

# Industry Outlook Conference

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# Breakout B: What next for Brexit?

Speakers: Paul Thompson, BVRLA, Government Affairs Manager  
Sarah Noble, Director, Deloitte LLP

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**Brexit:**

# **Industry Outlook 2019**

**Paul Thompson, Government Affairs Manager**

# What we know...

NOV  
2018



OCT 2019



MP'S SAY 'NO!'





# 2019 Withdrawal Agreement



The **UK** in a  
**Changing Europe**

## May's deal versus the Johnson proposals

	May's deal	Johnson's proposals
NI customs/tariffs	NI in EU customs union	All UK (inc NI) in its own customs territory
GB customs/tariffs	GB in EU 'customs territory'	UK in its own customs territory
Agriculture and manufactured goods	NI follows EU, UK maintains comparable standards	NI follows EU, UK flexibility
Labour/environmental standards	No digression/level playing field provisions	UK flexibility
Implications for third country free trade agreements	Services only	UK flexibility
Likely EU-UK free trade agreement	Full free trade agreements, customs territory, some regulatory alignment ('Turkey+')	Goods only ('Canada minus'), minimal coverage of services; significant non-tariff barriers
Irish border	No checks	Checks away from the border

# "The Brexit is with you. Always!"

## Future trade talks in 2020



# UK election result could lead to more delay





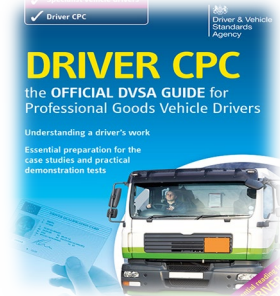
# No Deal – Jan 31<sup>st</sup> 2020/Dec 31<sup>st</sup> 2020?

## What we know...



The insurance implications of driving your vehicle in the EU – including the Republic of Ireland - in the event of no-deal Brexit

ABI



# **No Deal – we are asking government to....**

- 1. Secure a tariff deal to reduce any tariffs to zero**
- 2. Common customs arrangements**
- 3. Cut corporation tax to stimulate business**
- 4. VAT exemption on cleaner vehicles**
- 5. Flexible immigration system to attract talent**
- 6. Converge regulation with EU automotive regulation**

# BVRLA Guidance & Factsheets

## For more information:

See our Brexit guidance page and webinar

Government's Brexit page (Gov.uk/brexit)

<https://ico.org.uk/for-organisations/data-protection-and-brexit/>

Specific queries or further questions:

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**Brexit – Practical Considerations  
BVRLA**

5 December 2019



# The impacts of Brexit

Companies need to understand the resilience of their operations and supply chains in the face of key Brexit challenges

- Brexit will **change the conditions in which businesses operate** - both in terms of the wider political and economic backdrop and the specific arrangements for the movement of goods, services and people between the UK and EU, and the UK and the rest of the world.
- Given the extent of the risks and issues Brexit presents, **organisations should assess their level of exposure**, and ensure they understand where the greatest issues and opportunities are which affect day to day operations as well as longer terms plans and decisions.
- This includes assessing the impact across three key areas:



**Process:** consider the impact on product and service offerings, and whether supply chains are sufficiently resilient to continue to deliver in a post-Brexit environment.



**People:** understand the workforce composition and reliance on EU/UK nationals to inform post-Brexit workforce strategy as well as managing employee engagement.



**Technology:** the systems and processes that enable businesses to operate must be assessed and optimised to ensure they are prepared.

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**Technology:** the systems and processes that enable businesses to operate must be assessed and optimised to ensure they are prepared.

- For today, focus will be on the **process impacts – specifically supply chain and customs considerations**.

# What is the impact of Brexit on supply chains?

Important to consider the “immediate” vs the “new normal” for operations



## Suppliers: mapping and assurance

- **Increase visibility** and awareness of critical suppliers
- Understand and assess **supplier readiness**
- Identify potential changes in **supply base**
- Understand potential to **near shore** suppliers



## Trade, logistics, customs and borders

- Quantify **increased costs** due to customs duties, processing costs and regulatory divergence
- Consider impact of **border delays** on inventory storage and distribution channels
- Understand where **regulatory change** may threaten supply



## Organisational resilience and operations

- Review **contractual obligations**, including Incoterms used
- Understand potential for **staff shortages** in critical operational areas
- Factor **lead times** into decision timeframes

# What customs formalities will apply after Brexit?

In order to keep goods moving between

## Importer/exporter of record

- Must be established in the UK to act as a “declarant” – indirect representation may be required
- EORI number required in order to import/export
- EU EORI number may also be required

## Import/Export declaration

- Requirement for goods imported from the EU into the UK and vice versa
- Can be submitted via your own systems, or by a customs broker

## Other considerations

- Transitional Simplified Procedures (TSPs) to simplify the import process
- Deferment account to defer payment of duties
- Some goods (including dual use goods) may be subject to additional controls



# Pre-Brexit Checklist

There are a wide variety of areas to consider to allow business to continue in the immediate aftermath of exit from the EU



- **Have you reviewed your supply chain risk areas?**
  - Have you started conversations with suppliers/customers?
  - Have you reviewed supplier and customer contracts / Incoterms?
- **Have you considered customs impacts on your business?**
  - Do you hold an EORI number? Are you registered for TSP?
  - Do you have a Duty Deferment Account?
  - Have you lined up Customs Brokers to support additional increase in declarations?
  - Do you understand all of your import / export documentary requirements?
  - Have you reviewed products against the Temporary Tariff?
- **Have you communicated with your employees and customers?**
  - Are employees aware of the settlement scheme? Any key qualifications that should be considered?
  - Have you worked with insurance providers to ensure continued coverage?
  - Are customers aware of impacts on driving licenses?
  - Do you need new/improved processes to ensure compliance with changing regulations?
- **Are there technology changes you should implement?**
  - Do you share data across the UK and EU? Do you have the right data privacy processes in place?

# Post-Brexit Strategic Planning

Once future arrangements become clear, the serious work will start - to optimise operations



- Future sourcing decisions
- Customs Freight Simplified Procedures (CFSP)
- Authorised Economic Operator
- Master Data: customs, personal, etc.
- Country of origin / Free Trade Agreements
- Optimised logistics routing

*Important to properly utilise the transitional period!*



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# Q&A Session

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# Thank you for participating

Back to the Conference Theatre for closing comments.

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