity using the form finder on GOV.UK.¹³² You should note that if there is no EHC listed for the

To export from **Northern Ireland** exporters will need to:

Find the relevant export health certificate for your commodity using the form finder on GOV.UK.¹³³ You should note that if there is no EHC listed for the

^{131 &#}x27;Brexit: Listing of establishments to export products of animal origin to the EU', Food Standards Agency, September 2019.

¹³² 'Get an export health certificate', Defra, Animal and Plant Health Agency and Department of Agriculture, Environment and Rural Affairs (Northern Ireland), September 2019.

¹³³ 'Get an export health certificate', Defra, Animal and Plant Health Agency and Department of Agriculture, Environment and Rural Affairs (Northern Ireland), September 2019.

commodity you wish to export, it will probably mean you cannot export that commodity to the EU. A list of these commodities will be put on GOV.UK shortly.

commodity you wish to export, it will probably mean you cannot export that commodity to the EU. A list of these commodities will be put on GOV.UK shortly.

Fill in the EHC, the export application form (EXA) and the EHC request form. EHCs may be requested in bulk.

Fill in the certificate and any supporting forms. This might include nominating an authorised veterinary inspector.

Choose an official veterinarian (OV) or local authority inspector (for fish) and name them on your forms - you'll first need to check with them that they can inspect your consignment and sign your EHC in the days before you want to export. An official veterinarian is a trained professional who has been authorised by the Animal and Plant

Submit the certificate and any supporting forms using the Department of Agriculture, Environment and Rural Affairs' (DAERA) online application system.

Health Agency to carry out this role.	
Email your EHC request form and any supporting forms to the email address given on your EXA. Send a separate email for each application. EHCs will be emailed to the OV or local authority inspector within 24 hours of the request being received. Ordering EHCs early and in bulk removes this potential delay from the export process.	

• Individuals and businesses exporting horses and ponies, including those who currently move horses between the UK, Ireland and France under the TPA, will now need to apply for an EHC. To attain an EHC there are specific blood testing, isolation and residency requirements. If the horse is registered with a national branch of an international competition body, then these requirements may be reduced. If the EU recognises UK studbooks, horses registered with them will also be able to obtain EHCs with reduced

- requirements. More guidance on moving horses and ponies can be found on GOV.UK.¹³⁴
- Exporters of products of animal origin (POAO) will no longer be able to use the 'EC' health and identification marks for goods produced in the UK. Please see section R on food labelling for further details.
- Pre-packed food sold on the EU 27 market will need to display an EU food business operator (FBO) address on the label, or display the name and address of the EU importer. Please see section R for food labelling guidance.
- Exporters of fruit and vegetables to the EU will need to:
 - Apply for a UK-issued certificate of conformity in order for their produce to clear UK Customs.¹³⁵
 - A certificate of conformity issued by EU inspection agencies may also be needed as the EU may not accept UK-issued certificates if we leave without a deal.
 - Contact the appropriate authority at the destination country for guidance on applying for a certificate. A UK issued certificate can be applied for: using the

¹³⁴ 'Export horses and ponies: special rules', Animal and Plant Health Agency, September 2019.

¹³⁵ 'Prepare to use the UKCA mark after Brexit', BEIS, February 2019.

PEACH system (England and Wales); contacting SASA Horticulture and Marketing Unit on hort.marketing@gov.scot (Scotland); contacting DAERA (Northern Ireland).

- Check whether they need a phytosanitary certificate.
- Exporters of wine to the EU may need to provide VI-1 forms. The VI-1 form serves as a certificate of compliance with the EU regulations which govern wine production. These are not currently required for UK exporters and re-exporters of wine. Subject to further discussions with the EU, Defra will be the competent authority for issuing VI-1s, but exporters must first register with the Food Standards Agency (FSA) or Food Standards Scotland (FSS). Guidance can be found on GOV.UK.¹³⁶
- Exporters of hatching eggs and chicks to the EU will need to:
 - Print individual hatching eggs with the country of origin (use 'GB', 'United Kingdom', 'UNITED KINGDOM' or 'UK'); word 'hatching' in English or one of the languages specified in article 3(8) of Regulation 617/2008 and; breeding establishment approval number. This text should be printed in type at least 3mm high.

¹³⁶ 'Importing and exporting wine if there's a no-deal Brexit', Defra, September 2019.

- Print packs of hatching eggs with the country of origin; word 'hatching' in English or one of the languages specified in article 3(8) of Regulation 617/2008; poultry species the eggs come from and; name and address of the sender or business.
- There will be no change to marketing standards requirements for imported EU hatching eggs and chicks for one year after exit day.¹³⁷
- Exporters of poultry meat bearing one or more of these farming or chilling methods (optional indications) must have a certificate from a UK competent authority. The UK Government will issue certificates, however they may not be available from the date the UK leaves the EU. Imported EU poultry meat with farming or chilling methods will not need an EU competent authority certificate for one year after the UK leaves the EU.¹³⁸
- Exporters of eating eggs (shell eggs) must mark them with the ISO code: GB, GBR or 826. The EU will need to carry out an evaluation of equivalence to see whether the UK is meeting requirements under the EU egg marketing regulations, relating to marking, labelling, controls and farming methods, as well as how the rules are being put into practice. Exports

¹³⁷ 'Hatching eggs and chicks marketing standards if there's a no-deal Brexit', Defra, July 2019.

¹³⁸ 'Poultry meat marketing standards after Brexit', Defra, June 2019.

may be delayed or rejected at an EU border until after the evaluation. 139

- If the European Commission lists the Rural Payments Agency (RPA), hop and hop product exporters will be able to register with the RPA and apply for Attestations of Equivalence for consignments going to the EU following Brexit.¹⁴⁰
- All exporters must comply with wider HMRC customs guidance on customs requirements for exporting and consider whether they will need a customs agent.¹⁴¹

¹³⁹ <u>'Egg marketing standards if there's a no-deal Brexit'</u>, Defra, August 2019.

¹⁴⁰ 'Hops and hops products marketing standards after Brexit', Defra, September 2019.

^{141 &#}x27;Get your business ready to export from the UK to the EU after Brexit', GOV.UK, September 2019.

CASE STUDY

Export Health Certificates

A GB-based business wants to export frozen beef products to France.

The GB-based business would need to hold 'approved food establishment' status and have previously submitted its business details to the FSA so that it is on the EU's list of approved food establishments.

If organising the transportation of the frozen beef, the GB-based business would need to plan a route so the goods enter the EU through an EU Border Inspection Post (BIP) that can accept frozen beef products.

The GB-based business would need to ensure that the frozen beef is labelled correctly with a health or identification mark that is acceptable to the EU. This could be 'UNITED KINGDOM' or 'GB', but not 'UK'.

The GB-based business would need to identify a suitable local Official Veterinarian (OV) who is available and willing to provide a certification service – note that for fish and egg products a local authority Environmental Health Officer (EHO) can also certify EHCs. If the GB-based business does not have an existing certifier, the GB-based business could use the list of certifiers in each region that is available on

GOV.UK. The exporter would schedule a time and date for the export inspection and certification.

The GB-based business would then search for the appropriate Export Health Certificate (EHC) on the GOV.UK FormsFinder site, download the form, provide the required information, and submit to the Animal and Plant Health Agency (APHA) via email or post. The exporter would also have the option to order EHCs in bulk. This way the EHCs would be available without delay at the point of use.

The certifier would arrive at the premises of the GB-based business at the agreed date and time with a certificate that is awaiting signature. The certifier would inspect and confirm the evidence required for the EHC and, if satisfied, sign the certificate so that the export can be dispatched.

The GB-based business would then send a copy of the certificate to the EU importer in France so that they can upload onto the EU TRACES system, ideally at least 24 hours before the goods arrive at the EU border. The GB-based business would also send a copy of the certificate to APHA.

L: Imports of Food, Animals and Animal Products

- If we leave without a deal, the Government has ensured the import of food, animals and animal products can continue as smoothly as possible.
- The UK has put in place its own systems and processes to track the arrival of these imports.

The UK has developed new systems and processes to replace the EU's system for notifying port health authorities of the arrival of animals, animal products, and high risk food and feed not of animal origin.

• If we leave without a deal, the UK would no longer have access to the Trade Control and Expert System (TRACES), the EU system that underpins the controls on imports of animals, animal products and high risk food and feed not of animal origin from third countries and the EU. The UK would also no longer have access to other EU systems, networks and agencies that assess and track food safety, such as the Rapid Alert System for Food and Feed (RASFF).

The UK has put in place its own systems and processes to track the arrival of these imports.

The Government's preparations for leaving without a deal:

- The Government has set up an IT system called the Import of Products, Animals, Food and Feed System (IPAFFS), a replacement system for TRACES, to manage checks on imports of animals, animal products and high risk food and feed not of animal origin from third countries.
- The Government has set up a process to replace TRACES to enable notification and checks on imports of live animals, germplasm and animal byproducts from the EU.
- The Government has improved internal systems and the UK's ability to gather information on imported food and feed to reinforce our food safety regime.
- The Government has decided that direct imports to the UK of animals, animal products, high risk food and feed not of animal origin, and regulated plants that are in circulation in the EU single market will not be subject to sanitary or phytosanitary border checks and will not need to enter through a Border Inspection Post (for products of animal origin) or a designated point of entry (for high-risk food and feed not of animal origin). The UK will not require products of animal origin to be accompanied by a health certificate.

The Government has intensified preparations since 24 July 2019:

- The Government has allocated additional funding to accelerate the development of the IPAFFS system for managing the imports of animals, animal products and high risk food and feed not of animal origin. Work has been focused on stabilising the system, improving user experience and building additional functionality. Funding will also support continued development of the system.
- The Government has published step-by-step guides on how businesses need to prepare to import from the EU after Brexit.¹⁴²
- The Government has relaunched the new IPAFFS system so users can register and input notifications for their imports.
- The Government has put in place a 9-month transition period to a new system for importing wine from a non-EU (third) country.¹⁴³ During this time, importers will be able to bring wine from a third country into the UK using either:
 - An existing EU VI-1; or

¹⁴² 'Get your business ready to import from the EU to the UK after Brexit', GOV.UK, September 2019.

^{143 &#}x27;Importing and exporting wine if there's a no-deal Brexit', GOV.UK, September 2019

- A new UK VI-1.
- The Government will continue to develop the IPAFFS system after 31 October to include EU import functionality.



Importers of live animals, animal products and high risk food and feed not of animal origin will have to use the new systems. Guidance is available on GOV.UK.¹⁴⁴

To prepare, individuals and businesses should take the following actions:

• Familiarise themselves with guidance and register on the IPAFFS system to prepare to import live animals, animal products and by products, and high risk food and feed not of animal origin. IPAFFS must also be used to notify the arrival of high risk imports from non-EU countries that are arriving via the EU (transiting). Third country transiting high-risk food and feed will need to be considered exactly the same as direct third country imports and enter the UK via a border inspection post. Access to IPAFFS will be available through GOV.UK.¹⁴⁵

^{144 &#}x27;Prepare to import animals, animal products, high-risk food and feed not of animal origin after Brexit', Defra, September 2019.

¹⁴⁵ 'Import of products, animals, food and feed system (IPAFFS)', Defra, September 2019.

- To import animal products from the EU, importers will not need to alter their current practices. To import live animals, germplasm or animal by-products from the EU, Switzerland, Norway and Liechtenstein, the importer should notify the Animal and Plant Health Agency (APHA) or the Department of Agriculture, Environment and Rural Affairs (DAERA) in Northern Ireland, at least 24 hours in advance.
- All importers must comply with wider HMRC customs guidance on customs requirements for importing and consider whether they will need a customs agent.¹⁴⁶

M: Plants

- If we leave without a deal, the UK will no longer be part of the EU Plant passport scheme.
- The UK will be free to decide the level of checks required on plant imports.
- The Government has updated its digital services to deal with increased demand and put in place measures that will mean checks do not affect the flow of plant goods at the border.

¹⁴⁶ Get your business ready to import from the EU to the UK after Brexit', GOV.UK, September 2019.

If we leave the EU without a deal, the UK will no longer be part of the EU Plant passport scheme.

- If we leave without a deal, the UK will no longer be part of the EU Plant passport scheme. Controlled plants from the EU will need to enter the UK with a phytosanitary certificate, but will not undergo checks at the border. Instead, the relevant UK plant health authority will carry out their document and identity checks remotely. Plant health inspectors will continue to carry out follow-up surveillance and inspections inland in line with current policies.
- Plants imported from third countries via the EU without plant health checks by an EU Member State, will enter the UK under the same rules as any direct third country import. This means they will require phytosanitary certificates which will need to be checked. Third country goods entering via roll-on, roll-off (RoRo) ports will need to travel inland to approved trade facilities for plant health checks to be completed.
- To export controlled plants to the EU, businesses will need to obtain a phytosanitary certificate from the competent authority, and contact their local plant health inspector to check if their plants require laboratory testing of samples.
- Wood Packaging Material (WPM), including wooden pallets, imported from third countries is required by

EU law to meet ISPM15 international standards by undergoing heat treatment and marking. WPM may be subject to official checks on or after entry. Businesses exporting goods packaged in WPM should talk to the provider of their packaging material.

The Government has updated its digital services to meet increased demand, increased the number of inspectors, and set up approved inland inspection points.

The Government's preparations for leaving without a deal:

- The Government has updated its digital services to deal with the new requirement for phytosanitary certificates for controlled plants imported from and exported to the EU.
- The Government has increased the number of inspectors to check phytosanitary certificates.
- The Government has enabled inspection of phytosanitary certificates at approved trade facilities inland for plants imported from third countries via the EU.

The Government has intensified preparations since 24 July 2019:

- The Government has updated its guidance on importing and exporting plant and plant products into the UK.¹⁴⁷
- The Government has continued to update the e-Domero and PEACH systems to allow them to cope with increased demand.



Importers and exporters of plants should familiarise themselves with the new requirements by visiting GOV.UK.¹⁴⁸

To prepare, importers of plants or plant products will need to:

 Read guidance on importing plants and plant products into the UK from third countries, available on GOV.UK.¹⁴⁹

^{&#}x27;Importing plants, fruit, vegetables, cut flowers and other regulated objects to the UK', Defra and Animal and Plant Health Agency, August 2019

¹⁴⁸ 'Importing and exporting plants and plant products if there's a nodeal Brexit', Defra and the Animal and Plant Health Agency, September 2019.

^{149 &#}x27;Importing plants, fruit, vegetables, cut flowers and other regulated objects to the UK', Defra and Animal and Plant Health Agency, August 2019

- Check with the relevant UK plant health authority or read the no-deal import requirements¹⁵⁰ to find out if consignments from the EU need a phytosanitary certificate.
- Register as an importer using the Procedure for Electronic Application for Certificates from the Horticultural Marketing Inspectorate (PEACH) website (England and Wales)¹⁵¹ or with the Forestry Commission as a registered trader. Importers in Scotland¹⁵² and Northern Ireland¹⁵³ should refer to local guidance.
- Discuss these changes with their supply chain to ensure their suppliers are aware of the changes.

Exporters of plants or plant products will need to:

 Consult published guidance on exporting plants, seeds, bulbs and wood to familiarise themselves with third country and EU plant health import requirements.¹⁵⁴

¹⁵⁰ 'No-deal import requirements', GOV.UK, September 2019.

¹⁵¹ PEACH, Defra, August 2019.

¹⁵² 'Plant Health Licensing', Science and Advice for Scottish Agriculture.

¹⁵³ 'Plant and tree health', Department of Agriculture, Environment and Rural Affairs (Northern Ireland), September 2019.

¹⁵⁴ 'Export plants, seeds, bulbs and wood', Animal and Plant Health Agency, October 2019

- If a phytosanitary certificate is required contact their local UK plant health inspector for advice.
- Register for the eDomero IT system¹⁵⁵ or with the Forestry Commission as a registered trader if they are exporting from England and Wales. Exporters in Scotland¹⁵⁶ and Northern Ireland¹⁵⁷ should refer to local guidance.

Exporters and importers of goods packaged in Wood Packaging Material (WPM) should:

- Be aware that WPM used to package their exports to the EU may be required to meet ISPM15 international standards of heat treatment and marking. WPM may be subject to official checks either upon or after entry to the EU.
- Be aware that the UK will also require WPM packaging imports to the UK from the EU to meet ISPM 15 standards. The UK will continue to take a risk-based approach to checks on WPM as we do now, and will not routinely conduct checks on WPM from the EU unless it identifies an increase in risk. The EU may do the same.

¹⁵⁵ <u>eDomero</u>, Defra .

¹⁵⁶ 'Plant Health Licensing', Science and Advice for Scottish Agriculture.

¹⁵⁷ <u>'Plant and tree health</u>', Department of Agriculture, Environment and Rural Affairs (Northern Ireland).

- Contact their supplier or the Timber Packaging and Pallet Confederation (TIMCON) if they need more advice about moving WPM if the UK leaves the EU without a deal.¹⁵⁸
- The UK will continue to take a risk-based approach to checks on WPM as we do now and will not routinely conduct checks on WPM from the EU.

¹⁵⁸ 'Importing and exporting plants and plant products if there's a nodeal Brexit', Defra and the Animal and Plant Health Agency, April 2019.

N: CITES - The Convention on International Trade in Endangered Species of Wild Fauna and Flora

- If we leave without a deal, certain species that are currently freely moved and traded between the UK and the EU will need a permit and have to be checked at the UK border.
- The Government has passed legislation and enhanced existing systems and processes to prepare for these changes. Additional staff have been recruited to enforce checks and handle the expected increase in demand for permits.

If the UK leaves the EU without a deal, certain species that are currently freely moved and traded between the UK and the EU will need a permit and have to be checked at the UK border.

- The Convention on International Trade in Endangered Species of Wild Fauna and Flora (CITES) is an international agreement that ensures that international trade in specimens of wild animals and plants does not threaten their survival in the wild.
- If the UK leaves the EU without a deal, certain species that are currently freely moved and traded

between the UK and the EU will require a CITES permit and import/export notification at the UK border.

 This would mean movement of all specimens controlled under CITES between the UK and the EU would need to follow the same processes as those currently in place for movement between the UK and non-EU countries. These processes involve buying a permit which is then presented, inspected and validated at border points of entry or exit.

The Government has passed legislation, upgraded existing IT systems and recruited staff to enforce checks and handle the expected increase in demand for permits.

The Government's preparations for leaving without a deal:

- The Government has passed domestic legislation to bring relevant EU regulations into UK law upon leaving the EU, as well as the associated powers and functions.
- The Government has recruited and trained 30 additional staff in the Animal and Plant Health Agency (APHA) to deal with the predicted increase in demand for CITES permits.

 The Government has upgraded the Unicorn IT system to improve efficiency and handle the increased volume of permit applications.

The Government has intensified preparations since 24 July 2019:

- The Government has designated and ensured the readiness of additional points of entry and exit to make it possible to trade CITES goods through Belfast Seaport, Holyhead, Dover and Eurotunnel after Brexit.
- The Government will invest in new digital systems to manage trade in CITES goods.
- The Government will continue its ongoing engagement with trade bodies and the existing customer base. It will also target non-traditional users who also need to obtain permits for trade and travel with CITES specimens and products to EU member states.

Anyone intending to move CITES specimens between the UK and the EU should check whether they need a permit and apply for one if needed. Information on how to do so can be found on GOV.UK.¹⁵⁹

¹⁵⁹ 'Trading and moving endangered species protected by CITES if there's a no-deal Brexit' Defra, March 2019.

To prepare individuals and business will need to take the following actions:

- Anyone intending to move CITES specimens between the UK and the EU should consult Annexes A to D of the EU Wildlife Trade Regulations to see if a CITES permit is required.
- Submit an application form for a CITES permit. These must be submitted via email or post to the Animal Plant Health Agency (APHA). The correct fee must be included along with scans or copies of supporting documents. Permit holders will need to use a designated point of entry and exit when trading with the EU.¹⁶⁰
- Those trading in CITES goods should also review HMRC customs guidance and guidance for importing and exporting animals and animal products.

¹⁶⁰ 'Trading CITES-listed specimens through UK ports and airports if there's a no-deal Brexit', Defra, September 2019.

O: Organics

- If we leave the EU without a deal, food and feed registered as organic in the EU will continue to be accepted as organic in the UK.
- The UK will have its own laws for the production, processing, labelling and trading of organic food and feed.
- UK organic producers will be able to continue to export their goods to the EU if the EU grants equivalency; the Government has worked with UK control bodies to ensure they are ready to apply for equivalence as soon as the EU indicates it will review applications.

If we leave without a deal, food and feed registered as organic in the EU will continue to be accepted as organic in the UK. The EU can decide whether to continue accepting food and feed registered in the UK as organic.

 Food and feed registered as organic in the EU will continue to be accepted as organic in the UK. UK businesses will only be able to export to the EU if they are certified by an organic control body recognised and approved by the EU. • For trade in organic food, the EU has equivalency arrangements with a number of non-EU countries. The UK is transitioning these arrangements to ensure that it is able to trade with these countries on the same terms that it does now. If equivalency is not agreed between the UK and non-EU countries after Brexit, different rules for exporting may apply, which may require businesses to complete additional steps. For example, some non-EU countries may require an export certificate for each consignment.

The Government has agreed to continue existing arrangements with non-EU countries and is ready to apply to the EU to agree equivalency arrangements.

The Government's preparations for leaving without a deal:

- The Government has agreed trading arrangements on organic produce with certain non-EU countries.¹⁶¹
- The Government has worked with the eight UK control bodies to help them apply to the EU Commission for legal recognition as being equivalent. UK businesses will only be able to export to the EU if they are certified by an organic control body recognised and approved by the EU.

¹⁶¹ Guidance on organic equivalence', Defra, July 2019.

The Government has intensified preparations since 24 July 2019:

- The Government has agreed additional organic equivalence arrangements with non-EU countries and will continue to conclude outstanding agreements prior to 31 October 2019.
- The Government will work with the EU to seek agreement to fast-track organic control body applications.



Businesses will need to be aware of ongoing discussions between the UK and the EU on equivalency arrangements and familiarise themselves with the new systems and requirements in place for trading organic food and feed.

To prepare, individuals and businesses will need to:

- Replace the EU organic logo on any UK organic food or feed with the logo of their control body.
- Familiarise themselves with the new manual UK organic import system until a new digital system is in place if importing organic food or feed. All imported consignments will also need to be accompanied by a certificate of inspection. Imports from the EU, EEA

States and Switzerland do not need certifications of inspection until 1 January 2021. 162

 Check trading rules and export certificate requirements if exporting to a non-EU country.

P: Geographical Indications

- If we leave the EU without a deal, the UK will have the opportunity to manage and maintain its own UK schemes and registers for geographical indications.
- The Government has secured a number of agreements that will protect UK Geographical Indications in other countries.

If we leave without a deal, the UK will manage and maintain its own UK schemes and registers for geographical indications.

 The UK has 88 products registered as geographical indications (GIs) under the EU schemes: 78 agricultural and food products, 5 wines, and 5 spirit drinks.¹⁶³ This is a varied collection that includes Scotch Whisky, Lough Neagh EeIs, Anglesey Sea

¹⁶² 'Trading and labelling organic food if there's no Brexit deal', Defra, August 2019.

¹⁶³ 'Protected food name scheme: UK registered products', Defra, August 2019.

Salt, Native Shetland Wool, Cornish Clotted Cream and English Sparkling Wine.

- The UK will establish its own GI schemes on 31
 October 2019, meaning that all current UK GI
 protected products will continue to be safeguarded in
 the UK when we leave the EU.
- If we leave without a deal the UK would no longer be required to recognise EU GI status and the EU has not yet formally asked us to do so.
- The UK GI schemes will be open to applications from around the world from 31 October 2019. EU producers will be able to apply for UK GI status.

The Government has secured a number of agreements that will protect UK geographical indications in other countries.

The Government's preparations for leaving without a deal:

 The Government has secured a number of trade continuity agreements which will guarantee ongoing protection of UK GIs around the world. As well as these, the Government has also signed trade-related mutual recognition agreements, relating to specific types of product. For example, Scotch Whisky will continue to be protected in the USA.

The Government has intensified preparations since 24 July 2019:

- The Government will continue to work with its global trading partners to transition further EU Free Trade Agreements and other sectoral agreements. This includes commitments on the recognition and protection of UK GIs.
- The Government will publish guidance on 31 October, detailing further information for importers, exporters and producers including:
 - How to apply for the UK schemes for new products seeking to gain UK GI protection. The schemes will be open to UK, EU and non-EU country producers.
 - New labelling rules for producers, including on the use of the new UK logos.
 - Any changes to GI status of UK products in the EU.



Producers and traders of GI products should familiarise themselves with guidance on geographical indications.

 All producers seeking GI status in the UK for products not previously protected in the UK will need to apply to the UK GI schemes.

- EU producers may also need to apply to the UK schemes for protection in the UK.
- Producers will need to be aware of new labelling rules including on the use of the new UK logos, and of any changes to GI status of UK products in the EU.
- Producers of GI products should review guidance on GIs published on GOV.UK.¹⁶⁴ This guidance advises that:
 - Existing UK GIs will be automatically protected when the new UK schemes are launched.
 - Producers that want to protect a new product name will need to apply to the new schemes.
 - Producers of existing EU GIs may have to apply to the relevant scheme to secure UK GI status.

¹⁶⁴ 'Protecting food and drink names in a no-deal Brexit', Defra, February 2019.

Q: Natural Mineral Waters

- If the UK leaves the EU without a deal, EU recognised Natural Mineral Waters (NMWs) will continue to be able to be marketed in the UK.
- UK NMWs will need to seek recognition from an EU Member State in order to be sold in the EU.
- The UK will have its own laws covering natural mineral waters and other bottled waters.

If we leave without a deal, EU produced NMWs will continue to be able to be marketed in the UK. UK NMWs will need to seek recognition by an EU Member State.

- NMWs currently undergo a specific EU recognition process in line with EU rules order to be able to be marketed across the EU. Member States carry out this recognition as stipulated under the EU process.
- Any EU NMWs recognised in the EU will continue to be able to be marketed as a Natural Mineral Water in the UK.
- UK businesses will only be able to export UK NMWs to the EU if they have been recognised by an EU Member State. The water could then be marketed in any other Member State.

The Government has decided to continue existing recognitions of all EU NMWs on the current EU approved list of recognised NMWs. The Government is ready to work with the EU to agree reciprocal UK recognition arrangements for NMWs.

The Government's preparations for leaving without a deal:

- The Government has rolled over existing EU rules on NMWs so they will apply in the UK if we leave without a deal.
- The Government has provided for the continued recognition of all existing EU recognised NMWs ensuring continued access to established brands.
- The Government has ensured the status of NMW recognitions granted by all nations of the UK will still be recognised across the UK.
- The Government has legislated so that we will be able to make our own decisions on the recognition of both existing and future NMWs recognised by the EU.

The Government has intensified preparations since 24 July 2019:

 The Government will work with the EU to seek agreement to reciprocal arrangements for the recognition of UK and EU NMWs.



NMW producers should take note that NMWs recognised in the UK will no longer be accepted as such in the EU. See stakeholder notice from the Commission issued on 23 January 2018 covering NMWs for more information.¹⁶⁵

- UK NMW producers need to be prepared to apply for recognition of their water through an EU member state after the UK leaves the EU.
- These applications will be treated as third country applications and be processed in the same way as any third country NMWs applications are processed now.
- Businesses will need to be aware of ongoing discussions between the UK and the EU that may affect the recognition of UK produced NMW in the EU.

To prepare, individuals and businesses will need to:

 Consider how they are affected if they trade in NMWs and export to the EU.

- Familiarise themselves with the rules on NMWs and the requirements for seeking third country recognition of a NMW in an EU Member State.
- Be aware of changes to food labelling rules.

R: Food Labelling

- If we leave without a deal, the UK will no longer apply EU rules on food labelling.
- This means that the UK will be free to set its own rules on labelling to make sure consumers have the information they need about the product.
- The Government has introduced a 21-month transition period for businesses to make labelling changes that arise as a result of the UK no longer being in the EU.

If we leave without a deal, the UK will no longer apply EU rules on food labelling.

- Food labels display information about the content, characteristics and credentials of the food.
- The level of detail that is required on a food label will remain the same, but some changes will be needed

to reflect that the UK is no longer a member of the EU.

• The EU will allow goods already on the market to be sold through. The EU has confirmed their definition of 'goods on the market'.¹⁶⁶ If an individual food product is placed on the EU 27 market before the UK leaves the EU, this 'stock' of food can continue to be sold, distributed or transferred in the EU 27 as of the day of Brexit without the need for labelling changes.

The Government has introduced a 21-month transition period for businesses to make labelling changes after Brexit.

The Government's preparations for leaving without a deal:

 The Government has introduced a statutory 21month transition period after Brexit to give businesses time to make necessary labelling changes for goods sold in the UK.

The Government has intensified preparations since 24 July 2019:

 The Association of Chief Trading Standards Officers (ACTSO) has circulated a letter to associates and Regional Coordinators providing a suggested pragmatic approach to enforcement in relation to food

¹⁶⁶ 'Food labelling changes if there's a no-deal Brexit', Defra, August 2019.

labelling changes which are not subject to a statutory 21-month transitional period.

 The Government plans to write to local authorities to provide them with information on the changes that are within the statutory transition period and those which a pragmatic approach can be considered.



While there will be a transition period for businesses to make labelling changes to goods marketed in the UK, there is no indication that the EU will also allow a transition period. Businesses should review the guidance below and on GOV.UK.¹⁶⁷

To prepare, individuals and business will need to consider the following guidance and take appropriate action:

 Health and Identification Marks - exporters of products of animal origin (POAO) such as meat, egg products, fish, cheese and milk should familiarise themselves with guidance on health and identification markings.¹⁶⁸ These products will no longer be able to use the 'EC' mark for goods produced in the UK.

¹⁶⁷ 'Food labelling changes if there's a no-deal Brexit', Defra, August 2019.

¹⁶⁸ 'Brexit: Changes to health and identification marks', Food Standards Agency, September 2019.

Different health and identification marks are available for use on the UK market and for export to either EU or non-EU countries.

- Minced meat (not beef), mixed fruit and vegetables, blended honey and blended olive oil options for referring to the EU in the origin labelling of minced meat, mixed fruit and vegetables, blended honey and blended olive oil will no longer be available when selling on the UK market: these will be replaced with new options such as 'UK' and 'non-UK' or in some cases indicating a blend from more than one country. The rules remain unchanged when selling these specific foods in the EU. All food can continue to be labelled with the specific country or countries of origin.
- Pork, sheep, goat and poultry meat importers of meat that has not attained the requisite rearing period in any country should no longer label it as 'EU' or 'non-EU' but instead should use 'Reared in: several countries'.
- Beef importers of beef into the UK for which the country of birth and/or rearing is not known should replace the statement on the label 'Origin: non-EU' with 'Origin: non-UK'. For beef from live animals imported into the UK where the country of origin is not known, the statement on the label 'live import into

the EC' must be replaced with 'live import into the UK'.

- Eggs importers of eggs that are not produced under farming methods that meet UK standards should mark them "Non-UK standard" rather than "Non-EC standard". See section K for rules on exporting eating eggs, hatching eggs and chicks.
- Address of Food Business Operator businesses who produce pre-packed food products that are sold in the UK will need the label to include a UK address of the responsible food business operator (FBO) or the importer into the UK market if the FBO is not established in the UK. The FBO is the business in whose name the food is marketed in the UK. Prepacked food sold on the EU 27 market will need to display an EU FBO address on the label, or display the name and address of the EU importer.
- Caseins (proteins that are sometimes used as a food additive) - caseins sold in the UK from one business to another will need a UK address of the responsible FBO. Caseins sold in the EU 27 from one business to another will need an EU 27 address of the responsible FBO.

7. Public Services and Local Authorities

Taking back control of how we fund and shape local growth

Outside the EU our local authorities will have greater opportunity to shape public services to meet the needs of their areas and to work with business to drive local economic growth and prosperity. The Government has allocated £77 million to help local areas in England prepare for Brexit, and funding has been made available to the devolved administrations.

This chapter highlights key changes that may be required to support the delivery of public services if the UK leaves the EU without a deal. If we leave without a deal there will be changes to a number of regulatory regimes which local authorities and public service providers will play a vital part in delivering – for example, some changes to the trading standards and regulatory services system. Local councils will no longer have access to EU databases, which will be replaced by UK databases and other measures. Local authorities will also be involved in supporting businesses – for example,

by producing, checking, and dealing with catch certificates for imported fish and fisheries products, and inspecting and signing Export Health Certificates for fish and shellfish.

Public sector institutions will also have an important function in providing information, advice and services to citizens and businesses, such as supporting EU citizens in the UK, and UK Nationals living in the EU, to take the necessary steps to secure residency and access to services, and providing advice to small and medium-sized enterprises.

A: Local authorities, education settings and other public sector institutions

- Following Brexit, the UK will have more control over how it funds and shapes the local growth agenda.
- There would be changes to a number of regulatory regimes in the event that the UK leaves the EU without a deal on 31 October 2019, but measures have been put in place to replace these and to support local authorities in implementing them.
- The Government has allocated £77 million in total to help local areas in England prepare for leaving without a deal. Funding has also been allocated to the devolved administrations.

Leaving without a deal may affect local authorities due to some regulatory changes, and would require that local authorities provide further support to business. Local authorities and Local Resilience Forums would have a role in helping local residents, businesses, other parts of the public sector and contractors such as care providers to respond to local impacts.

If the UK leaves the EU without a deal on 31 October 2019, examples of the types of changes that would affect local authorities include:

- The trading standards and regulatory services system would transition into UK law from EU law.
 While this would not cause significant change, local councils would no longer have access to EU databases.
- Local authorities would need to be involved in supporting businesses – for example, by producing, checking, and dealing with catch certificates for imported fish and fisheries products and inspecting and signing Export Health Certificates for fish and shellfish.

The Government has put in place a number of measures to support local authorities after 31 October 2019.

The Government's preparations for leaving without a deal:

- The Government has improved lines of communication with all local authorities in England. A wide range of guidance has been made available to them.
- £58 million was announced in early 2019 to help local areas in England prepare for Brexit.
- The Government has provided information, guidance and training to relevant council officers on the new processes and systems that will be introduced in the event that access to EU systems is no longer available. This includes introducing UK databases to replace those EU databases we could lose access to, enabling councils to continue carrying out key services such as tracking imports and exports.
- The Government has provided all local authorities in England, Scotland and Wales and Health and Social Care Trusts in Northern Ireland with specific guidance about their role in supporting looked-after children and care leavers who are EU citizens to apply to the EU Settlement Scheme.

The Government has intensified preparations since 24 July 2019:

 The Government has continued working with local authorities to help them ensure they are prepared for leaving without a deal. In August 2019, each local authority in England was requested to designate a senior level Brexit Lead Officer, who is responsible for overseeing and coordinating their local authority's preparations.

- The Government has distributed £20 million, including £10 million of new funding, to local authorities in England to help them prepare for leaving without a deal. A further £5 million for areas with significant ports was announced on 21 August 2019 and £4 million of new funding was allocated to support Local Resilience Forums (LRFs) in their preparations for Brexit. This brings the total allocated to support local areas in England to £77 million. Funding has been allocated to the devolved administrations in the usual way using the Barnett formula.
- The Government has produced a Local Communications Toolkit to support the 'Get Ready for Brexit' public information campaign. This includes ready-made materials that can be used to help local councils and other institutions alert EU citizens to the EU Settlement Scheme, and the local support that is available to them to help them register for settled status. It will also support local communications with Small and Medium-sized Enterprises (SMEs) to help ensure they are ready to continue doing business once the UK has left the EU.

- The Government has continued to work with LRFs to ensure that their plans are up to date, taking into account the Government's planning assumptions, and that they are as ready as possible to respond to any short term impacts of Brexit on 31 October 2019. LRFs are multi-agency partnerships (including councils and emergency responders) that prepare for and respond to any incident in their locality.
- The Government has liaised, and will continue to liaise, with the Scottish Government, Welsh Government and Northern Ireland Civil Service (in the absence of an Executive), to ensure that information disseminated to LRFs in England can also be disseminated to equivalent bodies in Scotland, Wales and Northern Ireland.
- The Government has issued updated guidance to health, adult social care, and education providers to help ensure they are well placed to support staff with applications to the EU Settlement Scheme as appropriate.
- The Government has issued updated guidance to schools, higher education and further education sectors on a range of areas where they may need to take action, including, for example, ensuring they are:
 - Aware of potential changes to passport and driving permit requirements when travelling to the EU and

- are taking the necessary steps in advance of any planned educational trips.
- Aware there will be some changes to the arrangements for the recognition of European teaching qualifications.
- Registering for the HMG Guarantee if they have made a successful bid for Erasmus+ projects and contacting their partners in any Erasmus+ projects to determine whether these can continue after Brexit.
- The Government will continue to engage closely with local councils in the run-up to Brexit via frequent meetings between Government departments and the group of nine chief executives representing the English regions, representatives from the devolved administrations, and by regular engagement with political representatives through the Local Government Brexit Delivery Board. Regular communications are taking place with the newly designated Brexit Lead Officers in each English local council including through teleconferences directly with Government Ministers.
- The Government will work with local councils to ensure they have the information they need to provide support and advice to any returning UK nationals who choose to come back from the EU after Brexit to live in the UK.

 Government is continuing to work with LRFs to ensure local preparedness and response capabilities are commensurate with the risks that have been identified locally.

B: Critical goods and medical supplies

- The UK plays a world-leading role in patient safety and care, and medical discovery and will continue to do so following departure from the EU.
- The Government has put in place measures to help ensure there will not be disruption to supplies. These measures will support the just-in-time supply chains that would be affected if we leave without a deal.
- Working with devolved administrations, trade bodies, product suppliers and the health and care system in England, the Government has made detailed plans to help ensure the continued supply of critical goods and medical supplies.

We have taken steps to support the supply chains for critical goods and medical supplies that will be affected and to help ensure patients continue to get the care they need if we leave without a deal.

- Many public services rely on just-in-time supply chains for critical goods imported from the EU. Their needs have therefore been considered as part of nodeal preparations, to help ensure that public services still receive the supplies they need even in a scenario where flow is reduced at the border.
- The UK is heavily reliant on the EU for its supply of medicines and medical products. Supply chains are also highly regulated and require transportation that meets strict good distribution practices. This can include limits on time of transit, or can mean that products must be transported under temperaturecontrolled conditions. Whilst some products can be stockpiled, others cannot owing to short shelf lives – in some cases it will also not be practical to stockpile products to cover expected delays.

Detailed plans have been put in place to help ensure the continuation of supply of medicines and medical products to the whole of the UK and have been shared with the Crown Dependencies and the Overseas Territories.

The Government's preparations for leaving without a deal:

 In preparing for all eventualities, the Government has put measures in place to help ensure there is no disruption to supplies, such as medicines and medical products.

- The Government, in consultation with the devolved administrations, has been working with trade bodies, product suppliers, and the health and care system in England, to make detailed plans to help ensure continuation of the supply of medicines and medical products in the UK and its Crown Dependencies. The devolved administrations have similarly been working closely with the health and social care systems in Scotland, Wales and Northern Ireland. Medical products in scope of this planning include:
 - Medicines (prescription-only, pharmacy, general sales list and unlicensed medicines).
 - Medical devices and clinical consumables.
 - Supplies for clinical trials and clinical investigations.
 - Vaccines and countermeasures.
 - o Blood, tissue and transplant materials.
- The Government has also assessed contract risks in the broader NHS and within Scotland, Wales and Northern Ireland and is working with suppliers to help ensure plans are in place for non-clinical goods and services (e.g. hospital food, laundry, IT contracts).

The Government has intensified preparations since 24 July 2019:

- The Government has continued to implement a multilayered approach to help ensure the supply of medicines and medical products. This includes:
 - Advising suppliers of medicines and medical products to secure alternative routes away from the Channel Strait ports so these goods can continue to enter the UK.
 - Building buffer stocks where practical, or asking industry or the NHS supply chain to build buffer stocks in the UK ahead of leaving without a deal.
 - Working with industry to improve trader readiness in preparation for the new customs procedures that will come into force on day one if we leave the EU without a deal.
 - Securing additional warehousing space for stockpiled medicines, including ambient, refrigerated, and controlled drug storage.
 - Putting in place arrangements to deal with shortages in addition to normal shortage management routes, enabling ministers to issue serious shortage protocols to pharmacists.
 - Changing or clarifying regulatory requirements so that companies can continue to sell their products in the UK in the event of leaving without a deal.

- To provide further resilience the Government is procuring freight capacity to support the continued flow of vital supplies after 31 October. The Government is delivering this through a framework or 'umbrella agreement' that sets out the terms and overall scope under which individual contracts (calloffs) can be awarded throughout the period of the framework. Using the framework to call-off freight capacity will support the continuity of supply of 'Category 1' goods - those that are critical for human or animal welfare and/or national security for the UK. This includes medicines, medical products and veterinary medicines. Freight capacity will also be reserved for other Category 1 goods that may be affected, such as chemicals to purify the water supply in the unlikely event the industry's contingency plans are not sufficient.
- The deadline for bids to be part of the freight capacity framework was 28 August 2019; on 20 September 2019, DfT announced the operators which will be part of the framework. At the same time, DfT announced the first mini-competitions to secure freight capacity for 31 October 2019. The operators on the framework are now able to bid for contracts to deliver these services.
- The Government is supplementing this procurement framework with an 'express freight service', with the aim to secure transport of small medical supply

consignments into the UK within 24-72 hours. This will help to support the uninterrupted supply of medicines and medical products when a supplier's logistics plans are disrupted and there is an urgent requirement. This is part of a multi-layered approach to help ensure a continued supply of medicines and medical products.

 Following engagement and feedback with trade associations, suppliers and distributors, the Government is establishing a dedicated trader readiness 'Support Unit' to support suppliers of medical goods and help to ensure that companies have the necessary customs paperwork in place for no-deal border arrangements ahead of 31 October 2019. These teams of specialists will be able to provide traders operating in the health and social care sector with up-to-date advice and practical guidance on the steps they need to take to prepare.



Suppliers and adult social care providers should ensure that their no-deal preparedness and business continuity plans are robust and up to date.

Suppliers:

 Suppliers should continue to work with the Government and local authorities to review their contingency plans and prepare for leaving without a deal.

- Suppliers to the UK of medicines that travel through or are produced in EU/EEA countries should include the following measures in their no-deal preparedness plans:
- Stockpile products above business as usual levels the Government recommends 6 weeks' additional stock where appropriate.
- Secure capacity for rerouting medical supplies away from the Channel Strait routes after 31 October 2019.
- Provide assurance on the readiness of their logistics and supply chains to meet new customs and border requirements for exporting and importing.
- Suppliers to the UK of medical devices and clinical consumables which travel through, or are produced in, EU/EEA countries should:
- Implement preparedness plans that strike a balance as appropriate between rerouting and stockpiling.
- Notify the Government of their preparedness plans.
- Suppliers of all medicines and medical products should ensure they are ready to comply with the new customs and border processes required to import and export goods between the UK and the EU.

 Once the Government-secured freight capacity is in place, suitable suppliers will be invited to purchase tickets for this capacity. More details will be provided to suppliers as this becomes available.

Adult social care providers should:

- Plan for longer lead times of up to five days for products imported from the EU.
- Be prepared to receive stock deliveries outside normal hours.
- Regularly review business continuity plans to make sure they are up to date and consistent with other local contingency plans, in particular those being developed by their local resilience forum.
- Inform staff who are EU citizens about the EU Settlement Scheme and help them apply if they need support.
- Notify their local commissioner, director of adult social services and the Care Quality Commission as soon as possible if there is any risk to service delivery.
- Review resourcing and staff scheduling plans regularly to ensure care services can be maintained.

CASE STUDIES

Insulin Manufacturers' preparations for 31 October 2019 in line with the Government's multi-layered approach.

- Suppliers of prescription-only medicines and pharmacy medicines, which are imported either from or via the EU/EEA, have been asked to prepare for 31 October 2019 in line with the Government's multi-layered approach. This includes building additional stockpile, rerouting supply chains away from the short straits and ensuring they are traderready for new customs procedures.
- Insulin is a high-profile prescription-only medicine, used to treat close to 1 million diabetics across the UK. Two of the UK's top three insulin suppliers, Novo Nordisk and Sanofi, have publicly outlined their contingency plans. Both have confirmed that they have:
 - Already reserved space on alternative routes, which will avoid the short straits if necessary. For example, Novo Nordisk has opened up two other routes. As a backup to this, both companies are prepared to air freight stock into the UK if required.
 - Built up significant stockpiles of insulin. Novo
 Nordisk has tripled its warehouse capacity to hold
 18 weeks' worth of stock, which equates to almost

- 4 million packs. Sanofi has built up a similar stockpile, as has Eli Lilly, the UK's second biggest supplier.
- The Government is working with all other suppliers of medicines and medical products to prepare for 31 October 2019 in line with the multi-layered approach.

C: Food Supply

- There would be no overall shortage of food if we leave without a deal. If trade routes are disrupted there may be reduced availability and choice of some produce.
- The Government has worked closely with the food industry to help ensure continuity of food supplies.

There would be no overall shortage of food if the UK leaves without a deal, although, if trade routes are temporarily disrupted, there may be reduced availability and choice of a limited number of short shelf-life fruit and vegetables.

 50% of the food consumed in the UK is produced within the UK. Approximately 30% of the food eaten in the UK is imported from the EU, with approximately 20% coming from non-EU countries. 169 The 'just-in-time' nature of food supply chains means that short delays could reduce the choice and availability of some products.

• If we leave the EU without a deal there will not be an overall shortage of food in the UK. Consumers have access to a wide range of food products when they shop and this will continue when we leave the EU. However, if trade routes are temporarily disrupted there may be reduced availability and choice of certain food products, including some of the fresh produce we import from the EU.

Resilience is embedded within the food industry and the Government has worked closely with the food industry to inform contingency plans. We are confident we will be able to respond to changes to supply where possible.

The Government's preparations for leaving without a deal:

 The Government has worked closely with the food industry – which holds the main levers to respond to disruption through its commercial supply chains – to

¹⁶⁹ 'Food Statistics in your pocket - Global and UK Supply', Defra, October 2018.

provide information on impacts and Government mitigations to support its contingency planning.

The Government has intensified preparations since 24 July 2019:

- Engagement between public sector organisations and suppliers has increased to ensure the resilience of a nutritious food supply, for example in schools, hospitals and prisons.
- The Government will be working with industry to monitor the supply of critical inputs to food production processes. As outlined in section 7B, the Government is procuring additional freight capacity for vital supplies. A proportion of this will be made available to suppliers of food inputs that are category 1 goods, if necessary after leaving without a deal.
- The Government will be monitoring potential economic risks within the food supply chain. This information is being sought in all key economy sectors.
- The Food Chain Emergency Liaison Group (FCELG)
 will continue to keep open channels of
 communication between the industry and across
 Government, including the devolved administrations
 and the centre of Government, to inform the industryled contingency response.



Consumers do not need to alter their current shopping pattern when it comes to their regular food shop.

D: EU Funds

- The Government has introduced the HMG
 Guarantee to ensure that UK beneficiaries of EU
 programmes will continue to receive funding, where
 they are eligible under that Guarantee. Detailed
 arrangements have been set out in technical notices.
- The Government has committed to establishing a UK Shared Prosperity Fund to reduce inequalities between communities across our four nations, once we have left the European Union and EU Structural Funds.
- The UK Government would be free to propose alternatives that can provide better value for money or conform more closely with the UK Government's priorities to replace funding spent through EU funds and programmes on public services.
 - The HMG Guarantee applies to UK organisations, such as charities, businesses and universities, if they

- have successfully bid into EU-funded programmes and had their bids approved before the end of 2020.
- For some programmes, in the event the Government cannot reach an agreement with the EU to allow the UK to participate, it may mean that UK organisations are unable to continue in these programmes. In these circumstances, we will work with affected UK organisations to find an appropriate solution. This could include collaboration with existing EU partners, with new UK partners, or potentially as standalone activity.

The Government will ensure that UK beneficiaries of EU programmes continue to receive funding in accordance with the HMG Guarantee, where they are eligible under that Guarantee. Detailed arrangements have been set out in technical notices.

The Government's preparations for leaving without a deal:

- The HMG Guarantee covers the following:
 - The full Multiannual Financial Framework allocation for structural and investment funds over the 2014-20 funding period, with payments to beneficiaries made up to the end of 2023.
 - The payment of awards where UK organisations successfully bid directly to the European Commission on a competitive basis and where

- these bids have been approved while we remain in the EU, for the lifetime of the project.
- The payment of awards under successful bids where UK organisations are able to participate as a third country in competitive grant programmes from exit day until the end of 2020, for the lifetime of the project.
- The current level of agricultural funding under CAP Pillar 1 until 2020.
- However, the Guarantee only covers funding committed to UK beneficiary organisations. It does not cover funding committed to participants in other member states. This means that where a UK organisation is the lead member of a consortium, any funding it distributes to non-UK organisations with which it is working collaboratively is not covered by the Guarantee.
- In the event that the UK leaves the EU without a deal, the EU has published a contingency regulation to enable the continuation of the PEACE IV and Interreg VA European Territorial Cooperation funding programmes. Work is underway with the European Commission to ensure that these programmes can continue to operate as now. This reflects the UK's ongoing commitment to support peace and reconciliation in the island of Ireland. The Government has also committed to contribute up to

£300 million to the PEACE PLUS programme between Northern Ireland and Ireland in 2021-27.

- The Government has set out arrangements for affected EU programmes in technical notices, including details of where further advice can be obtained.
- Separate from the Guarantee, UK Research and Innovation (UKRI) will also manage the independent assessment of UK applications to European Research Council (ERC), Marie Skłodowska-Curie Actions (MSCA) and SMEi grants that have been submitted before Brexit, if they are not assessed by the European Commission. Successful applications will be funded for the lifetime of the project.
- A full list of EU funded programmes is provided in the table below, including programmes not covered by the Guarantee.

List of EU programmes and contacts		
EU programme	Department responsible	
European Agricultural Guarantee Fund (EAGF) / CAP Pillar 1	Defra	
European Maritime and Fisheries Fund (EMFF)	Defra	

European Agricultural Fund for Rural Development (EAFRD) / CAP Pillar 2	Defra
European Social Fund (ESF)	BEIS
European Regional Development Fund (ERDF)	BEIS
European Territorial Cooperation (ETC)	BEIS
Urban Innovative Actions	MHCLG
Competitiveness of Enterprises and Small and Medium-sized Enterprises (COSME)	BEIS
Erasmus +	DfE
Horizon 2020	BEIS
European Defence Fund (including Preparatory Action for Defence Research and European Defence Industrial Development Programme)	MoD
Connecting Europe Facility	DCMS/DfT/BE IS
Employment and Social Innovation	DWP
LIFE	Defra
Creative Europe	DCMS

Rights, Equality and Citizenship	MoJ
Health for Growth	DHSC
Europe for Citizens	DCMS
Consumer programme	BEIS
Hercule III	HMRC
Galileo	BEIS
Copernicus	BEIS
JET	BEIS
Nuclear Fusion (ITER)	BEIS
Research Fund for Coal and Steel	BEIS
Euratom	BEIS
Asylum, Migration and the Integration Fund (AMIF)	НО
Food and Feed	Defra
European Development Fund (EDF)	DfID
EU-Turkey Refugee Facility	DfID
EU Emergency Trust Fund for Africa	DfID
Development Cooperation Instrument (DCI)	DfID

Humanitarian Aid	DfID
EU Aid Volunteers Initiative	DfID
European Neighbourhood Instrument (ENI)	FCO
Common Foreign and Security Policy (CFSP)	FCO
Instrument contributing to Stability and Peace (IcSP)	FCO
Partnership Instrument	FCO
European Instrument for Democracy and Human Rights (EIDHR)	FCO
Instrument for Pre-accession Assistance (IPA)	FCO
Instrument for Greenland	FCO
Instrument for Nuclear Safety and Cooperation (INSC)	BEIS
Civil Protection Mechanism	CO
Guarantee Fund for External Actions	HMT
Fiscalis 2020	HMRC
European Solidarity Corps	DCMS
BEST	Defra

The Government has committed to establishing a UK Shared Prosperity Fund (UKSPF) to reduce inequalities between communities across our four nations, once we have left the European Union and EU Structural Funds.¹⁷⁰ The UKSPF will be a programme of investment with the objective of tackling inequalities between communities by raising productivity. The UKSPF will invest in the foundations of productivity.

Beneficiaries of EU funding should continue to deliver in line with their existing agreements and register with the relevant UK authority with responsibility for their programme.

- Recipients of funding through EU programmes should:
 - Continue with project delivery in line with the terms of their existing agreement or contract.
 - Register with the relevant UK authority who has responsibility for their programme where they have an agreement with the European Commission.
 - Continue delivery activity as contracted, and carry on making claims for payment promptly, where they have an agreement in place with a UK managing authority or EU managing authority/national agency.

¹⁷⁰ '<u>Local Growth: Written statement – HCWS927</u>', www.parliament.uk, July 2018.

Recipients of funding would be notified of any changes by the appropriate managing authority or relevant UK authority.

8. Northern Ireland

Working to help safeguard rights in Northern Ireland

This Government is committed to the Belfast (Good Friday) Agreement, determined to ensure there will be no infrastructure at the border with Ireland and determined to uphold the functioning of the allisland economy with no border checks or tariffs on goods moving from Ireland into Northern Ireland.

- EU tariff and non-tariff requirements will apply to UK exports crossing the land border from Northern Ireland into Ireland.
- The UK Government is doing everything possible to preserve an open border and the free flow of goods moving into Northern Ireland from Ireland.
- The UK Government will apply a policy of 'no new checks with limited exceptions' at the land border for goods moving from Ireland into Northern Ireland.

 UK and Irish citizens will continue to be able to travel freely under Common Travel Area (CTA) arrangements.

UK exports will face new tariff and non-tariff requirements at the border, but the UK Government is committed to upholding the Belfast (Good Friday) Agreement and Common Travel Area and preserving an open border.

- Once the UK leaves the EU, the land border between Ireland and Northern Ireland would become an external border of the EU. The EU's Common External Tariff and non-tariff requirements, including regulatory and legal requirements, would therefore apply to UK exports crossing the border.
- The UK Government will continue to uphold the Belfast (Good Friday) Agreement in all circumstances; it will continue to maintain existing Common Travel Area (CTA) arrangements for British and Irish citizens between Ireland and the United Kingdom; and it is committed to doing everything in its power to preserve an open border in Northern Ireland – under no circumstances will it put in place new infrastructure, checks, or controls at the land border for goods moving from Ireland into Northern Ireland. The UK Government will take the necessary

steps to mitigate the impacts of leaving without a deal in Northern Ireland where possible.

The Government's preparations for leaving without a deal:

To uphold the Belfast (Good Friday) Agreement and facilitate the flow of goods, the UK Government would not introduce any new checks or controls at the land border on goods moving from Ireland into Northern Ireland.

- In order to lessen the impact of the immediate changes to existing patterns of trade and on the security context, the UK Government has set out how it would implement and apply a unilateral policy for the Northern Ireland land border for day one of leaving without a deal of 'no new checks with limited exceptions.' This aims to maintain the status quo as far as possible for imports that cross the land border from Ireland into Northern Ireland. However, significant risks remain as this policy is temporary in nature and unilateral. The UK Government will look to engage with the Irish Government and the EU as soon as possible following Brexit.
- Under this approach, the UK Government will not introduce any new checks or controls on goods at the land border, and there will be no customs requirements for nearly all goods. The UK Temporary Tariff (TTR) policy will not apply to goods crossing

from Ireland into Northern Ireland, meaning there will be no new tariffs applied to anything which crosses the border – provided that the goods have not been diverted via Ireland in order to avoid UK customs duty that would otherwise have been payable. The UK Government will apply only a small number of other measures that are strictly necessary to comply with international legal obligations, such as: the Convention on International Trade in Endangered Species of Wild Fauna and Flora (CITES); on ozonedepleting substances; and on trade in rough diamonds. To protect the biosecurity of the island of Ireland, checks will be instituted at authorised individual business premises on plants imported from non-EU third countries. In order to ensure a level playing field on VAT and excise duty between Northern Ireland and Ireland businesses, goods arriving from Ireland will be subject to import VAT and, where applicable, excise duty. These measures will not require checks at the land border.

 Both the UK and Irish Governments have already committed to maintaining existing CTA arrangements, including the associated rights of British and Irish citizens in the other jurisdiction. There would therefore be no change to CTA arrangements if the UK left the EU without a deal. The CTA is a long-standing arrangement between the UK, the Crown Dependencies (Bailiwick of Jersey, Bailiwick of Guernsey, Isle of Man) and Ireland. It established cooperation between respective immigration and public services, enabling British and Irish citizens to move freely between, and reside in, these islands. British and Irish citizens enjoy additional rights in Ireland and the UK. These include the right to work, study and vote in certain elections, as well as to access social welfare benefits and health services. After the UK leaves the EU, both British and Irish citizens will continue to have these rights, even in the event of leaving without a deal.

 Energy regulators in Ireland and Northern Ireland have set out that the Single Electricity Market (SEM) will continue to operate after Brexit. Trade in electricity between the SEM and Great Britain, across the interconnectors, will continue. The UK will no longer have access to European platforms that provide for efficient trade and cross-border cooperation. The Government has undertaken contingency planning work with technical input from the Northern Ireland Department for the Economy, Utility Regulator and System Operator (SONI) and has prepared legislation in an effort to ensure that technical, operational and legal arrangements are in place for the SEM to continue. Again, we stand ready to work with the Government of Ireland to this end. Consumers need to take no action; Government and market participant

action is covered in the Energy and Environment section of this paper.

The Government has intensified preparations since 24 July 2019:

- The UK Government has remained steadfast in its commitment to do everything in its power to uphold the Belfast (Good Friday) Agreement, and to preserve an open border in Northern Ireland. It therefore stands by the policy for the Northern Ireland border if we leave without a deal of 'no new checks with limited exceptions.'
- Belfast Seaport has been designated as an additional point of entry and exit for CITES specimens to facilitate additional trade routes into and out of Northern Ireland, including over the land border with Ireland.
- Events have been held across Northern Ireland to work with stakeholders to help them understand the changes required for their businesses.
- The UK Government's policy approach to the border includes unilateral measures that will mitigate only those impacts that are within the UK's control. The UK Government will make necessary changes in legislation ahead of 31 October 2019 in order to apply the approach of 'no new checks with limited exceptions'. We will continue to engage urgently with

the EU and the Irish Government to understand their position. The UK stands able and willing to work cooperatively to help mitigate the most immediate impacts of leaving without a deal, and to discuss a long term sustainable approach for the land border. Such cooperation will require a similar willingness from the EU and Irish Government to work together to mitigate any risks.

 The UK Government's key priority in Northern Ireland is the restoration of devolution. The UK Government recognises that the continuing absence of Ministerial decision-making in Northern Ireland has hampered preparations and will critically limit the ability of the Northern Ireland Civil Service (NICS) to implement contingency plans and manage no-deal on a day-today basis. Although the Northern Ireland Civil Service (NICS) can take some limited decisions, this is insufficient to manage leaving without a deal. The best way to ensure that effective governance arrangements are in place is through restoration of the Northern Ireland Executive. However, the UK Government will need to consider options to ensure necessary decision-making powers are in place in the event of leaving without a deal, absent a functioning Executive. In the absence of an Executive, the UK Government continues to work closely with the NICS to prepare, as far as possible, for challenges that might arise in Northern Ireland, including on the SEM,

food supply, farming, fisheries and imports and exports of animals and animal products, and for other issues facing businesses.

 The Government will continue to provide guidance and advice for members of the public and businesses via GOV.UK.



Individuals and businesses should check for any new documentation and other requirements to ensure trade and travel across the border can continue smoothly.

For individuals to prepare:

 British and Irish citizens do not need to take any action to protect their status and rights associated with the Common Travel Area (CTA). After the UK leaves the EU, British and Irish citizens will continue to have freedom of movement across the land border, whether the UK leaves with or without a deal. Both the UK and Irish Governments have committed to taking all necessary measures to ensure that the agreed CTA rights and privileges are protected in all outcomes. Other nationalities travelling within the CTA remain subject to national immigration requirements.

- Individuals holding a UK driving licence and intending to drive in Ireland will not need an International Driving Permit. However, they will need a motor insurance Green Card (available from their insurance provider) if they are taking a UK-registered vehicle into Ireland¹⁷¹. Holders of UK driving licences living in Ireland will need to exchange their driving licences for Irish ones.
- Individuals living or travelling near the Northern Ireland land border may be affected by 'inadvertent roaming' mobile signals. The Government has passed legislation to ensure that operators continue to make information available to their customers on how to avoid inadvertent roaming in border regions if there is no Brexit deal. Operators will also continue to be required to take reasonable steps to protect their customers from paying roaming charges for inadvertently accessing roaming services.

For businesses to prepare:

 EU tariff and non-tariff requirements will apply to UK exports crossing the land border from Northern Ireland into Ireland, and exporters will need to ensure that they comply with these requirements.

¹⁷¹ It is possible that the EU will take decisions to remove the requirement for a green card after exit, but this cannot be confirmed yet.

- Businesses moving goods from Ireland into Northern Ireland will need to pay import VAT. However, they will not need to get a customs agent or a UK Economic Operator Registration and Identification (EORI) number in the vast majority of cases. Businesses will need an EU EORI number if they intend to export to Ireland.
- VAT-registered businesses will account for import VAT on goods they move from Ireland to Northern Ireland on their normal VAT return. This is similar to how they account for VAT on such imports now. For businesses which are not VAT registered, a new online service will enable them to account for import VAT on a quarterly import VAT return, rather than for every single movement of goods. Businesses using this service will not have to register for VAT or start charging VAT on their onward sales to consumers.
- Excise Duty will remain due on relevant goods (alcohol, tobacco, certain oils), and will require declarations to be made to HMRC.
- There will be no new UK requirements or checks on goods moving between Northern Ireland and Great Britain. For goods moving from Ireland to Great Britain via Northern Ireland, no Customs Duty will be payable unless the goods are moved via Ireland in order to avoid UK customs duty that would have otherwise been due. For goods moving into or through Northern Ireland from Ireland with the objective of avoiding

Customs Duty, traders will have to pay the UK's tariff and penalties may be applicable.

- Traders who move a limited number of licensed and controlled goods from Ireland into Northern Ireland will need to:
 - Make import declarations for trade in dangerous chemicals, ozone depleting substances or F-gases, and CITES specimens.
 - Ouse Belfast International Airport (BIA) as the designated point of entry into Northern Ireland for rough diamonds. For Convention on International Trade in Endangered Species of Wild Flora and Fauna (CITES) specimens, BIA will be the designated point of entry by air, Belfast Seaport will be the designated point of entry where CITES documents will need to be presented for endorsement for imports and exports by sea and over land across the border with Ireland.¹⁷²
 - Make declarations for the import of animals and animal products from outside the EU that have not been checked in the EU.

¹⁷² 'No deal' EU exit advice: further ports will be designated for movement of protected animals and plants', GOV.UK, September 2019.

- Traders who move dual-use goods (goods with civil and military applications) into the EU via Northern Ireland will require a license.
- The import of high-risk plants and plant products from non-EU countries transiting through Ireland will require traders to make a declaration to HMRC, although Customs Duty will not be payable on these movements. Voluntary processes will also be put in place to allow traders to declare goods into transit or special procedures if they wish.
- Imports of live animals and products of animal origin from the EU will continue to enter Northern Ireland as they do now. Any products from non-EU countries will need to enter Northern Ireland via a UK Border Inspection Post (BIP) (except for live animals, germinal products and animal by-products in transit that will have already been fully checked at an EU BIP on entry to the EU). Traders will need to give notice to the Northern Ireland Department of Agriculture, Environment and Rural Affairs (DAERA) if they trade in plants and plant products.
- Traders using solid wood packaging to transport goods should ensure these materials meet the requirements for import and export. The import or export of wood and timber products to or from the UK will need to comply with plant health regulations, restrictions and requirements.

 Traders importing fish and fish products from the EU, including Ireland, into Northern Ireland will be required to submit catch certificates to the Department of Agriculture, Environment and Rural Affairs (DAERA).

CASE STUDY

Northern Ireland business preparedness for a nodeal Brexit

Traders and individuals importing CITES specimens from Ireland across the land border into Northern Ireland will need to take the following steps in the event of a no-deal Brexit:

The species covered by these measures are listed in Annexes A to D of the EU Wildlife Trade Regulations which implement CITES. You can check to see if your goods contain CITES-listed species on The Species+database¹⁷³

Before attempting to import any of the species listed in Annex A or B, you must apply to the Department for Environment, Food and Rural Affairs (Defra) for a CITES permit¹⁷⁴ and ensure that you have a UK European Union Registration and Identification (EORI) number. For Annexes C and D you need to present a

¹⁷³ 'Species+ database', Species+.

^{174 &#}x27;Apply for CITES permits and certificates to trade endangered species', GOV.UK, July 2019.

CITES document to customs officials upon import. For Annex A, B and C species you must also obtain an export permit from the country of origin certifying the species was obtained legally.

To import CITES specimens into Northern Ireland from Ireland over land, you must make a customs declaration on the Customs Handling of Import and Export Freight (CHIEF) system before you transport them, and update this to let HMRC know once the goods have arrived in Northern Ireland.

Once you have crossed the land border into Northern Ireland, you must present your CITES documents for inspection and endorsement by Border Force at Belfast Seaport. Export permits for CITES goods travelling by sea and overland into Ireland, must also be stamped at Belfast Seaport.

Please remember that for CITES specimens that also require plant or animal health certification, a CITES document does not replace the need for veterinary or phytosanitary inspection and certification.

Details of how to obtain CITES documents such as a permit or import/export notification in the UK are available on GOV.UK¹⁷⁵, as are current details of fees for CITES permits.

¹⁷⁵ 'Apply for CITES permits and certificates to trade endangered species', GOV.UK, July 2019.

9. Devolved Administrations, Crown Dependencies and Overseas Territories

Working in the interests of the wider British family

Outside the EU, the UK will regain significant powers to make decisions that are firmly in the interests of our citizens. We are working closely with the devolved administrations on Brexit preparations and are committed to securing a solution that works for the UK, Crown Dependencies and Overseas Territories.

The Government has worked closely with the devolved administrations, Crown Dependencies and Overseas Territories to identify, understand and mitigate the effects of the UK leaving the EU without a deal, and is committed to providing support where appropriate to ensure that the impacts are minimised and opportunities for success are seized.

A: Devolved Administrations

- Significant powers will be returned to the UK and devolved, when the UK leaves the EU. This is an opportunity to empower the UK Government and the devolved administrations to make decisions that are firmly in the interests of our citizens.
- The Government is working closely with the devolved administrations to ensure that all nations of the UK are prepared for leaving the EU.
- This has included ensuring that since 2017 more than £300 million in additional funding was provided to the devolved administrations and that information is being provided to the public.

The devolved administrations are important partners in the Government's no-deal preparations. Many issues identified in this paper directly or indirectly have implications for devolved matters in Scotland, Wales and Northern Ireland.

 Significant powers will be returned to the UK and devolved administrations. This is an opportunity to empower the UK Government and the devolved administrations to make decisions that are firmly in the interests of our citizens. • Ministers from the Scottish and Welsh Governments, and officials from the Northern Ireland Civil Service, have attended a number of Cabinet committee meetings and cross-government operational preparedness meetings as necessary. In addition, senior officials from each of the devolved administrations and from the Office of the Secretary of State for Scotland, Office of the Secretary of State for Wales, and Northern Ireland Office have attended a regular joint operational readiness forum since July 2018, with communication continuing at all levels to ensure that issues that have an impact on the devolved nations are widely understood.

The Government is continuing to work closely with the devolved administrations to ensure that all nations of the UK are prepared for leaving the EU.

The Government's preparations for leaving without a deal:

• The Government has worked closely with the Scottish and Welsh Governments to ensure that over 200 Statutory Instruments legislating in a devolved area and required for 31 October 2019 have been laid before Parliament so that there is a functioning statute book across the UK. In the absence of a Northern Ireland Executive, the UK Government has also worked closely with the Northern Ireland Civil Service so that relevant Statutory Instruments have been laid.

- The Government has provided the devolved administrations with over £300 million since 2017 to prepare for Brexit. This includes £138.4 million for the Scottish Government, £80.3 million for the Welsh Government, and £51.4 million for the Northern Ireland Civil Service. In addition, the Northern Ireland Civil Service has been provided with a further £34.5 million for policing (£16.5 million) and other pressures not faced in other parts of the UK (£18 million).
- The Office of the Secretary of State for Scotland, Office of the Secretary of State for Wales and Northern Ireland Office have been involved in the development of the UK public information campaign for businesses and individuals. They also maintain regular contact through both informal and formal channels to ensure people and businesses in Scotland, Wales and Northern Ireland receive the information they need to take any required action ahead of Brexit. This is supported by a well-established set of relationships with key stakeholders, businesses and sectors in all four nations of the UK.
- The Government has developed a programme of work with the devolved administrations to manage returning powers from the EU in areas where it is

necessary to maintain UK-wide approaches. In these areas, we are developing 'common frameworks' in line with the principles agreed between the Governments in October 2017. On the basis of the continuing joint progress and collaboration on common frameworks, the UK Government has not sought to bring forward any section 12 regulations to 'freeze' devolved competence under the European Union (Withdrawal) Act 2018. The Scottish and Welsh Governments have also committed not to create divergent policy in ways that would cut across future UK-wide frameworks, where it has been agreed they are necessary or where discussion continues. We continue to work with the devolved administrations to identify areas where there is a risk of policy divergence between different parts of the UK in the medium to longer term if we leave without a deal, and to agree interim arrangements to minimise such divergence. 176

The Government has intensified preparations since 24 July 2019:

 The Government will continue to work with the devolved administrations on areas of operational readiness interdependencies for Brexit, and will continue to involve officials from all the devolved

¹⁷⁶ European Union (Withdrawal) Act and Common Frameworks report', Cabinet Office, July 2019.

- administrations in operational readiness discussions and civil contingency planning.
- The Government will continue to work with the devolved administrations to reach agreement on remaining Statutory Instruments.
- These instances of specific close working are in addition to the well-established, and extensive, structured channels of engagement between the Government and devolved administrations. Alongside working-level relationships on policy-specific interests, these include the Joint Ministerial Committee (Plenary) which is chaired by the Prime Minister, and the Joint Ministerial Committee (EU Negotiations) which meets on a regular basis. To strengthen the UK-DA intergovernmental architecture, and to make sure it takes account of the UK's departure from the EU, the Government is conducting a joint review of intergovernmental relations with the devolved administrations. There is a shared ambition to present potential reforms by the end of 2019.



Third parties should engage with, and take note of, the information provided by both the Government and devolved administrations.

To prepare, third parties should:

- Engage with the Government and the devolved administrations, where applicable. They should also review the other sections of this document for sectorspecific information from the UK Government, in addition to information available on GOV.UK.
- Make use of further information that the Scottish Government has provided on agriculture, business readiness, civil and consumer rights, education, environment, EU citizens, EU funding, financial services, fisheries, food and drink, forestry, health and social care, housing, justice and security, sport, tax, travel and transport, tourism, and welfare and finances.
- Make use of further information that the Welsh Government has provided on health and social services, education, environment and agriculture, fisheries, local services, EU funds and transport.
- Make use of further information that the Northern Ireland Civil Service has provided on health and social care, business and employers, EU citizens, education,

rights and the law, tourism, benefits and pensions, and agriculture and the environment via NI Direct.

B: Crown Dependencies and Overseas Territories

- The Crown Dependencies and Overseas Territories, including Gibraltar, are responsible for their own contingency planning and implementation in relation to the UK leaving the EU, whether that is with a deal or without.
- The UK is supporting their preparations where appropriate.
- The Prime Minister has been clear about the UK's commitment to securing a solution that works for the whole UK and wider British family.

Crown Dependencies

The Crown Dependencies are responsible for their own domestic preparations and engaging with their own residents and businesses ahead of 31 October 2019.

 To enable this, the Government has put in place a comprehensive engagement programme with the Crown Dependencies, including regular ministeriallevel and technical engagement. This includes sharing information and details of UK contingency planning as necessary, particularly in relation to the UK ports that are the main routes for the supply of goods to the islands. The UK and Crown Dependencies have signed and legislated for new customs arrangements to allow for continued tariff-free movement of goods between the UK and Crown Dependencies when we exit the EU.

 Since 24 July 2019, we have stepped up our engagement with the Crown Dependencies to help assist their preparations for no deal. UK Ministers have visited the Crown Dependencies, and have regular calls and meetings with the Islands' leaders. Official level engagement has continued, including frequent meetings and teleconferences.

Overseas Territories

- Overseas Territories, including Gibraltar, are affected by Brexit in different ways depending on their circumstances and their current relationship with the EU.
- The Government has in place a comprehensive plan for engaging with the Overseas Territories. This includes regular ministerial teleconferences, and official level meetings with their London Representatives. The HMG Guarantee for EU-funded programmes also applies to the British Overseas Territories. A technical notice detailing the scope of

the Guarantee as it applies to the Overseas Territories was published in October 2018. Further information on EU funds is covered in chapter 7. The Overseas Territories and their stakeholders should continue to engage closely with the FCO and other UK Government departments to prepare for Brexit and identify opportunities as they arise.

 The Government will provide technical assistance to Overseas Territories so that businesses are prepared to trade with the EU as non-EU Associated Territories. Duty-Free and Quota-Free (DFQF) access to the UK market has been provided for the OTs under the Taxation (Cross-border Trade) Act 2018.

Gibraltar

- The Government of Gibraltar is responsible for its own contingency planning and communications to its citizens, and the UK Government is working closely to support the Government of Gibraltar's preparations, including through regular Ministerial meetings such as the UK-Gibraltar Joint Ministerial Council (Gibraltar EU Negotiations).
- The Government of Gibraltar is working to put in place contingency plans to ensure the provision of public services; to ensure suppliers, other businesses and individuals are prepared for different scenarios; to manage traffic and other issues in the event of

delays or changes in procedures at the border; and to increase Gibraltar's overall resilience under any scenario.

- The UK Government recognises the importance of the Gibraltar-Spain border, with over 15,000 frontier workers from Spain and other Member States, as well as UK nationals living in Spain, crossing the border every day, in addition to a similar number of residents and tourists. Ensuring the fluidity of the Gibraltar-Spain border, to support the prosperity of both Gibraltar and the wider region, is one of our top priorities.
- The UK has ensured Gibraltar will maintain its current access to the UK, in areas such as financial services, online gaming, healthcare and education, if the UK leaves without a deal.
- Since 24 July 2019 activity continues on the above workstreams, and the UK Government continues to work closely with the Overseas Territories on mitigating the impacts of a no-deal.

¹⁷⁷ 'Frontier workers by Nationality, 2019, figures for July 2019', HM Government of Gibraltar, August 2019.

10. Operation Yellowhammer and Security

Contingency planning by a responsible government

If the UK leaves the EU without a Withdrawal Agreement, it will be a third country, trading on WTO terms. Operation Yellowhammer is the Government's programme of work to prepare for a reasonable worst case scenario in the event the UK leaves the EU without a deal. Many of the challenges that Yellowhammer identifies relate to potential impacts on border flow – and this is why the Government has taken significant steps to help ensure businesses are geared up to keep goods moving.

- The Government has taken responsible steps to explore what might happen in a reasonable worst case scenario following leaving without a deal, and has developed effective and proportionate contingency plans to mitigate these effects.
- This planning (code-named 'Operation Yellowhammer') has been coordinated by the Civil

Contingencies Secretariat, working across Government departments, to build the UK's resilience and preparedness for leaving without a deal.

 Beyond Operation Yellowhammer, the Government has made extensive preparations to ensure the continued safety and security of UK citizens. EU law enforcement and criminal justice tools will no longer be automatically available so the Government has prepared to use alternative, non-EU mechanisms.

A:Operation Yellowhammer

 Under Operation Yellowhammer, the Government has developed contingency plans based on what might happen in a reasonable worst case scenario. The planning assumptions for this reasonable worst case scenario are regularly reviewed to take account of ongoing developments, such as changing levels of government and third party preparedness, and changing understanding of how the EU and its Member States may act if we leave without a deal. The assumptions are not a prediction of what is likely to happen; instead, they consider what would happen at the more pessimistic end of predictions. The Yellowhammer planning assumptions as of 2 August were published on 11 September.

- Operation Yellowhammer aims to ensure there are effective and proportionate contingency plans in place to mitigate the potential immediate impact of leaving the EU without a deal on the welfare, health and security of UK citizens and the economic stability of the UK.
- The Civil Contingencies Secretariat is supporting DExEU and other departments preparing for Brexit, in addition to its regular work building the UK's resilience, by coordinating cross-government contingency preparations for the UK leaving the EU if we leave without a deal.
- This contingency planning work focuses on 12 impact areas for which the Government has developed reasonable worst case planning assumptions. They include: transport systems; movement of key goods and people across borders; healthcare services; energy and other critical industries; food and water supplies; UK nationals in the EU; law enforcement implications; banking and finance industry services; Northern Ireland; specific impacts for Overseas Territories and Crown Dependencies; and national security.
- The lead Government departments responsible for each impact area have taken steps to define the potential impact, develop reasonable worst case planning assumptions and put in place contingency

- plans to mitigate, as far as possible, potential disruption.
- Reasonable worst case planning assumptions are intended to provide an illustrative example of a challenging manifestation of the risk in question, taking into account both likelihood and impact. The planning assumptions provide a common, stretching, scenario for all stakeholders to plan against and for which, if plans are in place, a reasonable level of preparedness can be expected for most manifestations of the risk. This is a common planning methodology used by major nations, including by the UK in its National Risk Assessment. It is good risk management to anticipate reasonable worst case scenarios.
- Operation Yellowhammer will also provide a coordination system across the government and partners for deployment at the time of exit, to allow the rapid identification of impacts, fast decision making and delivery of effective responses. This system would bring together teams from the UK Government, the Scottish and Welsh Governments, the Northern Ireland Civil Service, Local Resilience Forums and operational delivery partners or equivalent bodies across the whole UK, the Crown Dependencies, and the Overseas Territories.

B:Security

- Beyond the immediate day one impacts that Operation Yellowhammer is working to mitigate, the Government is seeking to ensure that a high level of cooperation on law enforcement and criminal justice with European partners will continue if we leave without a deal. The Government has been making extensive preparations to ensure the continued safety and security of our citizens. This includes engaging with devolved administrations and operational partners, including to ensure that issues relating to separate legal jurisdictions within the UK are taken into account. The UK will seek an agreement on security with the EU, in the event of leaving without a deal.
- In the event that the UK leaves the EU on 31 October 2019 without a deal, the UK would no longer be able to use EU law enforcement and criminal justice tools, such as the Second Generation Schengen Information System (SIS II) and the European Arrest Warrant. This would result in some mutual loss of capability for the UK and EU Member States.
 - The Government is working closely with the police, other law enforcement and criminal justice agencies in the UK – as well as the devolved administrations

 to be ready to transition our cooperation with EU

Member States to alternative, non-EU mechanisms where available. This includes:

- Maximising our use of Interpol, including for exchanging alerts for wanted persons.
- Using Council of Europe Conventions, rather than EU instruments, in areas such as extradition and mutual legal assistance.
- Continuing use of bilateral channels and other multilateral mechanisms outside EU structures, including for counter terrorism cooperation.
- While these alternative non-EU arrangements are not like-for-like replacements and cannot fully compensate for the loss of EU cooperation tools, they are largely tried and tested mechanisms that we already use for cooperating with many close partners that are not in the EU, including for example extradition and mutual legal assistance arrangements with Norway and Switzerland.
- The Government's work with operational partners to put in place these alternative arrangements includes:
 - Establishing the new International Crime Coordination Centre (ICCC) to act as a hub of expertise for police forces – this is already fully operational with further recruitment underway.
 - Allocating significant extra funding for the National Crime Agency (NCA) to increase resource in its UK

International Crime Bureau and bolster resilience in its International Liaison Network, as well as additional resource for ACRO Criminal Records Office. Overall, the ICCC, NCA and ACRO have around 150 additional staff already in place – with continuing recruitment underway – to bolster the UK's resilience in transitioning to alternative arrangements for cooperation in the event of leaving without a deal.

- Putting in place the necessary secondary legislation to support the operation of the alternative, non-EU arrangements.
- An intensive and ongoing programme of engagement with EU Member States is underway at all levels and fully involving operational partners. The Government will continue to approach these issues of mutual importance in a spirit of joint cooperation with our European partners with public safety as our top priority.
- The Government is also seeking arrangements with the EU on Passenger Name Record data and Europol if we leave without a deal. The Home Secretary has raised this again with the European Commission in September. Given the UK's contribution to wider European security through these channels, we believe it is in both parties' interests for

- the European Commission to respond positively to this approach.
- Despite the loss of capability if we leave without a deal, there are nevertheless aspects of security we can improve over time. The Government will seize opportunities to strengthen the UK border and invest in new technologies and capabilities to protect the public. We have already made amendments to the Free Movement framework that will take effect in the event of leaving without a deal, which will allow us to take decisions in respect of EEA nationals on the basis that such decisions are conducive to the public good. This means Border Force Officers will have greater scope to refuse entry on the basis of criminal behaviour. We will also phase out the use of ID cards - which are easily forged - for travel to the UK during 2020, therefore reducing the ability of imposters and criminals to enter the country.
- Beyond our powers in respect of refusing entry to people, leaving the EU also gives us an opportunity to improve the data we acquire on goods coming into the UK from the EU. For example, we will be able to obtain pre-arrival data on all goods from the EU, which is not possible at present under EU customs rules. This will improve intelligence led border policing, making it easier, for example, to identify smuggling.

- - Furthermore, the Home Office has secured over £20 million additional funding to help secure the border in the event of leaving without a deal. This includes staffing uplifts to improve our intelligence picture about threats moving in and out of the UK, strengthening our multi-agency response to people and goods entering the UK and investing in new capabilities for Border Force and Counter Terrorism Policing, for example improved detection equipment.
 - Overall, these preparations are designed to complement and add to the cooperation that already takes place through bilateral and non-EU multilateral channels on a daily basis.
 - o National security has always been the responsibility of Member States. Cooperation with European partners on national security takes place outside EU structures and so is not dependent on our membership of the EU. Our bilateral and multilateral cooperation including, for example, the Counter Terrorism Group which facilitates counterterrorism cooperation across 30 European Intelligence and Security services will continue after we leave the EU. The Five Eyes and our intelligence relationships with European partners and others are vital for our national and international security and will remain the principal means of intelligence cooperation.

- We will also continue to work with a wide range of European and other international partners through existing bilateral channels. Daily operational cooperation with partners across Europe facilitates operations such as the largest-ever seizure of heroin in the UK this summer – recovered from a container ship that docked in Felixstowe en route to Antwerp. Working with partners in Belgium, a haul worth around £27 million to organised criminals at wholesale, and in excess of £120 million at street level – where it is typically supplied via county lines dealing – was recovered. These kinds of crossborder operations – denying organised crime tens of millions of pounds in profits – will continue.
- The UK is and will continue to be a global leader on security and justice. We will remain one of the safest countries in the world.