

# UK Notes on a Hard Brexit Scenario

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# Transport: Aviation: Safety

## Purpose

The purpose of this notice is to inform air passengers, the aviation industry and the public of the actions we are taking to prepare for the unlikely scenario that the UK leaves the EU in March 2019 without an agreement. Preparing for EU exit is not just a matter for the government, so this notice also suggests actions that the industry and its customers should consider.

## Before 29 March 2019

As an inherently international business, the safety of aviation is coordinated at a global level through the International Civil Aviation Organisation (ICAO), a specialised agency of the United Nations established by the 1944 Chicago Convention. Annexes to that treaty establish worldwide standards and recommended practices for aviation safety.

Individual states make their own specific aviation safety legislation in the context of the Chicago Convention and its annexes. There is a global trend towards harmonisation, both through the ICAO and on a bilateral basis through bilateral aviation safety agreements. These agreements provide a mechanism for 2 or more states to make provision for the recognition of each other's aviation safety regimes, and to work together to improve aviation safety regulation.

The European Aviation Safety Agency (EASA) is the European Union Agency responsible for civil aviation safety. As an EU member state, the UK is currently part of the EASA system, which means that we have a common set of harmonised aviation safety rules. This allows national authorities (in the UK this is the Civil Aviation Authority (CAA)) to issue relevant safety approvals and licences (hereafter referred to as certificates), such as pilots' licences, that are automatically recognised as valid in respect of aircraft registered in other EU countries. This means that in addition to the recognition provided under the Chicago Convention, certificates issued by the UK CAA are recognised as valid for aircraft registered anywhere in the EU. In return, certificates issued by the national authorities of other EU countries are recognised as valid for UK registered aircraft, because they have been issued to the same regulatory requirements as in the UK.

Whilst for the most part the EASA system works on the basis of mutual recognition, EASA itself directly provides:

- approvals to businesses established in EU countries designing aeronautical products, known as a design organisation approval
- approvals to products such as aircraft, engines and propellers, known as a type certificate
- safety certificates to organisations established in third countries (i.e. countries outside the EASA system) that want to provide goods and services into the EASA system

EASA also facilitates and oversees the system of automatic mutual recognition between participating states. Although they are not EU countries, Iceland, Norway, Liechtenstein and Switzerland participate in the EASA system.

The EU has also concluded bilateral aviation safety agreements (BASAs) with the United States, Canada and Brazil, which reduce the duplication of safety oversight activities and smoothes the way for the recognition of each other's safety certificates. Although those countries have different safety regimes to the EU, the agreements provide a mechanism to ensure that safety certificates from either party can be accepted by the other.

## After March 2019 if there's no deal

The technical rules and standards of EU aviation safety legislation would be retained and applied by the UK as domestic law, through the provisions of the European Union (Withdrawal) Act 2018 ("the Withdrawal Act").

The functions currently performed by EASA in relation to approvals for UK designed aeronautical products and approvals for third country organisations would be conferred on the CAA. These are explained in more detail below. The CAA has been preparing to take on these responsibilities since the EU referendum, and we are confident that they will be ready to perform these functions if required.

If there's no deal, the automatic mutual recognition of aviation safety certificates, provided for under the EASA system, would cease to apply to the UK. A large number of different safety certificates are issued to organisations and individuals involved in the design, production, maintenance and operation of aircraft and details on which certificates would be recognised in the UK and EU. An annex below explains the conditions under which they are provided.

The government is working closely with the three countries with whom the EU has concluded a BASA to agree replacement bilateral arrangements, to apply as soon as the EU-negotiated agreements cease to apply for the UK.

## UK-registered aircraft

Many organisations and personnel have to be certified, approved or licensed before they can undertake activities involving UK-registered aircraft.

All certificates issued by the CAA, if valid immediately before exit day, would continue to be recognised as valid in the UK on and after exit day. Under the Chicago Convention, most certificates are linked to the state of registration of the aircraft, so a UK aircraft with UK-issued certificates and licences would still be recognised as valid for the operation of international air services.

Certificates and other documents issued and valid prior to exit day by organisations approved in accordance with the EU requirements by EASA, or the competent authority of an EASA state, would remain valid by virtue of the Withdrawal Act. They would have been issued in accordance with the same rules as a UK certificate.

We intend that these certificates issued by EASA or the competent authority of an EASA state would:

- continue to be in force or effective on and after exit day for a period of up to 2 years (unless it would otherwise have expired, or there was any ongoing enforcement action)
- be treated as if issued by the CAA

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.

This is necessary to ensure that the UK has a comprehensive and coherent safety oversight regime in line with its obligations under the Chicago Convention.

### **EU-registered aircraft**

The EU has indicated that it would take a different approach to the UK. The information notices issued by the European Commission say that certificates previously issued by the CAA before exit day would no longer be automatically accepted in the EASA system after 29 March 2019. Those certificates would have been issued in accordance with EU rules, and UK aviation will remain as safe the day after exit as it was the day before exit, so the UK encourages the EU to take reciprocal action in recognising UK-issued certificates.

Nonetheless, individuals and businesses exercising the privileges of UK-issued certificates for aircraft registered in the EU should consult the [European Commission's notice to stakeholders](#) and check with the relevant EU authorities.

### **Personnel licences**

Personnel working in the aviation industry are required to hold appropriate certificates to ensure the operational safety of commercial aircraft. This includes pilots and cabin crew, aircraft maintenance engineers and air traffic controllers. Information on the validity of those licences is set out below.

#### **Pilots**

All pilots of UK registered aircraft would need to hold an appropriate licence issued or validated by the CAA. All pilot licences issued by the CAA prior to exit day, will continue to remain valid after 29 March 2019 for the operation of UK registered aircraft.

A pilot licence (known as a Part-FCL licence) issued by an EASA competent authority in accordance with the EU requirements remains valid by virtue of the Withdrawal Act and will have been issued in accordance with the same rules as the UK licences. However, the CAA must validate such a licence for it to be used in the international operation of a UK registered aircraft.

The CAA would validate Part-FCL licences that were issued and valid immediately before exit day, as long as the pilot holds adequate proficiency of the English language. Licences and validations would be valid for up to 2 years after exit day (unless it would otherwise have expired or there was any ongoing enforcement action). Further details on the procedure for validation of EU-issued Part-FCL licences will be published by the CAA shortly.

Pilots wishing to operate an aircraft registered in the EASA system must hold an appropriate licence issued, or validated, in an EASA state. Before exit day, holders of UK-issued Part-FCL licences are able to transfer it to another EASA state if they wish to operate aircraft registered in the EASA system. Pilots should check with their employer if this is likely to be necessary, and [guidance on transferring licences is available from the CAA](#).

#### **Engineers**

Licensed engineers maintaining UK registered aircraft would need to hold an appropriate licence issued by the CAA. All maintenance engineer licences issued by the CAA prior to exit day would remain valid for work on UK registered aircraft. Valid aircraft maintenance engineer licences (Part-66 licences) issued by an EASA competent authority other than the CAA prior to exit day would remain valid for maintenance on UK registered aircraft by virtue of the Withdrawal Act. Such validity is limited to up to 2 years after exit day, after which licences issued by the CAA would be required.

The EU has indicated that it would take a different approach to the UK on the recognition of engineer licences. Engineers with licences issued by the CAA should be aware that the European Commission has stated that those licences would no longer be valid in the EASA system after exit day. This means that UK-issued Part-66 licences would no longer be valid for the performance of maintenance on aircraft registered in an EASA Member State. Maintenance engineers who would likely be required to maintain such aircraft should check with their employer to ensure that they would continue to hold the relevant licences.

## **Cabin crew**

Cabin crew wishing to operate commercial air transport on an aircraft registered in an EASA Member State must hold an attestation issued, or validated, in an EASA Member State.

Cabin crew operating for a commercial air transport operator licensed by the CAA would need to hold a valid Cabin Crew Attestation issued by a CAA approved organisation (an Air Operator Certificate holder or an Approved Cabin Crew Training Organisation).

Cabin crew attestations issued by a CAA approved organisation would continue to be valid on a CAA licensed operator.

A cabin crew attestation issued prior to exit day in an EASA member state will remain valid by virtue of the Withdrawal Act. Such validity is limited to for up to 2 years after exit day, after which, attestations issued by CAA approved organisations will be required.

The European Commission has, however, stated that existing attestations issued by a CAA approved organisation would no longer be valid for use with EU operators after exit day. Cabin crew working for EU operators would need to hold a valid attestation issued in an EU country and may want to check with their employer if this would be necessary.

## **Air traffic controllers**

Air traffic controllers must be licensed by the CAA in order to work in the UK. Air traffic controller licences valid in the UK before the UK leaves the EU would remain valid after the UK leaves the EU. Established procedures for exchanging licences between states continue to apply until the UK leaves the EU.

## **Training**

Providers of pilot, air traffic control and maintenance training courses would require an appropriate approval issued by the CAA.

Existing training organisation approvals issued by the CAA would remain valid under UK law and approvals issued by an EASA competent authority other than the CAA would remain valid by virtue of the Withdrawal Act. Such validity is limited to up to 2 years after exit day, after which approvals issued by the CAA will be required.

In the case of personnel applying to the CAA for licences after the UK leaves the EU, the CAA would give credit for prior training provided to the applicant by a training organisation approved under the EASA system in the same way as the CAA would give credit to such training provided by a training organisation approved by the CAA.

However, holders of existing UK-issued approvals should be aware that the European Commission has indicated that such approvals would no longer be valid in the EU after exit day. This means that holders of existing approvals would no longer be able to provide training in support of the award or ongoing validity of licences issued by other EU countries.

## **Aircraft certification**

In order to ensure the operational safety of aircraft in commercial operations, all aspects of an aircraft's design, production and maintenance are tightly regulated and certificates are required at each step to ensure the continued airworthiness of those aircraft. The international framework for this is the 1944 Chicago Convention, which establishes specific requirements for the states in which aircraft are designed, manufactured, registered and maintained.

## **Aircraft design**

The design of all civil aircraft types and variants (for example, an Airbus A320neo) must be certified against an internationally recognised airworthiness code and issued with what is known as a type-certificate. This signifies that the aircraft type is manufactured in accordance with an approved design that complies with safety and environmental standards. Individual aircraft of that type can then be manufactured and given an individual certificate of airworthiness.

If in force or effective at exit day, type-certificates and other approvals related to aircraft design would be treated as if issued by the CAA (or, in the case of a maintenance release certificate, by a maintenance organisation approved by the CAA). So, no action would be required from holders of such certificates in the UK. After 29 March 2019, the CAA would take on the functions and tasks of the state of design (as established by the Chicago Convention) for products where the certificate holder is UK based. This means that the CAA would issue and oversee the appropriate type-certificates, 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 through the Withdrawal Act.

## **Aircraft production**

In addition to certificates of airworthiness for individual aircraft, to help ensure the operational safety of aviation, individual parts and appliances are also certified as safe. Certificates and approvals associated with aircraft production issued by the CAA, or under the privileges granted to those organisations, such as certificates of conformity for a whole aircraft or certificates of release to service for new parts, would still be recognised as valid in the UK. Certificates and approvals associated with aircraft production issued by an EASA competent authority and in force before exit day would continue to be valid by virtue of the Withdrawal Act. It would allow the UK to treat such certificates

as if they had been issued by the CAA. This would mean that for a transitional period of up to 2 years, UK-registered aircraft can still be fitted with new parts certified in accordance with EU rules prior to exit day. The EU has indicated that it would take a different approach to the UK. The information notices issued by the European Commission state that certificates previously issued by the CAA, or by organisations approved by the CAA, before exit day would no longer be automatically accepted in the EASA system after 29 March 2019.

This would mean that parts manufactured and certified by organisations approved by the CAA could not be installed on EU registered aircraft. The affected organisations could be approved as third country production organisations by EASA. However, EASA has yet to provide the details for how and when it would process applications from UK manufacturers in advance of the UK leaving the EU.

### **Maintenance and continuing airworthiness**

Once in service, aircraft require regular maintenance and this needs to be certified to ensure the continued airworthiness of the aircraft. The organisations and individuals performing that maintenance are certified to ensure that they are capable of maintaining the aircraft to an appropriately high standard.

The CAA would be responsible for fulfilling the relevant continuing airworthiness functions for aircraft types under its oversight. This means that the CAA would be responsible for providing the national authorities of other states with any information they consider necessary for the continued safe operation and oversight of aircraft designed and manufactured in the UK. Although elements of this function have formally been assigned to EASA, the CAA has maintained capability in this area and is actively building the resources, systems and processes to perform these functions.

The CAA would continue to be responsible for issuing the certificates and approvals associated with aircraft maintenance. All certificates issued by the CAA before exit day, such as maintenance organisation approvals (known as Part-145 approvals) or under the privileges granted to those organisations, such as certificates of release into service, would remain valid under UK law. That means maintenance organisations and engineers with CAA-issued certificates would still be permitted to perform maintenance on UK-registered aircraft.

Certificates and approvals associated with aircraft maintenance issued by an EASA competent authority and in force before exit day remain valid by virtue of the Withdrawal Act. Such validity is limited to up to 2 years after exit day (unless it would otherwise have expired or there was any ongoing enforcement action) after which approvals issued by the CAA will be required. It would also allow the UK to treat such certificates as if they had been issued by the CAA when used on UK registered aircraft. This would mean that for a period of up to 2 years, UK-registered aircraft could still be maintained by organisations and engineers with certificates issued by an EASA competent authority.

The EU has indicated that it would take a different approach to the UK. The information notices issued by the European Commission state that certificates previously issued by the CAA, or by organisations approved by the CAA, before exit day would no longer be automatically accepted in the EASA system after 29 March 2019. This would mean that maintenance organisations approved by the CAA could not perform maintenance on EU registered aircraft. The affected organisations could be approved as third country maintenance organisations by EASA, however, EASA has yet to provide the details for how and when it would process applications from UK maintenance organisations in advance of the UK leaving the EU.

### **Third country operators**

All third country airlines (“third country operators”) require a safety authorisation from the EASA, known as a “Part-TCO Authorisation”. If there’s no deal on EU exit, UK air carriers would become third country operators under EU legislation. Similarly, EU operators will become foreign operators under UK legislation.

All foreign operators flying to the UK would require a safety approval (a UK Part-TCO approval) issued by the CAA before they can operate commercial services to the UK. This certifies that airlines meet international standards and any additional requirements applicable in UK airspace.

Part-TCO authorisations issued by EASA before 29 March 2019 to airlines outside the EU would remain valid in the UK for up to 2 years after the UK leaves the EU. As EU airlines do not hold EASA issued Part-TCO authorisations they would have to obtain a UK Part-TCO approval from the CAA.

The CAA will consider each application for a UK Part-TCO authorisation on a case-by-case basis, but in principle, an airline that holds a valid EASA Air Operator Certificate would be considered as having met the qualifying requirements to hold such an approval. The UK would expect this recognition of equivalent safety standards to be reciprocated by the EU in its ‘Part-TCO’ authorisations (see below).

EASA has yet to provide the details for how and when it would process applications from UK airlines in advance of the UK leaving the EU. The UK however would expect the recognition of equivalent safety standards to be on a reciprocal basis. More information about Part-TCO is available on the [EASA website](#).

As described in the technical notice on [flights to and from the UK](#), all foreign air carriers, including from the EU, would also require a permit to operate from the CAA (known as a ‘foreign carrier permit’). More information about the process for applying for a foreign carrier permit is available on the [CAA website](#).

## Aircraft leasing

If a UK airline wanted to wet-lease an aircraft registered outside the UK, they would continue to require prior-approval from the CAA. An aircraft wet-lease is when the lease also includes the crew, maintenance, insurance and operation of the aircraft by its original operator rather than the airline leasing the aircraft. As today, if a UK airline wanted to wet lease an aircraft registered outside the EU or EEA, they would still need to demonstrate that it is justified on the basis of:

- exceptional needs; or
- is necessary to overcome operational difficulties; or
- to satisfy seasonal capacity needs.

This would replicate the current position and preserve carriers' commercial flexibility by avoiding additional approval processes.

The EU would treat the UK as a third country from exit day and so EU airlines would also have to satisfy their own national authorities that the lease was justified on one of the three conditions above.

## Airports

The certificates issued to airports by the CAA would remain valid and these organisations should be largely unaffected by the changes to the safety regulatory regime.

## Validity of existing safety certificates after EU exit

In these tables 'issued under the EASA system' should be understood to refer to any certificates issued in accordance with the EASA Basic Regulation and its implementing regulations by EASA itself, by the competent authorities of the EASA countries, or under the authority of those national authorities. References to the names of individual certificates would remain the same in the UK as the legislation governing them would be retained by the Withdrawal Act.

## Initial airworthiness regulation

Certificate Type	Validity of certificates issued by the CAA for use on UK registered aircraft	Validity of certificates issued by the CAA for use on EU registered aircraft	Validity of certificates issued under the EASA system for use on UK registered aircraft
Airworthiness directive (21.A.3B)	N/A currently issued by EASA	N/A currently issued by EASA	Yes – where EASA is State of Design
Type-certificate (21.A.21)	N/A currently issued by EASA	N/A currently issued by EASA	Existing certificates will remain valid. Validation required for new or revised approvals after exit day.
Restricted type certificate (21.A.23)	N/A currently issued by EASA	N/A currently issued by EASA	Existing certificates will remain valid. Validation required for new or revised approvals after exit day.
Approval of minor change to type design (21.A.95(a))	N/A currently issued by EASA or EASA approved organisation	N/A currently issued by EASA or EASA approved organisation	Existing approvals will remain valid. Validation required for new or revised approvals after exit day.

Certificate Type	Validity of certificates issued by the CAA for use on UK registered aircraft	Validity of certificates issued by the CAA for use on EU registered aircraft	Validity of certificates issued under the EASA system for use on UK registered aircraft
Approval of major change to a type design (21.A.103)	N/A currently issued by EASA	N/A currently issued by EASA	Existing approvals will remain valid. Validation required for new or revised approvals after exit day.
Supplemental type-certificate (21.A.115)	N/A currently issued by EASA	N/A currently issued by EASA	Existing certificates will remain valid. Validation required for new or revised approvals after exit day.
Validation of statement of conformity (EASA Forms 1 and 52) (21.A.130(d))	Yes	No	Existing certificates will continue to be valid for up to 2 years after exit day for designs approved prior to EU exit. UK certificate required for new or revised designs approved after exit day.
Production organisation approval (21.A.135)	Yes	No	Existing authorisations will remain valid for 2 years after EU exit provided that they remain valid in the EASA system.
Airworthiness certificates (CofA and restricted CofA) (21.A.182)	Yes	N/A issued by state of registry	N/A - issued by state of registry
Noise certificates (21.A.201)	Yes	N/A – issued by state of registry	N/A – issued by state of registry
Design organisation approval (21.A.235)	N/A currently issued by EASA	N/A currently issued by EASA	Existing certificates will continue to be valid. Validation required for new or revised approvals after exit day. Authorisations will remain valid for 2 years after EU exit provided that it remains valid in the EASA system.
Approval of parts and appliances (21.A.305)	Yes	No	Existing approval will continue to be valid. Validation required for new or revised approvals after exit day.

Certificate Type	Validity of certificates issued by the CAA for use on UK registered aircraft	Validity of certificates issued by the CAA for use on EU registered aircraft	Validity of certificates issued under the EASA system for use on UK registered aircraft
Repair design approval (21.A.437)	N/A currently issued by EASA or EASA approved organisation	No	Existing approval will remain valid. Validation required for new or revised approvals after exit day.
ETSO (European Technical Standard Order) authorisation (21.A.606)	N/A currently issued by EASA	No	Existing authorisations will remain valid for 2 years after EU exit provided that they remain valid in the EASA system.
Permit to fly (21.A.711)	N/A currently issued by EASA	N/A permit is issued by State of Registry. Overflight permission will be required	Existing permits to fly and associated flight conditions will remain valid.

#### Continuing airworthiness regulation

Certificate Type	Validity of certificates issued by the CAA for use on UK registered aircraft	Validity of certificates issued by the CAA for use on EU registered aircraft	Validity of certificates issued under the EASA system for use on UK registered aircraft
Part-M – Maintenance Organisation (Part M) approval (Subpart F)	Yes	No	Existing approvals will remain valid for 2 years after EU exit provided that they remain valid in the EASA system. Release to service of UK registered aircraft will need to be performed in accordance with UK regulations in force after exit day.
Part-M- CAMO approval	Yes	No	Existing approvals will remain valid for 2 years after EU exit provided that they remain valid in the EASA system. Maintenance programmes approval/amendment activities and Airworthiness Review Certificates issued or having their validity extended will after exit day need to be performed in accordance with UK regulations.
Part-145 - Maintenance organisation approval	Yes	No	Existing approvals for maintenance performed on aircraft components will remain valid for 2 years after EU exit day provided they remain valid in the EASA system. Release to service of UK registered aircraft will need to be performed in accordance with UK regulations in force after exit day.

Certificate Type	Validity of certificates issued by the CAA for use on UK registered aircraft	Validity of certificates issued by the CAA for use on EU registered aircraft	Validity of certificates issued under the EASA system for use on UK registered aircraft
Part-66 – Maintenance engineer licences	Yes	No	Existing licences will remain valid for 2 years after EU exit provided that they remain valid in the EASA system.
Part-147 – Training Organisation Approvals	Yes	No	Existing approvals will remain valid for 2 years after EU exit provided that they remain valid in the EASA system.

#### Aircrew regulation

Certificate Type	Validity of certificates issued by the CAA for use on UK registered aircraft	Validity of certificates issued by the CAA for use on EU registered aircraft	Validity of certificates issued under the EASA system for use on UK registered aircraft
Special approvals in lieu of ratings for new aircraft types (FCL.700)	Yes	No	No
Flight crew licences (+associated ratings) (ARA.FCL.200(a))	Yes	No	Existing licences will remain for 2 years after EU exit provided that they remain valid in the EASA system. Licences will need a validation from the CAA for operations outside of the UK
Instructor and examiner ratings (ARA.FCL.200(b))	Yes	No	Existing rating will remain for 2 years after EU exit provided that they remain valid in the EASA system
Cabin crew attestations (ARA.CC.100(b))	Yes	No	Existing attestations will remain for 2 years after EU exit provided that they remain valid in the EASA system
Approval of organisations providing Cabin Crew training or	Yes	No	Existing approvals will remain for 2 years after EU exit provided that they remain valid in the EASA system

Certificate Type	Validity of certificates issued by the CAA for use on UK registered aircraft	Validity of certificates issued by the CAA for use on EU registered aircraft	Validity of certificates issued under the EASA system for use on UK registered aircraft
issuing attestations (ARA.CC.200)			
FSTD (Flight Simulation Training Device) qualification certificate (ARA.FSTD.110)	Yes	No	Existing certificates will remain for 2 years after EU exit provided that they remain valid in the EASA system
AME (Aeromedical Examiner) certificates (ARA.MED.200)	Yes	No	Existing certificates will remain for 2 years after EU exit provided that they remain valid in the EASA system
AeMC (Aeromedical Centre) certificates (ORA.AeMC.135) (also cover ATCO AeMCs mutatis mutandis)	Yes	No	Existing certificates will remain for 2 years after EU exit provided that they remain valid in the EASA system
ATO (Approved Training Organisations) certificates (ORA.ATO.105)	Yes	No	Existing certificates will remain for 2 years after EU exit provided that they remain valid in the EASA system

#### Air operations regulation

Certificate Type	Validity of certificates issued by the CAA for use on UK registered aircraft or by UK based operators	Validity of certificates issued by the CAA for use on EU registered aircraft or by EU based operators	Certificates issued under the EASA system for use on UK registered aircraft or by UK based operators
AOC (plus changes needing approval) (ORO.AOC.100)	Yes	Yes, for EU registered aircraft operated by UK operators	N/A AOCs are issued by the State of the Operator (the state in which the operator has its principal place of business).
Approval for CC training and attestation (ORO.AOC.120)	Yes	Yes, for EU registered aircraft operated by UK operators	Existing approval will remain for 2 years after EU exit provided that they remain valid in the EASA system

Certificate Type	Validity of certificates issued by the CAA for use on UK registered aircraft or by UK based operators	Validity of certificates issued by the CAA for use on EU registered aircraft or by EU based operators	Certificates issued under the EASA system for use on UK registered aircraft or by UK based operators
Authorisation of high risk commercial specialised operations (ORO.SPO.110)	Yes, for UK based operators.	Yes, for aircraft used by UK based operators	Yes, for UK registered aircraft used by EU operators.
MEL (Minimum Equipment List) approval (ORO.MLR.105)	Yes, for UK based operators	Yes, for aircraft operated by UK operators	Yes, for UK registered aircraft operated by EU operators
Flight time specification schemes approval (ORO.FTL.125)	Yes, for UK based operators	Yes, for EU registered aircraft operated by UK operators	No (approvals issued by the State of the Operator)
Use of isolated aerodromes by aeroplanes approval (CAT.OP.MPA.106)	Yes, for UK based operators	Yes, for EU registered aircraft operated by UK	No (approvals issued by the State of the Operator)
Fuel policy approval (CAT.OP.MPA.150)	Yes, for UK based operators	Yes, for EU registered aircraft operated by UK operator	No (approvals issued by the State of the Operator)
Approval of procedures for descending below minimum flight altitudes (CAT.OP.MPA.270)	Yes, for UK based operators	Yes, for EU registered aircraft operated by UK operator	No (approvals issued by the State of the Operator)
Aircraft categories – approval for use of lower landing mass for determining the Value Added Tax (VAT) value (CAT.OP.MPA.320)	Yes, for UK based operators	Yes, for EU registered aircraft operated by UK operator	No (approvals issued by the State of the Operator)
Approval for Operations without an assured safe forced landing capability (CAT.POL. H.305)	Yes, for UK based operators	Yes, for EU registered aircraft operated by UK operator	No (approvals issued by the State of the Operator)

Certificate Type	Validity of certificates issued by the CAA for use on UK registered aircraft or by UK based operators	Validity of certificates issued by the CAA for use on EU registered aircraft or by EU based operators	Certificates issued under the EASA system for use on UK registered aircraft or by UK based operators
PBN (Performance Based Navigation) operational approval (SPA.PBN.105)	Yes, for UK based operators	Yes, for EU registered aircraft operated by UK operator	No (approvals issued by the in which the operator is based)
MNPS (Minimum Navigation Performance Specifications) operational approval (SPA.MNPS.105)	Yes, for UK based operators	Yes, for EU registered aircraft operated by UK operator	No (approvals issued by the in which the operator is based)
RVSM (Reduced Vertical Separation Minimum) operational approval (SPA.RVSM.105)	Yes, for UK based operators	Yes, for EU registered aircraft operated by UK operator	No (approvals issued by the in which the operator is based)
LVO (Low Visibility Operations) approval (SPA.LVO.105)	Yes, for UK based operators	Yes, for EU registered aircraft operated by UK operator	No (approvals issued by the in which the operator is based)
ETOPS (Extended Range Twin Operations) operational approval (SPA.ETOPS.105)	Yes, for UK based operators	Yes, for EU registered aircraft operated by UK operator	No (approvals issued by the State of the Operator)
Approval to transport dangerous goods (SPA.DG.105)	Yes, for UK based operators	Yes, for EU registered aircraft operated by UK operator	No (approvals issued by the in which the operator is based)
NVIS (Night Vision Imaging System) operations approval (SPA.NVIS.100)	Yes, for UK based operators	Yes, for EU registered aircraft operated by UK operator	No (approvals issued by the in which the operator is based)
Helicopter hoist operations (HHO) approval (SPA.HHO.100)	Yes, for UK based operators	Yes, for EU registered aircraft operated by UK operator	No (approvals issued by the in which the operator is based)

Certificate Type	Validity of certificates issued by the CAA for use on UK registered aircraft or by UK based operators	Validity of certificates issued by the CAA for use on EU registered aircraft or by EU based operators	Certificates issued under the EASA system for use on UK registered aircraft or by UK based operators
Helicopter emergency medical service (HEMS) operations approval (SPA.HEMS.100)	Yes, for UK based operators	Yes, for EU registered aircraft operated by UK operator	No (approvals issued by the in which the operator is based)
SET-IMC (Single Engine Turbine aircraft operating in Instrument Meteorological Conditions) operations approval (SPA.SET-IMC.105)	Yes, for UK based operators	Yes, for EU registered aircraft operated by UK operator	No (approvals issued by the in which the operator is based)

#### Third country operator's regulation

Certificate Type	Certificates issued by the CAA for UK operators	Certificates issued by the CAA for EU operators	Certificates issued under the EASA system for UK operators
Part-TCO approval	N/A	Yes, EU operators will require Part-TCO from the CAA before operating to the UK	Part-TCO approval will be required by UK operators before operating to the EU

#### ATCO regulation

Certificate Type	Certificates issued by the CAA for UK service provision	Certificates issued by the CAA for EU service provision	Certificates issued under the EASA system for UK service provision
ATCO licences and associated ratings/endorsements	Yes	No	No
Training course and assessment method approvals	Yes	No	Existing approvals will remain valid for 2 years after EU exit provided that they remain valid in the EASA system

Certificate Type	Certificates issued by the CAA for UK service provision	Certificates issued by the CAA for EU service provision	Certificates issued under the EASA system for UK service provision
Training organisation certificate	Yes	No	Existing certificates will remain for 2 years after EU exit provided that they remain valid in the EASA system. Credit will be given for training conducted before EU exit.
AME Certificates	Yes	No	Existing certificates will remain for 2 years after EU exit provided that they remain valid in the EASA system
N.B. ATCO Aeromedical centres have to comply with Aircrew Regulation requirements mutatis mutandis			

# Transport: Aviation: Security

## Purpose

The purpose of this notice is to inform air passengers, the aviation industry and the public of the actions we are taking to prepare for the unlikely scenario that the UK leaves the EU in March 2019 with no deal. Preparing for EU exit is not just a matter for the government. Individuals and businesses may need to consider a range of actions.

## Before 29 March 2019

The UK's aviation security standards and procedures are currently based on EU regulations. These set down common minimum standards to keep passengers safe on flights departing from EU Member States. This means that for passengers flying from the UK, neither the passenger nor their luggage normally needs to be rescreened if they transfer between flights at other EU airports. It also means that air cargo can fly from UK airports to the EU without security restrictions, and that air cargo can likewise fly freely from EU airports to the UK.

In addition to the minimum standards in the regulations, EU Member States can also apply their own more stringent security measures.

The UK is a global leader in aviation security, with one of the best aviation security systems in the world. We already apply a range of additional aviation security measures which go above and beyond EU baseline standards.

Those additional measures will continue to apply, and the government keeps aviation security regulations under constant review to ensure that they are fit for purpose in the context of the current threat environment. Keeping air passengers safe is our top priority, and we will continue to work collaboratively at an international level to ensure this.

## After March 2019 if there's no deal

If the UK leaves the EU in March 2019 with no agreement in place on aviation security, the existing regulations and procedures will still be retained in domestic law under the EU Withdrawal Act. This would ensure that the UK will continue to have a robust aviation security system.

Given this, and the higher standards of aviation already in place in the UK, there is no reason for the UK's aviation security regime not to be recognised by the EU as equivalent, which would mean no additional security restrictions would need to be imposed by either the EU or the UK. However, if the EU does not recognise the UK's standards, there would be a number of possible implications for passengers and cargo.

## Passengers

The vast majority of passengers will not experience any difference in aviation security screening as a result of the UK leaving the EU without a deal. The security screening requirements for all direct passenger flights to and from the UK will remain as they are today. The exception to this is where passengers transfer flights at an EU airport, where there is a possibility they may notice a change.

- Direct flights: For passengers departing from a UK airport to anywhere in the world, the same aviation security measures will be applied to the passenger and their luggage. For passengers starting a journey at an EU airport to fly to the UK, they would also see no difference in the aviation security measures.
- Passengers from the UK transferring through UK airports: Passengers flying from a UK airport and transferring to another flight at a UK airport would see no difference in the aviation security measures.
- Passengers from the EU transferring through UK airports: On the basis of our own risk assessment, the UK already applies more stringent security measures than the EU. This entails rescreening all passengers and their luggage when transferring between aircraft at UK airports, and UK airports are therefore already set up to facilitate this. This rescreening of transfer passengers will continue, which means that there will be no change to the treatment of EU transfer passengers in the UK following Brexit.
- Passengers from the UK transferring through EU airports: Currently passengers flying from the UK and transferring at an EU airport for an onward flight do not have to be rescreened at that EU airport, because the UK applies, and exceeds, the EU baseline aviation security measures. If there is no deal, and the EU decides not to recognise the UK aviation security system, then passengers and their luggage will have to be rescreened when changing flights in EU hub airports.

In the preparedness notices issued by the European Commission they have indicated that they will not recognise the UK aviation security system. This could have significant operational and cost implications for those EU airports, and passengers may have to factor increased time for rescreening into their travel schedule.

## Cargo:

The EU has an inbound cargo regime called ACC3 (Air Cargo or Mail Carrier operating into the Union from a Third Country Airport), which requires carriers to hold a designation granted by an EU Member State (an "ACC3 designation"), in order to fly cargo into the EU. Currently the UK is responsible for granting ACC3 designations to 37 carriers from around the world on behalf of the EU, including many third country national airlines.

To receive this designation, air carriers have to meet specific requirements in respect of their security procedures for every airport they use as a last point of departure from a third country into the EU. The system also requires entities which handle cargo before the air carrier takes responsibility to be approved. The purpose is to ensure a secure supply chain and minimise the risk of cargo interference.

- Cargo from the EU to the UK: The UK intends to recognise EU cargo security from the outset, and will not require new cargo security designations for carriers from EU airports. The UK would do this to prevent any disruption to the European and global cargo networks, and in recognition that security standards are already aligned and equivalent. However, the UK would expect this recognition to be reciprocated (see below).
- Cargo from the UK to the EU: The EU has the ability to recognise the UK security regime as equivalent and allow cargo to continue to fly freely and avoid the need for unnecessary security designations. However, the European Commission has set out that, in the absence of any agreement, the default regulatory position will require carriers to hold ACC3 designations from an EU Member State in order to transport cargo from the UK into the EU. The EU has not yet provided details of how carriers should apply for an ACC3 designation.

An outcome where the EU does not immediately recognise UK security standards as equivalent (given standards are higher than in the EU) would have significant implications for the EU air cargo industry, their supply chains, and the consumers of the products to be shipped. Therefore, the UK expects that its recognition of EU security standards will be reciprocated in turn by the EU, recognising the UK's existing higher security standards.

- Cargo from the rest of the world into the UK: The UK will ensure no reduction in our control over the security standards applied to inbound cargo through setting up a new system of security designations.

The UK will not put any barriers in place to international trade, and as such anticipates granting UK-ACC3 designations on Day 1 mirroring all existing EU ACC3 designations for cargo flying into the UK from third countries (i.e. non-EU countries).

This would ensure that all cargo currently flown to the UK from third countries would continue to be permitted to do so, if there is no deal with the EU, while maintaining existing inbound aviation security standards.

- Cargo from the rest of the world into the EU: The EU has set out that all security designations of carriers from third countries previously granted by the UK will be treated as expiring on the UK's exit from the EU. In addition to the 37 carriers that the UK provides ACC3 designation to, the UK is also the responsible EU Member State for a significant proportion of the screening entities in the supply chains which support those carriers.

The EU has not yet set out a mechanism for these designations to be reissued by EU Member States. Without such a mechanism those carriers from non-EU countries will not be able to carry cargo into the EU after the UK leaves the EU. As set out above, the same carriers will be allowed to fly cargo into the UK after the UK leaves the EU.

# Transport: Aviation: Flights to and from the UK

## Purpose

The purpose of this notice is to inform air passengers, the aviation industry and the public of the actions we are taking to prepare for the unlikely scenario that the UK leaves the EU in March 2019 with no deal. Preparing for EU exit is not just a matter for the government, so this notice also suggests actions that the industry and its customers should consider.

## Before 29 March 2019

Air services between the UK and other countries are currently governed by a variety of UK and EU legislation, as well as international agreements such as the 1944 Chicago Convention.

Air services between two countries are based on a permission to operate granted by the respective national authorities. These can be issued on a case by case basis for individual flights, but for most scheduled flights the basis for issuing such permissions is set out in a bilateral or multilateral air service agreement (ASA) between states. These agreements provide airlines with the conditions under which they will be permitted to operate scheduled international air services.

## Flights to, from and within the EU

As an EU country, the UK is part of the internal market for air services. This means that any airline licensed by an EU country, and therefore adhering to common regulations, is entitled to operate any route within the EU without the advance permission of individual national authorities. These entitlements also extend to Iceland, Liechtenstein and Norway through their membership of the European Economic Area (EEA).

The rights for airlines to operate air services over EU or UK territory are established by a longstanding worldwide treaty, the International Air Services Transit Agreement, to which the UK and almost all EU countries are signatories. This agreement also establishes the right to land for 'non-traffic' purposes such as refuelling or maintenance.

## Flights to and from the rest of the world

The UK has independently negotiated 111 bilateral ASAs with countries all over world, including China, India and Brazil. There are a further 17 non-EU countries with which air services to the UK are provided for by virtue of our EU membership. These are Albania, Bosnia Herzegovina, Canada, Georgia, Iceland, Israel, Jordan, Kosovo, Liechtenstein, Macedonia, Moldova, Montenegro, Morocco, Norway, Serbia, Switzerland and the United States.

## After March 2019 if there's no deal

If the UK leaves the EU in March 2019 with no agreement in place, UK and EU licensed airlines would lose the automatic right to operate air services between the UK and the EU without seeking advance permission. This would mean that airlines operating between the UK and the EU would need to seek individual permissions to operate. EU-licensed airlines would lose the ability to operate wholly within the UK (for example from Heathrow to Edinburgh) and UK-licensed airlines would lose the ability to operate intra-EU air services (for example from Milan to Paris).

## Flights to and from the EU

If there is 'no deal' with the EU, airlines wishing to operate flights between the UK and the EU would have to seek individual permissions to operate from the respective states (be that the UK or an EU country). In this scenario the UK would envisage granting permission to EU airlines to continue to operate. We would expect EU countries to reciprocate in turn. It would not be in the interest of any EU country or the UK to restrict the choice of destinations that could be served, though, if such permissions are not granted, there could be disruption to some flights.

In order to ensure permissions were granted and flights continued, the UK's preference would be to agree a basic arrangement or understanding on a multilateral basis between the UK and the EU. Alternatively, bilateral arrangements between the UK and an individual EU country could be put in place, specifying the conditions under which air services would be permitted. By definition any such agreement would be reciprocal in nature. [The European Commission has previously acknowledged](#) that a 'bare bones' agreement on air services would be desirable in the event of the UK leaving with 'no deal'.

In the scenario where a provisional deal is agreed for air services, airlines will continue to be required to apply for the following associated permissions.

### **Associated permissions for EU airlines**

EU-licensed airlines would need two associated permissions in order to operate to the UK:

First, they would require a foreign carrier permit. There is a long established procedure for applying for such permits, and carriers can find out more about applying on the [UK Civil Aviation Authority website](#). This guidance will be updated shortly for operators of EU or EEA registered aircraft.

Second, they would require a UK safety authorisation from the UK Civil Aviation Authority, a “UK Part-TCO (Third Country Operator)”. The CAA will consider each application for UK Part-TCO on a case by case basis, but in principle, an airline that holds a valid European Aviation Safety Agency (EASA) Air Operator Certificate will be considered as having met the qualifying requirements to hold such an approval.

The UK would expect this recognition of equivalent safety standards to be reciprocated by the EU in its ‘Part-TCO’ authorisations.

### **Associated permissions for UK airlines**

UK-licensed airlines would need two associated permissions in order to operate to the EU.

First, UK airlines will require permission from the national authorities of the states to which they operate (often referred to as a foreign carrier permit). Processes may vary in different EU countries, so airlines should start consulting the national aviation authorities within the relevant EU countries for details of how they grant foreign airlines permission to operate.

Second, airlines from outside the EU require a safety authorisation from the EASA, known as “Part-TCO”. EASA has yet to provide the details for how and when it would process applications from UK airlines in advance of the UK leaving the EU. However, the UK would expect the recognition of equivalent safety standards to be on a reciprocal basis.

### **Flights to and from the rest of the world**

For airlines licensed outside the UK and the EU, their eligibility to operate air services to the UK is determined by the ASA between the UK and the state in which they are licensed. For airlines from one of the 111 countries with whom the UK has a bilateral ASA, including China, India and Brazil, there will be no change.

For airlines from one of the 17 non-EU countries with whom air services to the UK are currently provided for by virtue of the UK’s membership of the EU, replacement arrangements will be in place before exit day. The UK is working closely with these countries to agree replacement, bilateral arrangements designed to come into force as soon as the EU-negotiated agreements cease to apply to the UK. The UK has already agreed a number of these agreements, and is confident the remaining agreements will be agreed well in advance of the UK leaving the EU.

Foreign airlines will still need to apply to the UK CAA for a Foreign Carrier Permit in the usual way and, in the short term, existing Part-TCO safety authorisations from EASA would be [treated as if they had been issued by the UK CAA](#).

### **Operating and route licences**

An operating licence is required before an airline can undertake commercial services. It provides the means through which the CAA can ensure that airlines principally based in the UK are properly managed, and comply with key requirements regarding ownership and control, safety, finance and insurance.

In order to operate internationally, all UK airlines would be required to hold a route licence from the CAA in accordance with long established domestic legislation. Route licences already issued to UK airlines will remain after the UK has left the EU. A route licence requires the airline to provide passengers with information about the operator, the type of aircraft and the destination airport. The CAA publishes the [details of the licences held by UK airlines](#).

States have traditionally used both their licensing regime and the provisions of their ASAs to restrict foreign ownership of airlines to ensure that the prime beneficiaries of an ASA are nationals of the parties to that ASA. EU airlines must be majority owned and effectively controlled by EU nationals to qualify for an operating licence.

EU-licensed airlines would need to consider how to continue to meet that requirement if, for example, they had significant investment from or ownership by UK nationals. EU airlines which have received significant investment from UK nationals should check the implications for the validity of their operating licence with the relevant national authorities.

UK operating licences issued before exit would remain in place and valid as a result of the EU Withdrawal Act. Following EU exit, the UK would not impose nationality restrictions on the conditions for an operating licence. However, UK airlines would also need to consider whether the nationality and level of investment of their shareholders is permitted under the conditions of the ASAs under which they operate their services.

This would include any arrangement concluded between the UK and the EU, or its member states.

## Slot allocation

The current rules for the allocation of slots at UK airports would remain unchanged in the event of no deal. The EU regulation for slot allocation would be retained by the EU Withdrawal Act, which requires slots to be allocated to airlines in a transparent and non-discriminatory way.

The process for allocation of slots at EU airports will remain the same.

## Air traffic management

There would be no disruption to the UK's provision of air navigation services as a result of leaving the EU without a deal. EU countries, and the UK, in common with all other states, have international obligations to provide air navigation services in accordance with standards and recommended practices set by ICAO under the Chicago Convention. As previously stated, the rights for airlines to operate air services over EU or UK territory are established by a longstanding worldwide treaty, the International Air Services Transit Agreement, which the UK and almost all EU countries are signatories to.

The UK would also remain a full member of EUROCONTROL and a contributor to EUROCONTROL's functions and services. EUROCONTROL is an intergovernmental organisation of 41 countries designed to foster close co-operation in air traffic management across the wider European continent, and the UK's participation in EUROCONTROL is independent of our EU membership.

The UK's air navigation service provider (NATS) will continue to provide services to aircraft operating in the airspace in which NATS is licensed to operate. NATS will continue to work collaboratively with neighbouring air navigation service providers to ensure the service is safe and efficient, principally through the UK's EUROCONTROL membership. The UK would continue to have a system of economic and performance regulation for NATS, but this would be delivered under the Transport Act 2000 rather than the EU Single European Sky (SES) Performance and Charging Scheme.

The UK would no longer be able to directly participate in the EU's SES initiative, which was designed to increase the efficiency of air navigation services across the EU. The UK would continue to work through EUROCONTROL to ensure the safe and efficient management of airspace across its 41 members. The UK will continue to lead the way in providing safe and efficient air traffic control services. In addition, the Withdrawal Act would preserve existing EU safety, airspace, and interoperability regulations in domestic law.

## Passenger rights

For air passengers on a flight departing the UK, the same passenger rights as apply today would continue to apply after the UK left the EU. EU passenger rights legislation will be retained in domestic law by the Withdrawal Act.

- [Passengers subject to denied boarding, delay or cancellation, would be entitled to assistance and compensation](#) on the same basis as today
- [Passengers with reduced mobility would still be entitled to the same assistance from airports and airlines](#)
- [UK consumer protection in the event of insolvency of a travel provider](#) would continue to apply

Passengers should examine and ensure that they understand the terms and conditions of their booking. As always, passengers are advised to check the [FCO travel advice](#) before travelling and ensure that they have appropriate [travel insurance](#). Passengers are responsible for ensuring that their insurance and ticket terms and conditions are sufficient to cover possible disruption; and should not expect government assistance in this situation.

# Transport: Road: Bus and coach Services

## Purpose

This notice provides guidance for UK bus and coach operators on the implications for access to EU markets in the unlikely scenario that the UK leaves the EU in March 2019 with no agreement in place.

## Before 29 March 2019

Currently UK bus and coach operators carrying out international journeys must hold a [Standard International Operator's Licence](#), along with a [Community Licence](#) for journeys to and from the EU.

The Community Licence gives carriers access to international journeys 'for hire or reward' (carrying passengers in return for payment) for operations in the EU. This includes:

- [regular services](#) (scheduled services)
- [special regular services](#) (such as cross-border home-to-school travel)
- [occasional services](#) (such as school trips and coach holidays)

Regular services are subject to an authorisation process.

Operators may also carry out limited [cabotage](#) (carriage of passengers within a country by a foreign operator) in some circumstances – for example, as part of an international regular journey.

The UK also participates in the [Interbus Agreement](#), because the EU as a whole is a member. This agreement allows bus and coach operators to carry out occasional services between the participating countries. In addition to the EU countries there are 7 eastern European members: Albania, Bosnia-Herzegovina, Former Yugoslav Republic of Macedonia, Moldova, Montenegro, Turkey and Ukraine.

It is planned that Interbus will be extended to also provide for regular and special regular services, but this has not taken effect yet. Unlike the EU rules, the Interbus Agreement does not permit any cabotage.

Drivers are currently required to hold a Certificate of Professional Competence (CPC). Certificates issued in the UK are currently recognised across the EU, allowing drivers to operate without the need for an additional qualification.

The rules on documentation and qualifications outlined above also apply to the EEA states (Liechtenstein, Iceland and Norway) and Switzerland.

## After March 2019 if there's no deal

### Community licences and market access

If there's no deal, UK bus and coach operators could no longer rely on automatic recognition by the EU of UK-issued Community Licences. EU countries may choose to recognise that UK-issued operator licences and associated authorisations are based on the same standards as EU Community Licences and not require further authorisations. This would ensure continued passenger movement, but cannot be guaranteed.

The UK's participation in the Interbus Agreement by virtue of EU membership would also cease to have effect. However, the UK intends to re-join Interbus as an independent member and to have this in place for 29 March 2019, or as soon as possible thereafter should this prove necessary. This would enable UK operators to run occasional services into the EU. It cannot be guaranteed at this stage that the agreement would be extended to cover regular services, or if it is extended, whether that would come into force before 29 March 2019.

### Driving Licences

Due to the UK's ratification of the 1968 Vienna Convention on Road Traffic (which will come into force on 28 March 2019) and the 1949 Geneva Convention on Road Traffic, UK drivers would continue to be able to drive in all EU countries after we have left. This may however require the correct [International Driving Permit](#) to be obtained before departure and carried whilst driving for both commercial and private purposes in the EU.

## **Certificate of Professional Competence**

The UK will maintain a CPC scheme. EU-issued CPC documentation will be recognised in the UK after we leave the EU. This includes both transport manager CPCs and driver CPCs. If there is no deal, automatic recognition by EU countries of UK-issued CPC would cease. When we join the Interbus Agreement, UK bus and coach drivers holding a UK CPC would be able to drive for work in the EU. If there is any delay to the UK joining Interbus (for example, if there is a time gap between 29 March 2019 and Interbus coming into force) then, as with Community Licences, EU countries may choose to continue to recognise UK-issued CPC in practice, but this cannot be guaranteed.

UK legislation will continue to comply with the requirements of the European Conference of Ministers of Transport (ECMT) Quality Charter and the separate European Agreement Concerning the Work of Crews of Vehicles Engaged in International Road Transport (AETR). To drive for EU operators, drivers currently holding a UK-issued CPC would need to hold a CPC issued by an EU country.

### **What you would need to do**

#### **Access to the EU market**

In a no deal scenario, UK operators may be unable to access the EU. The risk of this happening differs by the type of coach service involved.

The UK intends to join the Interbus Agreement as an independent member and the UK government is already taking the necessary steps to ensure that this happens once we cease to be a member through the EU. In its current form the agreement will provide access for occasional services in the EU by UK operators, so coach holidays and tours would be able to continue. Requirements on operators would be largely the same as the current EU rights – for example, a waybill would need to be carried. Unlike the EU rules, Interbus does not allow cabotage, so a UK operator would not be able to undertake work entirely within the EU.

UK accession to Interbus would also provide continuity in current access rights to the eastern European (non-EU) contracting parties for UK operators.

There is a greater risk of UK operators being unable to run regular services into the EU. This is because the proposed extension of Interbus to also cover regular services has not yet taken effect. If regular service running rights are included in time for 29 March 2019, or they are included at a later date, operators should note that cabotage (a UK operator picking up and dropping off the same passengers within the EU) would not be permitted under Interbus regular service rights.

The government considers the likelihood of failing to achieve UK membership of Interbus by 29 March 2019, or very soon thereafter, to be low. But if this occurs for any reason, it would be likely that no UK operators would be able to take coach services into the EU at least in the short term. To mitigate against the risk of anything but the smallest gap in access rights, the UK would seek to put in place bilateral agreements with EU countries at the earliest opportunity to provide bus and coach access to the EU; the timing for this cannot be guaranteed. UK operators who are taking travel bookings which involve coach travel in Europe after 29 March 2019 may wish to consider contractual terms with their customers that allow them to subcontract all or part of the coach travel to EU-based operators if necessary.

In order to minimise any potential disruption to passengers in that scenario, the UK will permit EU buses and coaches to continue bringing passengers into and out of the UK. This will ensure, for example, that EU tourists and students would not be stopped from visiting the UK if there is any delay to joining the Interbus Agreement.

EU operators wanting to run regular coach services into the UK would need to apply to the UK for an authorisation, replacing the current system where they would apply through a body in their home country.

#### **Driver CPC**

Little will change in practice regarding [how UK drivers can obtain their CPC certification](#). The government is putting in place a CPC scheme to reflect the fact that we will have left the EU, but we have no immediate plans to change any of the standards that drivers have to meet and existing CPC qualifications will continue to be valid.

The UK will continue to recognise the EU CPC for EU drivers, including EU drivers working for UK businesses.

In a no deal scenario, possession of a UK-issued CPC would in practice continue to allow a UK driver to drive a UK bus or coach in the EU under the Interbus Agreement when the UK has joined as an independent member. However, if UK CPC is not formally recognised in future by the EU, UK drivers wishing to work for an EU operator may need to acquire a new CPC qualification issued by an EU country.

Before March 2019 hauliers with a UK CPC who wish to swap to an EU CPC can exchange their CPC. To do this you should apply to the relevant body in the EU country you wish to issue the CPC.

#### **Borders and traffic management**

There are likely to be new requirements at borders with the EU if we leave without a deal, and there could be impacts for coaches using EU ports.

In the event of delays, caused by increased checks at EU ports, the UK government would implement contingency arrangements to manage the flow of traffic. Further communications will be issued in the autumn.

# Transport: Road: Driving in the UK

## Purpose

This guidance explains the additional documents you would need, as well as your driving licence, to drive in the EU after 29 March 2019 if the UK leaves with no withdrawal agreement.

## Before 29 March 2019

Your driving licence is valid in the EU. As long as you hold a UK licence, you can drive for both work and leisure purposes throughout the EU without other documents.

If you move to another EU country to live you can exchange UK licences issued by the Driver and Vehicle Licensing Agency (DVLA) or the Driver and Vehicle Agency (DVA) in Northern Ireland, for a driving licence from your new home country.

You do not need to re-sit your driving test.

## After March 2019 if there's no deal

Your driving licence may no longer be valid by itself when driving in the EU.

If you move to another EU country to live, you may not be able to exchange your licence after the UK has left the EU.

## What you would need to do

### Driving in the EU

If there is no deal with the EU, you may need to obtain an International Driving Permit (IDP) to drive in the EU. An IDP is a document which when carried with your driving licence means you would be able to drive outside of the UK including in EU countries. There are different types of IDP. Which one you need depends on which country you are driving in.

If you currently drive outside the EU, for example in some states of the USA and countries including Japan, you may already be used to obtaining an IDP.

You may be turned away at the border or face other enforcement action, for example fines, if you don't have the correct IDP.

You may also need an IDP to hire a vehicle when you are abroad.

There are 2 types of IDP required by EU countries. Each is governed by a separate United Nations convention.

One type is governed by the [1949 Geneva Convention on Road Traffic](#).

The other type is governed by the [1968 Vienna Convention on Road Traffic](#).

The version of the IDP you would require depends on which EU country you are visiting and whether it is party to the 1949 or the 1968 convention.

Each type of IDP is valid for a different period.

The 1949 convention IDP lasts for 12 months. After 28 March 2019 in the EU, a UK issued 1949 IDP would be recognised in Ireland, Spain, Malta and Cyprus.

The 1968 convention IDP is valid for 3 years, or for however long your driving licence is valid, if that date is earlier. The UK ratified the 1968 convention on 28 March 2018, as a part of our EU exit preparations. The 1968 convention will come into force for the UK on 28 March 2019. After 28 March 2019, a UK issued 1968 convention IDP would be recognised in all other EU countries, plus Norway and Switzerland.

### Visiting the EU

After March 2019, if you visit and drive in an EU country, for example on holiday, you would need both:

- your UK driving licence
- the appropriate IDP

You would need both types of IDP if you are visiting EU countries covered by different conventions, for example France and Spain.

You would need both a driving licence and an IDP whether you're driving in a private or professional capacity.

### Obtaining an IDP

The IDP will cost £5.50.

You can currently get the 1949 type IDP over the counter at around 90 Post Offices or by mail order from 2 private companies. This mail order service will cease on 31 January 2019.

From 1 February 2019, the government will begin providing IDPs. From this date, you will be able to apply for both 1949 and 1968 types of IDP at 2,500 Post Offices across the UK. We will announce which Post Office branches will offer IDPs in early 2019.

Currently [getting an IDP over a Post Office counter](#) takes around 5 minutes on a turn-up-and-go basis.

IDPs issued under the 1949 convention will be valid from the day of issue shown on the front of the document.

IDPs issued under the 1968 convention before 28 March 2019 will be post-dated to become valid on 28 March 2019 when the convention comes into force, and then from date of issue. This is because 1968 convention IDPs are not valid for use until the 1968 convention is in force for the UK.

If you already have a 1949 convention IDP you can continue to use it in all countries in which it applies (including EU countries) for as long as it remains valid. However, from 28 March 2019, when the 1968 convention comes into force for the UK, that convention will govern the arrangements for driving in most EU member states, plus Norway and Switzerland.

In the EU, 1949 convention IDPs will only be valid in Cyprus, Ireland, Malta and Spain after 28 March 2019.

When travelling outside the EU, if you already have a 1949 convention IDP that expires after 28 March 2019, you should check whether it will still be valid in the country in which you are planning to drive, as the 1968 format IDP will replace it from this date. Affected countries include Cuba, Jamaica, Turkey and Vietnam.

### **Moving to or living in the EU**

If, after exit day, you become resident in an EU country you would not have the automatic right under EU law to exchange your UK licence for a driving licence from the EU country you're living in. Depending on the laws of the EU country you move to, you may need to take a new driving test in that country.

You can avoid this by exchanging your UK driving licence for one from the EU country you move to or live in before 29 March 2019. UK licence holders who do this, will be able to re-exchange for a UK licence if they return to live in the UK.

### **Negotiations**

We will be seeking to negotiate a comprehensive agreement with the EU to cover the continued recognition and exchange of UK licences after exit.

In the event that we do not achieve a comprehensive agreement, we will also pursue agreements with individual EU countries. The UK already has a number of these arrangements with non-EU countries including Australia, Canada and New Zealand. EU countries have their own similar arrangements with third countries. However, we cannot guarantee that we will have individual agreements with all EU states by exit day in the event of no deal.

### **EU driving licence holders, visiting or living in the UK after exit**

After exit day on 29 March 2019, arrangements for EU licence holders who are visiting or living in the UK would not change.

For visitors, with driving licences from EU or non-EU countries like the USA, Canada, Serbia, Japan and New Zealand will enjoy the same arrangements as today. The UK does not require visiting motorists, for example those coming to the UK on holiday or who wish to drive on business, to hold a separate IDP to guarantee the recognition of their driving licence.

When non-EU licence holders come to live in the UK on a temporary basis, we would continue to recognise their licence for a period of 12 months, before requiring the holder to either exchange their licence, where agreements exist, or to take a driving test.

EU licence holders can drive on their EU licence until it expires, or until they reach the age of 70, or until 3 years after coming to live in the UK. For EU licence holders who passed their test in the EU or EEA, the UK would continue to exchange their licence as we do currently.

EU licence holders, who passed their test outside the EU or EEA have restrictions on licence exchange, and so may need to take a test to obtain a UK licence. See [exchanging a foreign driving licence](#).

# Transport: Road: Vehicle Insurance

## Purpose

For private and commercial motoring, we are seeking a deal to ensure that UK motorists can continue to drive in the EU without additional checks and documentation after we have left.

This notice sets out the actions that UK motorists may wish to consider in order to continue to drive in the EU, if the UK leaves the EU in March 2019 with no agreement in place on motor insurance Green Cards.

## Before 29 March 2019

The EU motor insurance directives were established to enhance both the protection of victims of traffic accidents and freedom of movement within the European Economic Area (EEA).

A feature of the directives has been the introduction of the Green Card-free circulation area. In this area, systematic checks of Green Cards as proof of third party motor insurance have been abolished at the border of EEA member states and 3 third countries (Andorra, Serbia and Switzerland).

The Green Card is an international certificate of insurance issued by insurance providers in the UK, guaranteeing that the motorist has the necessary third party motor insurance cover for travel in the country being travelled to. Green Cards are guaranteed through agreements between the countries that issue them. All certificates have the same format, are green in colour, and list the countries for which the motorist's insurance policy is valid.

Green Cards are currently issued free-of-charge, but insurance providers can decide to reflect production and handling costs in a small increase to their administration fees.

## After March 2019 if there's no deal

If the UK leaves the EU in March 2019 with no deal in place regarding the implementation period and future arrangements, access to the Green Card-free circulation area would cease. This would mean that UK motorists would need to carry a Green Card as proof of third party motor insurance cover when driving in the EU, EEA, Andorra, Serbia and Switzerland.

## Travel to the EEA

Even in a no deal scenario, all UK motor insurance providers will continue to be required to provide third party motor insurance cover for travel to EEA countries. If you are a UK motorist, you will, therefore, not need to purchase additional third party motor insurance policy cover when travelling to these countries with a UK-registered vehicle. You would continue to hold the same third party cover that you do now.

If we do not have access to the Green Card-free circulation area on exit day, we expect that UK motorists would need to carry a Green Card as proof of third party motor insurance cover if you drive to and within:

- [EU or EEA countries](#)
- Andorra
- Serbia
- Switzerland

The validity of UK Green Cards in these countries is subject to agreements that need to be reached between the UK's Motor Insurers' Bureau and the relevant National Insurers' Bureaux. These agreements ensure Green Cards are recognised and facilitate the settlement of claims for traffic accident victims.

You should expect documentation checks to be carried out when entering these countries.

You can request a Green Card from your insurance provider free of charge, but insurers may decide to reflect production and handling costs in a small increase to their administration fees.

If you have 2 insurance policies covering the duration of your trip (because the policy renews whilst you are away), you must ensure you have the correct documentation (1 or 2 Green Cards may be required).

If you are a commercial operator and have fleet insurance, you must ensure you have Green Cards for each vehicle. Some countries also require separate trailer insurance to that of the towing vehicle, which means a separate Green Card may be required for your trailer.

Without a Green Card, you would have to purchase local insurance in the country you are entering (also known as frontier insurance). This provides proof of third party motor insurance cover for a UK-registered vehicle in that country for a limited period of time (the period of validity varies depending on policy purchased). However, due to high

costs and limited availability of frontier insurance across these countries, we recommend that you obtain and carry a Green Card to ensure minimum requirements for motor insurance cover are met.

If you don't have proof of third party motor insurance cover, you may not be able to drive in that country. You may also be fined according to the law of that country.

Please note that you do not need to request a Green Card yet. If Green Cards are required, this will be communicated to you at an appropriate time.

Insurance providers should plan for a scenario where no deal is reached and where they will need to provide for a much higher number of Green Cards. This involves ensuring their current administrative systems are suitable for an increased demand from UK motorists.

#### **Travel to the UK by EEA motorists**

EU motorists will continue to be required to have third party motor insurance cover for travel within the UK.

If the UK does not have access to the Green Card-free circulation area on exit day, we expect EEA motorists would need to carry a Green Card as proof of third party motor insurance cover if they wish to travel to the UK with their vehicle. The validity of UK Green Cards in these countries is subject to agreements that need to be reached between the UK's Motor Insurers' Bureau and the relevant National Insurers' Bureaux. These agreements ensure Green Cards are recognised and facilitate the settlement of claims for traffic accident victims.

Without a Green Card, you cannot prove you have the appropriate third party motor insurance cover and you would have to purchase local insurance in the UK (also known as frontier insurance). This would provide proof of third party motor insurance cover for a non-UK-registered vehicle in the UK for a limited period of time (period of validity varies depending on policy purchased). However, due to limited availability of frontier insurance in the UK, we recommend that you obtain and carry a Green Card to ensure minimum requirements for motor insurance cover are met.

If you don't have proof of third party motor insurance cover, you would not be permitted to drive in the UK. You may also be fined or subject to other punitive measures.

## Agriculture: Farm payments

### Purpose

This notice explains how payments under the EU's Common Agricultural Policy (CAP) schemes would be affected if the UK leaves the EU in March 2019 without a deal.

As the UK will have the freedom to design its own agricultural policy once we have left the EU, the nature of support for the agricultural sector will change. The Agriculture Bill will legislate for those changes in England. The future of agricultural policy has been the subject of a public consultation in each country of the UK:

- In England, [The future for food, farming and the environment](#)
- In Wales, [Brexit and our land](#)
- In Scotland, [Stability and simplicity](#)
- In Northern Ireland, [Northern Ireland future agricultural policy framework](#)

The devolved administrations and UK government are working together to determine where UK frameworks need to be established.

This notice explains how we will achieve continuity in the short-term in the unlikely event that the UK leaves the EU in March 2019 with no deal. It relates to the immediate period after the UK leaves the EU.

### Before 29 March 2019

Currently, financial support for the agricultural sector comes from our participation in the EU's Common Agricultural Policy (CAP). This makes EU funds available to reimburse, fully or in part, the support payments the UK Government makes to the sector. The UK is currently a net contributor to the EU budget, and all EU funding is derived from funding by UK taxpayers.

The current EU regulations governing the CAP for the 2014-2020 programme include regulations (EU) 1303/2013, 1305/2013, 1306/2013, 1307/2013 and 1308/2013. Defra is the lead for the UK government on overall negotiations and reporting to the EU on the CAP, and is responsible for administering the CAP in England. The devolved administrations are responsible for administering the CAP in Scotland, Northern Ireland and Wales.

### After 29 March 2019 if there's 'no deal'

If the UK leaves the EU in March 2019 with no agreement in place, eligible beneficiaries will continue to receive payments under the terms of the [UK government's funding guarantee](#).

Defra and the devolved administrations are preparing domestic legislation (under the Withdrawal Act) to ensure we have the ability in law to continue operation of payments in a 'no deal' scenario. This legislation preserves the EU law as it currently stands, and 'fixes' the legislation so that it is operable once we've left the EU.

The domestic legislation will require beneficiaries to conform to the same standards as they do currently, in order to receive payments. This will include on-site inspections to UK farms receiving payments, which will continue as normal.

All of these rules and processes will remain the same until Defra and the devolved administrations introduce new agriculture policies, either through the Agriculture Bill due to be introduced in the UK Parliament, or an Agriculture Bill in one or more of the devolved parliaments.

The government has pledged to continue to commit the same cash total in funds for farm support until the end of this parliament, expected in 2022: this includes all funding provided for farm support under both Pillar 1 and Pillar 2 of the current CAP. This commitment applies to the whole UK.

This notice is meant for guidance only. You should consider whether you need separate professional advice before making specific preparations.

It is part of the government's ongoing programme of planning for all possible outcomes. We expect to negotiate a successful deal with the EU.

The UK government is clear that in this scenario we must respect our unique relationship with Ireland, with whom we share a land border and who are co-signatories of the Belfast Agreement. The UK government has consistently placed upholding the Agreement and its successors at the heart of our approach. It enshrines the consent principle on which Northern Ireland's constitutional status rests. We recognise the basis it has provided for the deep economic and social cooperation on the island of Ireland. This includes North-South cooperation between Northern Ireland and Ireland, which we're committed to protecting in line with the letter and spirit of Strand two of the Agreement.

## Agriculture: Rural Development Grants

### Purpose

This notice explains how farmers, land managers and rural businesses in England, Scotland, Wales and Northern Ireland who receive payments under the EU Rural Development Programmes, funded under Pillar 2 of the Common Agricultural Policy (CAP), would be affected if the UK leaves the EU with no deal. It sets out how government will make sure funding for projects under these programmes continues in a no deal outcome.

### Before 29 March 2019

The Rural Development Programmes in the four UK nations support farmers and land managers who manage their land in ways that benefit the environment, and rural entrepreneurs who wish to develop their businesses. The programmes are administered by Defra in England, and devolved administrations in the other UK nations.

### After 29 March 2019 if there's no deal

The UK government [has guaranteed](#) that any projects where funding has been agreed before the end of 2020 will be funded for their full lifetime. This means, in the unlikely event the UK leaves the EU with no deal, the UK government would fund any remaining payments to farmers, land managers and rural businesses due after March 2019. This would ensure continued funding for these projects until they finish. The guarantee also means that Defra and the devolved administrations can continue to sign new projects after the UK leaves the EU during 2019 and 2020, up to the value of programme allocations.

If the UK leaves the EU without a deal, Defra and devolved administrations would ensure an uninterrupted flow of funding to farmers, rural businesses and communities. To ensure stability and continuity, the guarantee would be administered through existing national and local arrangements, modified and simplified as appropriate in line with domestic rules on public spending. Projects would need to continue to deliver good value for money and meet domestic strategic priorities.

### Implications

Farmers, land managers and rural businesses with agreements funded by the UK Rural Development Programmes do not need to take any action at present.

There would be no substantive change for farmers, land managers and rural businesses who have agreements funded by the UK Rural Development Programmes due to finish after 29 March 2019, and existing application and contracting arrangements would remain in place for those planning to seek funding after this date but before the end of 2020.

Programmes would continue to be managed to ensure appropriate audit, monitoring and evaluation arrangements are in place and spending delivers good value for money and meets government priorities.

# Agriculture: Making and Marketing Fertilizers

## Purpose

This notice explains how the manufacturing and marketing of fertilisers would be affected if the UK leaves the EU in March 2019 with no deal.

## Before 29 March 2019

Rules and requirements around manufacturing and marketing fertilisers in the UK are currently partially harmonised with the EU. This means there are two frameworks - a domestic framework and an EU framework - under which manufacturers can choose to market their products.

The domestic framework consists of the Fertilisers Regulations 1991 (for Great Britain) and the Fertiliser Regulations 1992 (for Northern Ireland). These set out the requirements on the composition, nutrient content, marking, labelling and enforcement of material described as fertiliser, but do not include material designated as 'EC fertiliser' under the EU framework. Fertilisers with a high nitrogen content are additionally subject to the Ammonium Nitrate Materials (High Nitrogen Content) Safety Regulations 2003 (for Great Britain); in Northern Ireland there are licensing requirements for ammonium nitrate under the Control of Explosives Precursors etc. Regulations (Northern Ireland) 2014.

The EU framework (Regulation (EC) No 2003/2003) allows qualifying fertilisers to be designated as 'EC fertilisers' and placed on the market across the EU. The key requirements of the EU framework are:

- the 'manufacturer' must be established within the EU. 'Manufacturer' in the EU framework is defined as: 'the natural or legal person responsible for placing a fertiliser on the market; in particular, a producer, an importer, a packager working for its own account, or any person changing the characteristics of a fertiliser, shall be deemed to be a manufacturer. However, a distributor who does not change the characteristics of the fertiliser shall not be deemed to be a manufacturer'
- the designation of 'EC fertiliser' must only be used for fertilisers complying with the EU Regulation
- the fertiliser must be tested to the standards required by a laboratory approved in a list published by the European Commission

## After March 2019 if there's no deal

If the UK leaves the EU without a deal, the current domestic framework allowing fertilisers to be sold in the UK will remain in place, as it is separate from the EU framework. Continuing both regimes in parallel will provide the greatest continuity in the short-term, and would be the same as the existing requirements. Over time, the regulatory framework would then be reviewed and rationalised. However, there would be some implications for material labelled 'EC fertiliser' in accordance with the EU Regulation and sold in the UK:

- there would be a suitable time-limited adjustment period during which 'EC fertiliser' could be placed on the UK market as now, to ensure continued supply. Government will consult with industry as to how long this time period needs to be, but it is envisaged to be no more than two years. This would mean UK or EU manufacturers would not have to change their labels immediately
- there would be an option to use a new 'UK fertiliser' label for fertilisers placed on the UK market after we leave, in accordance with the EU Regulation as converted into UK law
- after the end of the time-limited adjustment period, fertilisers placed on the UK market would need to comply with the current domestic regime or with the requirements of the new 'UK fertiliser' regime

Government will publish a new list of laboratories approved to test to the standards required for the new 'UK fertiliser' label. The laboratories would need to meet the same requirements as they do now and test against the same standards as set out in the current EU Regulation.

UK manufacturers would still be able to manufacture their products as 'EC fertilisers' in accordance with the EU framework and UK companies could still export 'EC fertilisers' to the EU. However, they would need to ensure they comply with the EU Regulation, including the requirement that the manufacturer is established within the EU, as broadly defined in the Regulation. Any necessary sampling or analysis must be carried out by a competent laboratory included in the Commission's published list.

There would be no material change for users of fertilisers. All fertilisers currently marketed in the UK could continue to be imported and marketed in the UK provided they met the requirements set out above. The same standards would continue to apply to fertiliser products.

## Agriculture: Timber buying and selling

### Purpose

This notice sets out how buying and selling timber or timber products ('timber') covered by the EU Timber Regulation (EUTR) and Forest Law Enforcement Governance and Trade (FLEGT) regulation would be affected if the UK leaves the EU in March 2019 without a deal.

### Before 29 March 2019

Timber supply chains are regulated to ensure harvesting practices are legal and support global forest governance. Businesses placing timber on the EU and EEA market for the first time (known as operators) must take steps to ensure they originate from legal sources by exercising due diligence. This applies to both imported and domestically produced timber. Placing on the market means the supply by any means, irrespective of the selling technique used, of timber or timber products for the first time on the internal market for distribution or use in the course of a commercial activity, whether in return for payment or free of charge. Businesses trading products within the EU and EEA market already placed on the market (traders) must keep a record of who they buy timber from and who they sell it to. Under the EUTR, monitoring organisations can provide operators with a due diligence system and perform associated functions. Monitoring organisations must be recognised by the European Commission. Timber imported from countries that have operational FLEGT licensing systems in place under voluntary partnership agreements (VPAs) with the EU – currently only Indonesia – must be accompanied by a FLEGT licence. A FLEGT licence confirms products comply fully with the relevant laws of that country. FLEGT-licensed timber is considered to comply with the requirements of the EUTR so EU importers do not need to undertake due diligence on this timber. Timber covered by a permit under the EU Convention on International Trade in Endangered Species of Wild Fauna and Flora (CITES) regulations is considered to comply with the requirements of EUTR so EU importers do not need to undertake due diligence on this timber.

### After March 2019 if there's no deal

When the UK leaves the EU, EU law will no longer apply. We will implement our own UK timber regulation and UK FLEGT regulation, which will have the same requirements as the EUTR and EU FLEGT regulations.

### Placing timber and timber products on the UK market

In a 'no deal' scenario, businesses importing timber from the EU and EEA and placing it on the UK market would have to exercise due diligence to demonstrate that they are importing legally harvested timber. This would involve: gathering information on timber, including its species, quantity, supplier, country of harvest and compliance with applicable legislation. Assessing the risk of timber being illegal, applying criteria set out in the regulation, mitigating any identified risk, by obtaining additional information or taking further steps to verify legality. This is what businesses currently have to do when they import timber from the rest of the world. This is also what businesses currently have to do when placing timber produced within the UK on the UK market for the first time. There will be no changes for businesses importing from outside the EU, UK producers first placing on the market, and internal UK trade. As before, they will need to exercise due diligence to confirm the timber is legally harvested. When the UK leaves the EU, we will implement our own UK CITES regulation. Timber covered by a permit under the CITES regulations will be considered to comply with the requirements of EUTR, so UK importers will not need to undertake due diligence on this timber. The government is working to ensure FLEGT licenses continue to be recognised in the UK in a 'no deal' scenario. FLEGT licences will continue to be verified by the Office for Product Safety and Standards.

### Exporting timber and timber products from the UK to the EU and EEA

To continue to comply with the EUTR, EU and EEA businesses would be required to apply due diligence to imports from the UK. As a result, it is likely that UK-based exporters would need to provide relevant documentation about the source and legality of their timber exports to EU and EEA-based importers to enable their customers to meet their due diligence obligations under the EUTR. These due diligence systems would vary business by business. The documents UK businesses should provide will need to allow EU importers of UK products to fulfil the due diligence requirements of the EUTR given above. EU and EEA businesses importing timber from the UK that is covered by a CITES import permit will not need to conduct due diligence.

**Trading timber within the UK:** Traders must continue to keep a record of who they buy timber from and sell timber to.

**Enforcement of the UK timber regulation:** The way in which the EUTR is enforced would stay the same as now. The Office for Product Safety and Standards would continue to check that appropriate records are maintained by businesses and there would be no additional action businesses need to take at the border as a result of the changes relating to the EUTR.

**Monitoring organisations:** Monitoring organisations established in the UK would automatically continue to be recognised by the UK and will remain able to carry out their function for the purposes of the UK timber regulation. Monitoring organisations established outside of the UK would not automatically continue to be recognised by the UK in a 'no deal' scenario. The EU has indicated it will no longer recognise monitoring organisations based in the UK in a 'no deal' scenario.

## Agriculture: Exporting live animals

### Purpose

This notice sets out how businesses or individuals that export animals or animal products to EU countries would be affected if the UK leaves the EU in March 2019 with no deal in place.

### Before 29 March 2019

To export animal products and live animals to countries outside the EU, exporters must apply for, and be issued with, an Export Health Certificate (EHC). This certificate is an official document, signed by a veterinarian or authorised signatory, and is specific to the commodity being exported and the destination country. The EHC proves the consignment complies with the quality and health standards of the destination country.

Different rules apply to trade between countries within the EU. Exporting live animals and some very specific animal products (such as germplasm) requires exporters to provide either an EHC or, more generally, an EU-specific version of an EHC known as an Intra Trade Animal Health Certificate (ITAHC). For all other animal products, no certification is required and no specific processes must be followed.

To obtain EHCs and ITAHCs, exporters contact the Animal and Plant Health Agency (APHA), in Northern Ireland they contact the Department of Agriculture, Environment & Rural Affairs (DAERA), providing details of the consignment, its destination and travel arrangements, as well as their preferred Official Veterinarian or authorised signatory to certify their products. APHA or DAERA issues a paper EHC for the exporter to provide to the country of import.

There is additional requirement when transporting live vertebrate animals for commercial or economic activity. For all journeys, the transporter must hold a valid Transporter Authorisation and drivers and attendants must hold a Certificate of Competence. For journeys over eight hours within the EU, vehicles must also have a valid vehicle approval certificate. Transporter Authorisations, Certificates of Competence and Vehicle Approval Certificates must be issued by an EU country. For journeys over eight hours where farm livestock and unregistered horses will be transported, the transporter must also hold a Journey Log.

### After March 2019 if there's no deal

If the UK leaves the EU in March 2019 with no deal in place, EHCs would be required for exports of all animal products and live animals from the UK to the EU. Consignments would need to travel through a Border Inspection Post (BIP) within the EU. EHCs would need to be signed by an Official Veterinarian or authorised signatory following inspection of the consignment.

To prepare for the potential increase in EHC numbers, work is being undertaken to make the application process simpler, and ensure there is enough capacity amongst appropriately trained veterinarians or authorised signatories to approve the additional certificates. Stakeholders will be informed of any changes to the existing process.

Requirements for trade to third countries outside the EU should not change. However, changes would be required to the wording of the documentation, which would need to be agreed with the destination country, to reflect the fact the UK would no longer be a member of the EU. Defra will work to agree updates for all existing EHCs, prioritising the countries to which the UK exports the highest volumes. Exporters to non-EU third countries would need to check, before export, the latest version of the EHC for that particular destination. The EU would require the UK to be a listed third country. In the unlikely event of a 'no deal' scenario, the UK would apply for this status but cannot be certain of the EU response or its timing. Without listed status no exports to the EU could take place. We are confident however, that the UK meets the animal health requirements to secure listing, as other countries such as Australia and New Zealand have done so. Regular guidance, training materials and updates will be issued to industry to support exporters in preparing to leave the EU.

### Transporter Authorisation, Certificates of Competence, vehicle approval and Journey Logs

The EU would also no longer recognise transport authorisations, certificates of competence, or vehicle approval certificates issued by the UK. UK transporters wishing to transport live animals in the EU would need to appoint a representative within an EU country and apply to their relevant government department to obtain a valid Transporter Authorisation, Certificate of Competence, Vehicle Approval Certificate and, where necessary, a Journey Log. Journey logs would need to be obtained from the EU country that is the initial point of entry into the EU for export. Exporters would need to present their transport documentation at a Border Inspection Post in the EU. UK-issued transport documentation would remain valid for transport within the UK only. The government's manifesto made it clear that we would take early steps to control the export of live farm animals for slaughter once we leave the EU. There has been a recent call for evidence on the control of live animal exports for slaughter and to improve animal welfare during transport after the UK leaves the EU. The Farm Animal Welfare Committee (FAWC) are undertaking this review of the welfare in transport regulatory regime, and proposals will be made in light of that FAWC report.

## Agriculture: Plants importing and exporting

### Purpose

This notice sets out how businesses and individuals that trade in plants and plant products with countries within and outside the EU would be affected if the UK leaves the EU in March 2019 with no deal. 'Plant' means a living plant (including a fungus or tree) or a living part of a plant (including a living part of a fungus or shrub), at any stage of growth; 'plant product' means products of plant origin, unprocessed or having undergone simple preparation, in so far as these are not plants, including wood and bark.

This includes trade in products that are currently managed under the EU plant passport regime or subject to third country controls under current EU rules. It also includes movement of wood packaging material between the UK and the EU.

### Before 29 March 2019

Currently there are no border controls on most imports and exports of plants and plant products between the UK and the EU. Some plants and plant products that present a higher biosecurity risk are managed under the EU plant passport regime.

For trade with third countries, the process is different. Some plants and plant products that do not pose a biosecurity risk can move freely. Others, known as 'controlled' plants and plant products, must meet certain import requirements because they are considered to pose a risk to plant health. The importing country determines which plants and plant products are controlled.

The list of plants and plant products managed under the EU plant passport regime for trade between EU countries is not the same as the list of commodities from outside the EU – third country goods - that are controlled by the EU.

Controlled third country goods include all plants for planting (including some seeds) and certain plant products. These goods are specified in the [EU Plant Health Directive](#) and associated legislation, implemented in the UK through national legislation in England and the devolved administrations.

Controlled goods exported from the UK to third countries are determined by the country receiving the goods and must travel with a Phytosanitary Certificate (PC) issued by the relevant plant health authority, and are usually checked on arrival at the border of the third country concerned. The relevant plant health authority is the Animal and Plant Health Agency (APHA) in England and in Wales on behalf of the Welsh Government, the Department of Agriculture, Environment and Rural Affairs (DAERA) in Northern Ireland, and the Scottish Government's Plant Health Service in Scotland. For forestry material, the relevant authority is the Forestry Commission (FC) or DAERA in Northern Ireland. The relevant UK plant health authorities are responsible for enforcing import controls and for issuing Phytosanitary Certificates for export from the UK.

### Wood Packaging Material

Wood packaging material (WPM) includes pallets, crates, boxes, cable drums, spools and dunnage. WPM imported from and exported to third countries is subject to International Standard for Phytosanitary Measure No. 15 (ISPM15). This is an international standard under the International Plant Protection Convention that countries must apply to reduce the risk of the introduction and spread of certain pests. ISPM15 requires WPM to be treated (typically using heat treatment) and marked. Risk-based checks are carried out on WPM moving from third countries into the UK to ensure ISPM15 standards are being met. Currently, WPM moving between the UK and the rest of the EU does not need to meet ISPM15 requirements and can move freely without checks or controls. WPM moving in and out of Portugal and parts of Spain must conform to ISPM15 standards, owing to the presence of Pinewood nematode.

### After March 2019 if there's no Brexit deal

In the unlikely event that the UK leaves the EU in March 2019 with no deal, the UK would be treated as a third country and would lose access to the EU plant passport regime. This would affect businesses that export to the EU, import from the EU, and move some plants and plant products within the UK. Exports to and imports from current third countries would not be directly affected.

### Exports from the UK to EU countries

In a 'no deal' scenario, the UK would become a third country, and would need to meet EU third country import requirements to export controlled plants and plant products to the EU, including controls on all plants for planting and all wood packaging material. The process for sending controlled plants and plant products to the EU would be the same as the current process for sending them to third countries. Under this process, businesses need to apply for a Phytosanitary Certificate (PC) from the relevant UK plant health authority before they can export. Some commodities require laboratory testing of samples to ensure they are free from pests and diseases, while others also need to have had an inspection during the growing season.

These services are subject to fees and charges. [More information about fees and charges](#) is available on [GOV.UK](#).

Consignments of controlled plants and plant products exported to the EU from the UK may be subject to checks at the EU border.

## **Imports from EU countries to the UK**

To deliver a smooth transition when we leave the EU, in a 'no deal' scenario the Government has decided that the majority of plants and plant products are low-risk and should continue to enter the UK from the EU freely, as they do now.

There would be some exceptions:

Plants and plant products managed under the EU plant passport regime: Plants and plant products currently managed under the EU plant passport regime would be subject to UK import controls to replace the assurance and traceability offered by the EU plant passport regime, maintaining biosecurity whilst minimising the impact on businesses.

Consignments of these plants and plant products entering the UK would require a PC issued in the country of export (or re-export), and the importer or the importer's agent would need to inform the relevant plant health authority in the UK before the consignment arrived. Further details of how to [inform the relevant plant health authority](#) are available on GOV.UK. The importer or agent would also need to provide scanned copies of the PC and relevant documents in advance to the relevant UK plant health authority, and supply the original copy of the PC once the consignment has arrived.

Consignments of plants and plant products from EU countries would not be stopped at the border. The relevant UK plant health authority would carry out documentary and identity checks remotely. These checks would be charged for by the plant health authority.

As currently, plant health inspectors would continue to carry out follow-up inspections inland on a risk-targeted basis. The government does not charge for such inspections.

Plants and plant products originating outside the EU and arriving in the UK via the EU: Plants and plant products that come from non-EU countries, but travel to the UK via the EU without an EU member state carrying out plant health checks, would be treated as non-EU imports and subject to third country controls on arrival in the UK. Further details on [current third country controls](#) are available on GOV.UK. Detail on alternative arrangements for points of entry that do not have capacity to carry out third country controls at the border will be made available in due course.

## **Plants and plant products moving within the UK**

In the unlikely event of a 'no deal' scenario, there would be a new UK plant passport regime. Plants and plant products currently covered by the EU plant passport regime when moved within the UK would be managed by the new UK regime. Businesses wishing to move these plants and plant products within the UK would need to be authorised by the relevant UK plant health authority to issue UK plant passports. They would need to issue plant passports when moving those plants and plant products within the UK.

## **Wood Packaging Material**

As indicated in the [EU's technical notice on this topic](#), in the unlikely event of the UK leaving the EU in March 2019 without a deal, all WPM moving between the UK and the EU would need to be ISPM15 compliant (treated and marked). These products may be subject to official checks either upon entry to the EU or after entry.

Defra, the Forestry Commission and other relevant UK plant health authorities are working with the WPM sector who understand what actions they will need to take to manage this new requirement in a no deal scenario.

## Agriculture: Importing animals and Animal products

### Purpose

This notice sets out how anyone who imports live animals, animal products and high-risk food and feed into the UK would be affected if the UK leaves the EU in March 2019 without a deal.

### Before 29 March 2019

The current regime for importing live animals, animal products, and high-risk food and feed into the UK is regulated by EU legislation.

### For imports to the UK from outside the EU (third country trade)

Goods are notified to the UK using the EU's Trade Control and Expert System (TRACES). Health certificates are required and veterinary checks are carried out on entry to the UK at a Border Inspection Post (BIP), an inspection post approved for carrying out veterinary checks on animals and animal products entering the EU.

Goods originating in countries outside the EU, destined for the UK, which enter the EU to transit onwards to the UK, are normally checked at the first point of entry into the EU. Once they have entered the EU they are subject to normal rules for imports to the UK from within the EU.

### For imports to the UK from within the EU

Different rules apply to trade between countries within the EU. Exporting live animals and some very specific animal products (such as germplasm) requires exporters to provide either an EHC or, more generally, an EU-specific version of an EHC, known as an Intra Trade Animal Health Certificate (ITAHC). For all other animal products, no certification is required and no specific processes need to be followed. Where there are currently no border checks required for live animals and animal products from the EU, risk-based checks are made at the final destination.

There are additional requirements when transporting live vertebrate animals for commercial or economic activity. For all journeys, the transporter must hold a valid Transporter Authorisation and drivers and attendants must hold a Certificate of Competence. For journeys over eight hours within the EU, vehicles must also have a valid vehicle approval certificate. Transporter Authorisations, Certificates of Competence and Vehicle Approval Certificates must be issued by an EU member state. For journeys over eight hours where farm livestock and unregistered horses will be transported, the transporter must also hold a Journey Log.

### After March 2019 if there's no deal

In the unlikely event the UK leaves the EU in March 2019 with no deal in place, the EU will not allow the UK to access the EU import notification system, TRACES. To ensure those involved in importing live animals, animal products and high-risk food and feed could continue to do so, a new import notification system is being developed to take the place of TRACES. The new system will be available for early testing in January 2019 and, in the unlikely event of a 'no deal' scenario, would be fully operational for all users from the day the UK leaves the EU.

For an interim period, the UK would continue to recognise Transporter Authorisations, Certificates of Competence, Vehicle Approval Certificates and Journey Logs issued by other EU Member States. UK-issued documents would only be valid for use in the UK and not in any other EU member state. UK transporters wishing to transport live animals in the EU would need to appoint a representative within an EU member state and apply to their relevant government department to obtain a valid Transporter Authorisation, Certificate of Competence, Vehicle Approval Certificate and, where necessary, a Journey Log.

### TRACES users

Anyone currently using the TRACES system would need to start using the new import notification system, together with any updated processes that system may require, ahead of March 2019.

In the unlikely event of a 'no deal' scenario, guidance and training material would be available several months in advance of March 2019, clearly setting out any differences from the existing system, although these will be minimal as it has been developed to replicate TRACES functionality. Representatives from key user groups are involved in the design, testing and preparation of the system.

Updates will be issued to the industry between now and March 2019 to assist users to prepare for any change required in March 2019, and ensure businesses are ready for imports on the day the UK leaves the EU.

### **Import notifications and import controls**

There would be no change on the day the UK leaves the EU to current import controls or requirements for notifications of imports of live animals and animal products for imports direct from the EU. These imports do not need to be notified on TRACES at the moment and, in order to ensure a smooth transition, the government would not introduce new requirements at the point the UK leaves the EU.

To maintain high levels of food safety, the UK would require importers of high-risk food and feed to pre-notify the Food Standards Agency (FSA) of imports from the EU. Defra and the FSA are working to establish when such a requirement could be satisfactorily introduced. More information will be released later in the Autumn. This requirement would have no direct impact at the border or for port health authorities. Pre-notifications would be made electronically, in advance, by those introducing high-risk foods into the UK, and would be managed by the FSA. No additional controls would be introduced at the border.

There will be no change to current import controls and requirements for notifications of live animals, animal products, and high-risk food and feed imported directly from third countries. The only difference is that importers would need to use the new import notification system, instead of TRACES.

Changes would apply to control requirements for imports of third country animal products and high-risk food and feed which move through the EU before arrival in the UK, from March 2019. Importers would need to notify UK authorities using the new import notification system and would be directed to an existing UK BIP where the relevant checks would take place. This requirement would ensure the current level of biosecurity is maintained.

The requirement for live animal imports from a third country, which move through the EU before arrival in the UK, to enter via a UK BIP is being reviewed as all live animals would have been subject to checks at the point of entry to the EU. For live animal imports the importer will be required to notify the UK authorities using the new import notification system.

### **Border Inspection Posts**

There would be an increase in the number of consignments requiring import control checks at a BIP as a result of the need to carry out these checks on transit items that are currently carried out elsewhere in the EU. Those carrying out the checks at the BIP would receive notifications on the new import notification system to support checks and controls. These users will be fully trained to minimise the impact at the border and reduce the chance of delays.

## Transport: Road: Commercial road haulage

### Purpose

This notice provides guidance for UK haulage companies and businesses using freight services on the implications for access to EU markets in the unlikely event that the UK leaves the EU on 29 March 2019 with no agreement in place.

It is important to stress that for road haulage our negotiating objective continues to be to maintain and develop existing levels of transport connectivity with the EU without the need for new transport documents or systems. We remain confident of achieving an agreement that delivers this, but we need to be prepared for all scenarios. That is why we have:

- introduced the [Haulage Permits and Trailer Registration Act 2018](#) to enable us to deliver new systems for road haulage if there is no deal
- ratified the 1968 Vienna Road Traffic Convention, for UK licence holders to continue to drive in the EU if there is no deal

### Before 29 March 2019

Currently, UK hauliers carrying out international journeys must hold a [Standard International Operator's Licence](#) along with a [Community Licence](#) for journeys to, from or through the EU.

A Community Licence gives UK hauliers access to unlimited international journeys 'for hire and reward' (carrying other people's goods in return for payment) for operations in the EU. This includes cross trade (between EU countries) and transit across the EU. It also allows for limited [cabotage](#) (the haulage of goods within a country by a foreign haulier) within the EU.

There is a wider [European Conference of Ministers of Transport](#) (ECMT) permit scheme that allows UK hauliers to carry goods to or through 43 countries (including all EU countries except Cyprus) with a limited number of permits available to the UK.

Professional drivers are required to hold a Certificate of Professional Competence (CPC). CPCs issued in the UK comply with EU standards and are currently recognised across the EU, allowing drivers to operate without the need of an additional qualification. A CPC will continue to be required in the UK.

Vehicles under 3.5 tonnes (including vans) and hauliers operating on own account (carrying their own goods) do not require an operator's licence or CPC.

The documentation and qualifications outlined above also provide access to the EEA countries (Liechtenstein, Iceland and Norway) and Switzerland.

### After March 2019 if there's no deal

#### Community Licences, ECMT permits and market access

In the unlikely event of no deal, UK hauliers could no longer rely on automatic recognition by the EU of UK-issued Community Licences. Hauliers may therefore no longer be able to access EU markets with their Community Licence alone. This would also end the ability of UK hauliers to perform cabotage.

EU countries may choose to recognise that UK-issued operator licences and associated authorisations are based on the same standards as EU Community Licences and do not require further authorisations. This would ensure continued cross-border trade, but cannot be guaranteed.

If they do not, UK hauliers will be able to use ECMT permits if there is no deal. We have made arrangements for this in regulations under the Haulage Permits and Trailer Registration Act. In addition, some old bilateral agreements between the UK and specific EU countries may come back into force if there is no deal. The UK would continue to work with those EU countries should these agreements be required and provide further details to hauliers. The UK would also seek to put in place new bilateral agreements with EU countries to provide haulage access. Some of these bilateral agreements would also require the possession of a permit to allow access to the EU country concerned.

ECMT permits can be used for different vehicles at different times but must be carried in a vehicle whilst it is making an international journey. The permit allows transit (though this is restricted in Italy, Austria, Hungary, Greece and Russia) and allows cross trade.

ECMT permits will be available to enable journeys to the EU, but these are limited in number. While the government would seek to bring previous bilateral agreements with individual EU countries back into force and conclude new ones as swiftly as possible, the timing for this and the number of permits available under them (where this is a requirement) cannot be guaranteed. Transit arrangements and the application of permit requirements to own account haulage (carrying your own goods) under bilateral agreements would also depend on the outcome of negotiations with other EU countries.

To manage this process, the Haulage Permits and Trailer Registration Act 2018 puts in place arrangements to allocate permits required for international journeys, whether issued under the ECMT or bilateral arrangements, and to enforce these requirements in the UK.

## Driving licences

The UK's ratification of the 1968 Vienna Convention on Road Traffic (which will come into force on 28 March 2019) and the 1949 Geneva Convention on Road Traffic enables UK drivers to continue driving in EU countries after we have left. This may however require an [International Driving Permit appropriate for the countries to be visited](#) to be obtained before departure and carried whilst driving for both commercial and private purposes in the EU.

## Trailer registration

EU countries that have ratified the 1968 Vienna Convention can require UK trailers to be registered when travelling in their country from 28 March 2019. This means trailers will need to:

- be registered with the Driver and Vehicle Licensing Agency (DVLA)
- display their own registration plate (separate from the vehicle towing them)

If there is no deal, other EU countries may be more likely to enforce the trailer registration requirements.

To address this, the Haulage Permits and Trailer Registration Act also provides for a UK trailer registration scheme to be set up in line with the 1968 Vienna Convention, for commercial trailers over 750kg and all trailers over 3,500kg making international journeys. Trailers used solely domestically or used only for journeys between the UK and Ireland will not need to be registered. Voluntary registration is however available for other trailers with a gross weight over 750kg.

Trailer registration will come into force regardless of whether the UK leaves the EU with or without a deal. More information on this will be published in due course.

## Certificate of Professional Competence

The UK will maintain a CPC scheme. EU-issued CPC documentation will be recognised in the UK after we leave the EU. This includes both transport manager CPCs and driver CPCs.

If there's no deal, automatic recognition by EU countries of UK-issued CPCs will cease. As with Community Licences, EU countries may choose to continue to recognise UK-issued CPCs in practice, but this cannot be guaranteed.

UK legislation will continue to comply with the requirements of the ECMT Quality Charter and the separate European Agreement Concerning the Work of Crews of Vehicles Engaged in International Road Transport (AETR). This means UK drivers will be able to operate in the EU when driving trucks covered by an ECMT permit, or any existing, reinstated or new bilateral arrangements without the need of an additional qualification. However, to drive for EU operators, drivers holding a UK-issued CPC would also need to hold a CPC issued by an EU country.

## What you would need to do

### Haulage permit applications

Hauliers should consider whether they need permits to haul goods internationally. Up to 984 annual Euro 6 ECMT permits, 2,592 monthly Euro 6 ECMT permits and 240 monthly Euro 5 ECMT permits are available. A range of other permits may become available if existing or future bilateral arrangements with EU countries require them.

The Driver and Vehicle Standards Agency (DVSA) is developing new systems for the allocation of permits needed from 29 March 2019. We expect them to be taking applications for ECMT permits from November 2018.

We expect demand for ECMT permits will significantly exceed supply. As such, permits will not be allocated on a 'first-come-first-served' basis, but rather according to criteria that have been set out in regulations under the Haulage Permits and Trailer Registration Act 2018. This allocation policy was the subject of a [consultation](#) earlier in the year. ECMT permits will be allocated and issued to successful applicants at the end of 2018.

To apply for permits, hauliers will need to have a [Vehicle Operator Licence \(VOL\) online account](#).

Some types of vehicles, for example vehicles under 3.5 tonnes, will be exempt from permit requirements.

Hauliers should, therefore, consider how many permits they may require to operate internationally so they are ready to apply later in the year. Importantly, hauliers and businesses should consider what contingency plans they need to have in place for the movement of goods if they do not receive the number of permits they applied for. This may include planning for alternative routes to move goods, or using different vehicles or modes of transport (such as containerised transport or operating 'unaccompanied trailer' business models). Hauliers, and businesses who use hauliers, should consider the implications of possible impacts on supply chains including reduced capacity at ports, reduced reliability and potential higher rates.

Hauliers and businesses will of course need to ensure their logistics and transport arrangements ensure the correct documentation and permissions are carried to be able to trade, including any permits, licences and proof of qualification. Businesses should also ensure they have the [correct customs documentation](#).

More information on what permits are available, which journeys require permits and how to apply and how permits will be allocated will be published in due course. In the interim, register for [updates on GOV.UK](#) and via the [DVSA notification system](#).

### **Trailer registration requirements**

The new trailer registration requirements reduce the risk of UK trailers being subject to enforcement action in EU countries. Registration will be required only for trailers travelling to, or through, a foreign country that has ratified the [1968 Vienna Convention](#).

This will apply for commercial trailers with a gross weight over 750kg and all trailers with a gross weight over 3,500kg. Trailers used solely domestically or used only for journeys between the UK and Ireland will not need to be registered. Voluntary registration is however available for other trailers with a gross weight over 750kg.

Hauliers should register trailers that fall within the scope of regulations and that they plan to use internationally. DVLA will put in place systems to register trailers. Trailers travelling internationally should be registered and displaying plates by 28 March 2019.

Further details on the process for registering trailers will be made available on GOV.UK in due course. In the interim, register for [updates on GOV.UK](#) and via the [DVLA notification system](#).

### **Driver CPC**

Little will change in practice regarding [how UK drivers can obtain their CPC certification](#). The government is putting in place a CPC scheme to reflect the fact that we will have left the EU, but we have no immediate plans to change any of the standards that drivers have to meet and, until further notice and giving due warning, existing CPC qualifications will continue to be valid. The UK will continue to recognise the EU CPC for EU drivers, including EU drivers working for UK businesses.

In a no deal scenario, possession of a UK-issued CPC would in practice continue to allow a UK driver to drive a UK truck in the EU when using an ECMT permit or other bilateral deal. However, if UK CPC is not formally recognised in future by the EU, UK drivers wishing to work for an EU operator may need to acquire a new CPC qualification issued by an EU country.

Before March 2019 hauliers with a UK CPC who wish to swap to an EU CPC can exchange their CPC. To do this you should apply to the relevant body in the EU country you wish to issue the CPC.

### **Borders and traffic management**

There are likely to be new requirements at borders with the EU if we leave without a deal. It is possible that EU required checks at EU ports could create delays and also affect routes.

In particular, agrifood goods may not be able to enter the EU except via a port with a [Border Inspection Post](#) (BIP).

Hauliers should check if the requirements for [safety and security declarations for importing and exporting goods](#) apply to them.

Hauliers and businesses should consider what contingency plans they need to have in place for the movement of goods if there are delays at ports. This may include consideration of:

- alternative routes to move goods by roll-on-roll-off haulage
- alternative modes of transportation, such as containerisation or unaccompanied trailers
- appropriate arrangements to allow for disruption to supply chains

In the event of delays caused by increased checks at EU ports, the UK government will implement contingency arrangements to manage the flow of traffic across the UK. Further communications will be issued in the autumn.

## Business: Legal: Trade Remedies

### Purpose

The purpose of this notice is to alert UK businesses to the government's intention to establish an independent trade remedies system by the time the UK exits the EU which will be operated by the UK Trade Remedies Authority (TRA), a new arm's length body to investigate complaints of unfair trading practices and unforeseen surges in imports, which cause injury to UK industry.

### Before March 2019

Trade remedies allow World Trade Organisation (WTO) members to operate a safety net and protect domestic industry from injury caused by unfair trading practices, such as dumped or subsidised imports, or from injury caused by unforeseen surges in imports. These usually take the form of additional duties on those imports.

As members of the EU, we have supported UK industries to secure necessary protections through the EU trade remedies system. Currently, complaints of unfair trade practices or unforeseen surges in imports are investigated by the European Commission (DG Trade), and any trade remedy measures are applied at an EU-wide level, rather than just in the UK.

Producers currently submit applications for investigations to the European Commission. Investigations are only undertaken if there is sufficient evidence of injury to EU producers. Specifically, applications need to show sufficient evidence that:

- there are dumped or subsidised goods or an unforeseen surge in imports that is causing injury to a domestic industry
- the WTO standing requirements in relation to import volumes and injury are satisfied
- the complaint is made on behalf of EU industry, that is producers representing at least 25 per cent of total EU production of the particular goods are being affected.

### After March 2019

As we prepare to operate an independent trade policy outside the EU, we are creating a trade remedies system which meets the needs of the UK. We are also prioritising certainty and continuity for business by maintaining EU measures which matter to the UK. In a 'no deal' scenario, the TRA will be operational by the time the UK leaves the EU and UK business will need to approach the TRA instead of the European Commission, with complaints relating to trade remedies.

We recognise the crucial role which UK manufacturers and producers play in our economy. We are committed to ensuring that UK industry has the protections it needs against unfair trading practices and unforeseen surges in imports which cause injury, but we will also ensure that the impact on consumers and end users is taken into account by applying proportionate measures.

We are legislating for the full suite of tools permitted under the WTO in order to tackle injury to UK industry caused by these practices. The Trade Bill will establish the TRA as a new non-departmental public body, while the Taxation (Cross-border Trade) Bill sets out the trade remedies framework that the TRA will be responsible for delivering.

### Implications

#### Transition of existing EU measures

It is important that we provide certainty to UK businesses and avoid exposing them to injury from known cases of dumping or subsidy. In 2017, the government launched a call for evidence, asking UK industry which existing EU measures matter to the UK. Measures which meet specific criteria detailed in the call for evidence will be maintained once the UK is operating an independent trade remedies framework, and the remaining measures will be terminated. All maintained measures will be reviewed by the TRA and adjusted if necessary, to ensure they are suitable for the UK market.

The government published the provisional findings of the call for evidence at the end of July. The government has invited any party with an interest to [review the provisional findings](#) and provide any further relevant evidence which may affect the decisions.

#### New complaints prior to EU exit

The government will announce when the TRA is operational. At this point, UK industry should approach it in parallel to the EU Commission with all information and data it believes is relevant for either body to consider when opening a new investigation.

#### New investigations

Once the UK leaves the EU and is operating an independent trade remedies framework, UK businesses will be able to apply to the TRA directly if they believe they are being injured by the effects of unfair trade practices or surges in imports. Those making the application will need to demonstrate to the TRA that there is sufficient evidence of dumped goods, subsidised goods or an unforeseen surge of imports. They'll also need to demonstrate that the WTO standing requirements in relation to import volumes and

injury are satisfied, that they have the required level of support from domestic producers collectively, and that they have the required share of the market of like goods for consumption in the UK.

Once the TRA is satisfied that there is sufficient evidence, it will initiate an investigation. The purpose of the investigation is to gather information, verify whether the legal conditions to apply measures are fulfilled and establish the level of the measures it will recommend should be applied.

To decide whether it should recommend putting measures in place, the TRA will check if:

- there is dumping or use of specific subsidies by the producers in the country/countries concerned, or an unforeseen surge in imports
- the UK industry concerned is suffering injury as a result
- measures are in the wider economic interests of the UK – there is a presumption in favour of anti-dumping and anti-subsidy measures, where the onus will be on the TRA to demonstrate that measures will have disproportionate impacts on the wider UK economy.

These checks will be made through performing detailed analysis of data from a range of sources including UK producers, importers, downstream users of the product and exporting producers of the product in other countries.

If the TRA reaches a determination that measures should be applied, it will submit a recommendation to the Secretary of State for the Department for International Trade (DIT) who will have the final decision (having consulted with ministerial colleagues) on accepting or rejecting that recommendation. A recommendation from the TRA to apply measures can only be rejected by the Secretary of State on limited grounds. If the TRA concludes that measures should not be applied, this decision cannot be overruled by the Secretary of State.

Norway, Iceland and Liechtenstein are party to the Agreement on the European Economic Area (EEA) and participate in other EU arrangements. As such, in many areas, these countries adopt EU rules. Where this is the case, these technical notices may also apply to them, and EEA businesses and citizens should consider whether they need to take any steps to prepare for a 'no deal' scenario.

# Business: Finance: VAT

## Purpose

The purpose of this notice is, in the event that the UK leaves the EU on 29 March 2019 with no agreement, to inform UK businesses of the implications for VAT rules for goods and services traded between the UK and EU member states. It outlines the impacts and gives information for businesses to take into consideration.

While the UK government is confident that it will agree a good deal for both sides, as a responsible government it will continue to prepare for all scenarios, including the unlikely outcome that the UK leaves the EU on 29 March 2019 without a deal.

This is contingency planning for a scenario that the UK government does not expect to happen, but people should be reassured that the government is taking a responsible approach.

It is important that businesses consider how a 'no deal' scenario could affect them, and begin to take steps to mitigate against such a risk, however unlikely. This technical notice provides further details to support early planning on VAT to help businesses understand the potential impacts, and government will provide further details, including specific actions that businesses should take, in due course.

For most UK businesses there will be no change to VAT rules. UK businesses that are affected may wish to consult other relevant technical notices, including the [Trading with the EU if there's no Brexit deal](#) notice, which covers customs, excise and import processes at the border.

## Before 29 March 2019

Under current VAT rules:

- VAT is charged on most goods and services sold within the UK and the EU.
- VAT is payable by businesses when they bring goods into the UK. There are different rules depending on whether the goods come from an EU or non-EU country.
- goods that are exported by UK businesses to non-EU countries and EU businesses are zero-rated, meaning that UK VAT is not charged at the point of sale.
- goods that are exported by UK businesses to EU consumers have either UK or EU VAT charged, subject to distance selling thresholds.
- for services the 'place of supply' rules determine the country in which you need to charge and account for VAT.

## After 29 March 2019 if there's no deal

The UK will continue to have a VAT system after it leaves the EU. The revenue that VAT provides is vital for funding public services. The VAT rules relating to UK domestic transactions will continue to apply to businesses as they do now.

If the UK leaves the EU on 29 March 2019 without a deal, the government's aim will be to keep VAT procedures as close as possible to what they are now. This will provide continuity and certainty for businesses. However, if the UK leaves the EU with no agreement, then there will be some specific changes to the VAT rules and procedures that apply to transactions between the UK and EU member states. The government has taken decisions and actions where necessary in order to mitigate the impacts of these changes for businesses.

This note summarises the main VAT issues that will affect UK businesses trading with the EU in goods and services if the UK leaves the EU without an agreement on 29 March 2019. Although no changes will be made before then, this note highlights the VAT changes that businesses will need to prepare for when importing goods from the EU, exporting goods to the EU, supplying services to the EU, and interacting with EU VAT IT systems such as the VAT Mini One Stop Shop (MOSS). This technical notice details potential changes in each of these areas.

## UK businesses importing goods from the EU

This section provides information about accounting for VAT on goods imported from the EU, and the rules and procedures that will apply. In a no deal scenario, the current rules for imports from non-EU countries will also apply to imports from the EU, some additional changes are outlined below. Businesses that import goods into the UK may wish to also consult the 'Trading with the EU if there's no Brexit deal' technical notice which covers import processes at the border.

### **Accounting for import VAT on goods imported into the UK**

If the UK leaves the EU without an agreement, the government will introduce postponed accounting for import VAT on goods brought into the UK. This means that UK VAT registered businesses importing goods to the UK will be able to account for import VAT on their VAT return, rather than paying import VAT on or soon after the time that the goods arrive at the UK border. This will apply both to imports from the EU and non-EU countries.

In reaching this decision, the government has taken account of the views of businesses and sought to mitigate any adverse cash-flow impacts keeping VAT processes as close as possible to what they are now. To ensure equity of treatment, in a no deal scenario, businesses importing goods will be able to account for their import VAT from non-EU countries in the same way, which will help UK businesses make the most of trading opportunities around the world. Customs declarations and the payment of any other duties will still be required and more detail on these processes can be found in the 'Trading with the EU if there's no Brexit deal' technical notice. More guidance setting out further detail on accounting and record keeping requirements will be issued in due course.

### **VAT on goods entering the UK as parcels sent by overseas businesses**

If the UK leaves the EU without an agreement, VAT will be payable on goods entering the UK as parcels sent by overseas businesses.

The government set out in the Customs Bill White Paper (published October 2017) that Low Value Consignment Relief (LVCR) will not be extended to goods entering the UK from the EU. This note confirms that if the UK leaves the EU without an agreement then LVCR will no longer apply to any parcels arriving in the UK, this aligns the UK with the global direction of travel on LVCR. This means that all goods entering the UK as parcels sent by overseas businesses will be liable for VAT (unless they are already relieved from VAT under domestic rules, for example zero-rated children's clothing).

For parcels valued up to and including £135, a technology-based solution will allow VAT to be collected from the overseas business selling the goods into the UK. Overseas businesses will charge VAT at the point of purchase and will be expected to register with an HM Revenue & Customs (HMRC) digital service and account for VAT due.

The digital service is an online registration, accounting, and payments service for overseas businesses. On registration, businesses will be provided with a Unique Identifier which will accompany the parcels they send in to the UK. They will then declare the VAT due on those parcels and pay this via their online account. This ensures the process of paying VAT on parcels does not become burdensome for UK consumers and businesses. To give overseas businesses sufficient time to familiarise themselves with their new obligations, the online service will be available for businesses to register in early 2019, prior to 29 March.

On goods worth more than £135 sent as parcels VAT will continue to be collected from UK recipients in line with current procedures for parcels from non-EU countries, guidance on these procedures can be found here in [HMRC notice 143](#). VAT will also continue to be collected in line with current procedures for all excise goods sent as parcels and potentially in cases where their supplier is not compliant with HMRC's new parcels policy. HMRC is working with the relevant industry stakeholders and will provide further information in due course.

### **VAT on vehicles imported into the UK**

If the UK leaves the EU without an agreement, businesses should continue to notify HMRC about vehicles brought into the UK from abroad as they do now. The Notification of Vehicle Arrival Procedures (NOVA) system will continue to be used for this purpose.

NOVA is an online service that businesses should continue to use to notify HMRC about vehicles brought into the UK from abroad and ensure that VAT is correctly paid on imported vehicles. The Driver Vehicle Licencing Agency (DVLA) will not register a vehicle brought into the UK for use on UK roads unless it has a valid NOVA notification or it has been registered using the DVLA secure registration scheme.

The rules on the movement of goods to the UK from the EU will change when the UK leaves the EU and as a result, import VAT will be due on vehicles you bring into the UK from EU member states. Certain reliefs will also be available as with current imports of vehicles from non-EU countries. Businesses will need to continue to use NOVA to verify that VAT is correctly paid on imported vehicles.

### **UK businesses exporting goods to the EU**

This section provides information about accounting for VAT on goods exported to the EU, and the rules and procedures that will apply. UK businesses may need to plan for customs and VAT processes, which will be checked at the EU border. So they should check with the EU or Member State the rules and processes which need to apply to their goods.

### **UK businesses exporting goods to EU consumers**

If the UK leaves the EU without an agreement, distance selling arrangements will no longer apply to UK businesses and UK businesses will be able to zero rate sales of goods to EU consumers.

Current EU rules would mean that EU member states will treat goods entering the EU from the UK in the same way as goods entering from other non-EU countries, with associated import VAT and customs duties due when the goods arrive into the EU.

### **UK businesses exporting goods to EU businesses**

If the UK leaves the EU without an agreement, VAT registered UK businesses will continue to be able to zero-rate sales of goods to EU businesses but will not be required to complete EC sales lists.

As UK VAT registered businesses will not be required to complete an EC sales list, there will be changes to how these sales are recorded. Those UK businesses exporting goods to EU businesses will need to retain evidence to prove that goods have left the UK, to support the zero-rating of the supply. Most businesses already maintain this evidence as part of current processes and the required evidence will be similar to that [currently required](#) for exports to non-EU countries with any differences to be communicated in due course.

Current EU rules would mean that EU member states will treat goods entering the EU from the UK in the same way as goods entering from other non-EU countries with associated import VAT and customs duties due when the goods arrive into the EU. Individual EU member states may have different rules for import VAT for non-EU countries and import VAT payments may be due at the border when importing goods. UK businesses should check the relevant import VAT rules in the EU Member State concerned.

### **UK businesses selling their own goods in an EU Member State to customers in that country**

If the UK leaves the EU without an agreement, UK businesses will be able to continue to sell goods they have stored in an EU Member State to customers in the EU in line with current Rest of World rules.

Current EU rules would mean that UK businesses will continue to be required to register for VAT in the EU member states where sales are made in order to account for the VAT due in those countries.

You can find further information on EU rules for storing non Union goods in an EU Member State before selling or exporting on the [EU Commission's website](#).

You can find further information on registering for VAT in EU member states on the [EU Commission's website](#).

### **UK businesses supplying services into the EU**

This section provides information about accounting for VAT on services supplied into the EU, and the rules and procedures that will apply.

#### **Place of supply rules for UK businesses supplying services into the EU**

If the UK leaves the EU without an agreement, the main VAT 'place of supply' rules will remain the same for UK businesses. The current 'place of supply' rules determine the country in which you need to charge and account for VAT. These rules are in line with international standards set out by the Organisation for Economic Co-operation and Development (OECD), guidelines can be found on the [OECD website](#). The rules around 'place of supply' will continue to apply in broadly the same way that they do now, areas of potential change are flagged below. For UK businesses supplying digital services to non-business customers in the EU the 'place of supply' will continue to be where the customer resides. VAT on services will be due in the EU Member State within which your customer is a resident. For UK businesses supplying insurance and financial services, if the UK leaves the EU without an agreement, input VAT deduction rules for financial services supplied to the EU may be changed. We will update businesses with more information in due course. If you are a UK business that currently uses the VAT Mini One Stop Shop (MOSS) you can find more information in the section of this notice regarding access to EU-wide VAT IT Systems.

#### **EU Tour Operators' Margin Scheme**

The Tour Operators Margin Scheme is an EU VAT accounting scheme for businesses that buy and sell on certain travel services that take place in the EU. HMRC has been engaging with the travel industry and will continue to work with businesses to minimise any impact.

#### **UK businesses that access EU-wide VAT IT systems**

This section provides information on access to EU-wide VAT IT systems, and the rules and procedures that will apply.

If the UK leaves the EU without an agreement, the UK will stop being part of EU-wide VAT IT systems such as the VAT Mini One Stop Shop, more detail for specific EU-wide VAT IT systems is set out below.

### **UK VAT Mini One Stop Shop (MOSS)**

If the UK leaves the EU without an agreement, businesses that sell digital services to consumers in the EU will be able to register for the MOSS non-union scheme.

MOSS is an online service that allows EU businesses that sell digital services to consumers in other EU member states to report and pay VAT via a single return and payment in their home Member State. Non-EU businesses can also use the system by registering in an EU Member State.

If the UK leaves the EU with no agreement, businesses will no longer be able to use the UK's Mini One Stop Shop (MOSS) portal to report and pay VAT on sales of digital services to consumers in the EU.

Businesses that want to continue to use the MOSS system will need to register for the VAT MOSS non-Union scheme in an EU Member State. This can only be done after the date the UK leaves the EU. The non-union MOSS scheme requires businesses to register by the 10th day of the month following a sale. You will need to register by 10 April 2019 if you make a sale from the 29 to 31 March 2019, and by 10 May 2019 if you make a sale in April 2019.

Alternatively, a business can register in each EU Member State where sales are made. You can find further information about registering for VAT in EU member states on the [EU Commission's website](#).

### **EU VAT refund system**

If the UK leaves the EU without an agreement, then UK businesses will continue to be able to claim refunds of VAT from EU member states but in future they will need to use the existing processes for non-EU businesses.

UK business will no longer have access to the EU VAT refund system. UK businesses will continue to be able to claim refunds of VAT from EU member states by using the existing processes for non-EU businesses. This process varies across the EU and businesses will need to make themselves aware of the processes in the individual countries where they incur costs and want to claim a refund.

You can find further information about claiming VAT refunds from EU member states on the [EU Commission's website](#).

### **EU VAT Registration Number Validation - accessed via the EU Commission's website**

If the UK leaves the EU without an agreement, UK businesses will be able to continue to use the EU VAT number validation service to check the validity of EU business VAT registration numbers and HMRC is developing a service so that UK VAT numbers can continue to be validated.

The EU VAT Registration Number Validation service allows businesses to check whether a customer or supplier's VAT number is valid.

UK businesses will be able to continue to use the EU VAT number validation service to check the validity of EU business VAT registration numbers. UK VAT registration numbers will no longer be part of this service. In the event of no agreement HMRC is developing a system so that UK VAT numbers can continue to be validated. We know this is important for certain businesses to carry out due diligence.

### **Businesses in Northern Ireland importing and exporting to Ireland**

The UK government is clear that in a no deal scenario we must respect our unique relationship with Ireland, with whom we share a land border and who are co-signatories of the Belfast Agreement. The UK government has consistently placed upholding the Agreement and its successors at the heart of our approach. We recognise the basis it has provided for the deep economic and social cooperation on the island of Ireland.

It is the responsibility of the UK government to continue preparations for the full range of potential outcomes, including no deal. In such a scenario, the UK would stand ready to engage constructively to meet our commitments and act in the best interests of the people of Northern Ireland, recognising the very significant challenges that the lack of a UK-EU legal agreement would pose in this unique and highly sensitive context. This would include engagement on arrangements for land border trade. We will provide more information in due course.

The Irish government have indicated they would need to discuss arrangements in the event of no deal with the European Commission and EU member states. We would recommend that, if you trade across the land border, you should consider whether you will need advice from the Irish government about preparations you need to make.

## Business: Finance: Banking, insurance and other financial services

### Purpose

The purpose of this notice is to provide stakeholders (including personal and business customers of financial services firms and funds, and financial services firms, funds and financial market infrastructure) with information about the impact of the UK leaving the EU without a deal, and the government's approach to ensuring that we have a functioning financial services regulatory framework in any scenario.

### Before 29 March 2019

The majority of the UK's financial services legislation currently derives from EU law.

Financial services are a highly regulated sector, and the EU internal market for financial services is highly integrated, underpinned by common rules and standards, and extensive supervisory cooperation between regulatory authorities at an EU and member state level. Firms, financial market infrastructures, and funds authorised in any European Economic Area (EEA) country can carry out many activities in any other EEA country through a process known as "passporting", as a direct result of their EU authorisation, or via similar arrangements. This means that if these entities are authorised in one member state, they can provide services to customers in other member states, without requiring authorisation or supervision from the local regulator.

Some types of financial services entities operating in the UK are currently supervised by EU agencies. For example, credit rating agencies (CRAs) and trade repositories (TRs) established in the UK are currently authorised and regulated by the European Securities and Markets Authority (ESMA).

### After 29 March 2019 if there's 'no deal'

The European Union (Withdrawal) Act 2018 transfers EU law, including that relating to Financial Services, to the UK statute book on exit day. It also gives Ministers powers to amend the law to ensure that there is a fully functioning financial services regulatory framework at the point of exit.

When the UK leaves the EU, it will be outside of the EU's framework for financial services regulation. In a 'no deal' scenario, UK firms' position in relation to the EU would be determined by the relevant member state rules and any applicable EU rules that apply to third countries (countries outside of the EEA) at that time.

The UK will also, in general, default to treating EEA states and EEA firms largely as it does other third countries and their firms. However, the government has confirmed that there will be instances where we diverge from this approach in order to ensure that a functioning legislative regime is in place, to minimise disruption and avoid material unintended consequences for the continuity of financial services provision, to protect the existing rights of UK consumers, or to ensure financial stability.

One key example of this is the government's commitment to introduce a Temporary Permissions Regime (TPR) that will allow EEA firms currently passporting into the UK to continue operating in the UK for up to three years after exit, while they apply for full authorisation from UK regulators. The government has published in draft the [legislation that will deliver the TPR](#) and the financial regulators, the Financial Conduct Authority (FCA) has [published its approach to implementing the TPR](#) and the Prudential Regulation Authority (PRA) has also [set out its expectations for the TPR](#). Similar temporary regimes will be provided for EEA electronic money and payment institutions, registered account information service providers, and EEA funds that are marketed into the UK.

The government has also committed to legislation alongside this, if necessary, to ensure that contractual obligations (such as under insurance contracts) between EEA firms and UK-based customers that are not covered by the temporary permissions regime can continue to be met.

The government has already laid draft secondary legislation that will establish a temporary recognition regime (TRR) for central counterparties (CCPs). This regime will allow non-UK CCPs to continue to provide clearing services to UK firms for a period of up to three years while those CCPs apply for recognition in the UK. The Bank of England has [published further details on the approach to recognising non-UK CCPs](#).

The government will also be bringing forward legislation to deliver transitional arrangements for:

- Central Securities Depositories
- Credit Rating Agencies
- Trade Repositories
- Data Reporting Service Providers
- Systems currently under the Settlement Finality Directive
- Depositaries for authorised funds.

The government has also committed to using the powers in the European Union (Withdrawal) Act 2018 to provide the financial services regulators with a general transitional tool that will allow them to phase in post-exit regulatory requirements for firms where these are related to the UK leaving the EU, including firms in the TPR and TRR. This will give firms the necessary time to adjust, and avoid cliff-edges at the point of exit.

The government will transfer functions currently carried out by European bodies to the appropriate UK body.

Along with these unilateral actions, the government is committed to working with our European partners to identify risks arising from a no deal scenario. The Bank of England and the European Central Bank (ECB) have convened a technical working group, as announced by HM Treasury and the European Commission, focusing on risk management in the period around 29 March 2019, in the area of financial services. Where necessary, the Bank of England and the ECB will invite other relevant authorities, such as the Financial Conduct Authority, where their expertise is required to support discussions.

### **Implications for individuals and business customers**

How customers of financial services firms will be affected will depend on where they are based, where their firm is based and under what regulatory authorisations they operate, and the services that they access. If action by customers is needed, then firms should communicate this to their customers at an appropriate time.

#### **Individual and business customers - UK-based customers of UK based providers**

For UK-based customers accessing domestic services in the UK provided entirely by UK-based providers, there is unlikely to be any change as a result of exit. If UK customers will be affected by their firm's planning for exit, then this should be clearly communicated to customers by the firm.

Some EEA firms that provide deposit taking and retail banking services in the UK do so via a UK-authorized subsidiary. There will be no change to their UK authorisation as a result of the UK leaving the EU, and they will be able to continue providing services. [You can find out whether your firm is authorised by the UK regulators by looking it up on the Financial Services Register](#), checking correspondence from your firm, checking your firm's website, or contacting them directly.

In this scenario, UK-based payment services providers would lose direct access to central payments infrastructure – such as TARGET2 and the Single Euro Payments Area (SEPA) – meaning customers (including business using these providers to process euro payments) could face increased costs and slower processing times for Euro transactions. The government is looking to align payments legislation to maximise the likelihood of remaining a member of SEPA as a third country. This would ensure lower value Euro transactions are processed in the same amount of time as they are today.

The cost of card payments between the UK and EU will likely increase, and these cross-border payments will no longer be covered by the surcharging ban (which prevents businesses from being able to charge consumers for using a specific payment method).

#### **Individual and business customers - UK-based customers of EEA firms operating in the UK**

For UK-based customers who access banking, insurance, investment funds and other financial services with EEA firms currently passporting into the UK, the temporary permissions regimes will enable these firms to continue to provide those services to UK customers for up to three years after exit. This will allow time for these firms to apply for authorisation to continue operating in the UK. If they receive authorisation covering the full scope of the services that they currently provide, then they will be able to continue to provide services as before.

The UK's Financial Services Compensation Scheme (FSCS) protects customers of UK-authorized firms who have eligible products in the case of firm failures, including some products with EEA firms. The regulators will consult on arrangements for continuing this coverage this autumn.

#### **Individual and business customers – EEA customers (including UK citizens living abroad) of UK firms operating in the EEA**

By contrast, in the absence of action from the EU, EEA-based customers of UK firms currently passporting into the EEA, including UK citizens living in the EEA, may lose the ability to access existing lending and deposit services, insurance contracts (such as a life insurance contracts and annuities) due to UK firms losing their rights to passport into the EEA, affecting the ability of their EEA customers to continue accessing their services. This could impact these firms' ability to continue to service their existing products.

For example, the UK is a major centre for investment banking in Europe, with UK investment banks providing investment services and funding through capital markets to business clients across the EU. In the absence of EU action, EEA clients will no longer be able to use the services of UK-based investment banks, and UK-based investment banks may be unable to service existing cross-border contracts.

The government has committed to putting in place unilateral action, if necessary, to resolve these issues as far as possible on the UK side. For example, the government has committed to continue to treat prospectuses that are valid in the UK before exit (including those approved by a competent authority in a different EU member state) as valid for the remainder of the 12 months from their date of approval, including where that includes a period after the UK exits the EU.

However, the UK authorities are not able through unilateral action to fully address risks to the EEA customers of UK firms currently providing services into the EEA using the financial services passport. The government is committed to working with EU partners to identify and address such risks.

Many UK financial services firms who currently passport into the EEA are taking steps to ensure that they could continue to operate after exit, for example by establishing a new EU-authorized subsidiary. This would allow the UK firm to offer new services after exit through its EEA subsidiary, and in some cases existing contracts could be transferred to the new entity.

### **Financial services firms and funds**

HM Treasury is continuing to engage with stakeholders as it drafts the legislation, under the EU Withdrawal Act 2018, to ensure that there is a fully functioning financial services regulatory framework at the point where the UK leaves the EU.

At this stage, firms should continue to plan on the basis that an implementation period will be in place from March 2019 to December 2020, and continue to follow guidance from the regulators.

The regulators have set out what action EEA firms and funds currently operating or marketing in the UK via an EEA passport will need to take, and will provide further details in due course.

For any firm that does not wish to continue carrying out regulated activities in the UK, or is unsuccessful in applying for authorisation, provision will be made for them to discontinue their UK regulated activities in an orderly manner.

Unless the EU acts to maintain continuity, then UK financial services firms passporting into the EEA will lose the ability to do that at the point of exit. This may have implications for their ability to meet contractual obligations with EEA-based clients, where to do so without EEA permissions would breach relevant member state rules and any applicable EU rules that apply to third countries.

The government has committed to taking unilateral action, if necessary, to resolve this issue on the UK side. However, this is not sufficient to fully address the risks, and coordinated action with the EU is necessary. An example of this is derivatives contracts between UK and EU financial firms, where permissions may be necessary from both sets of regulators to support continuity of service provision. The government is committed to working with EU partners to identify and address such risks.

Under EU legislation it is possible for fund managers to delegate portfolio management services to a third party in another country, including countries outside the EU. In relation to funds and managers authorised under the relevant EU legislation, there are requirements for cooperation between the supervisory authorities in the relevant EU member state and the non-EU country concerned. The UK authorities are ready to agree cooperation arrangements with their EU counterparts as soon as is possible, which is a technical exercise to bring the UK into line with other third countries. Unless the EU confirms it does not intend to put such arrangements in place, asset management firms can continue to plan on the basis that the delegation model will continue.

### **Financial Market Infrastructure (FMI)**

There will be no need for UK-based clearing members (and for example UK-based clients of UK clearing members) using UK central counterparties (CCPs) to take any action as a result of EU exit.

To ensure that there will be no significant impact for UK-based users of non-UK CCPs (including EEA CCPs) as a result of EU exit, the government has provided for a temporary regime that will enable non-UK CCPs to continue to provide services to the UK for a period of up to three years. To enter into the temporary regime, non-UK CCPs will simply have to notify the Bank of England before Exit that they would like to continue to providing clearing services in the UK. The Bank of England will provide further detail on this in due course. However, without EU action, EEA clearing members and trading venues will no longer be able to use UK CCPs to provide their clearing services. In addition, EEA customers could no longer meet the requirement to centrally clear for some products that are in scope of the clearing obligation by clearing through UK CCPs, such as interest rate swaps.

The UK's Central Securities Depository (CSD) currently provides services to both the UK and Irish markets. For customers settling UK securities at the UK CSD there will be no change as a result of exit. If no action is taken by the EU authorities and EU countries, EU securities may no longer be able to be directly settled in the UK.

To ensure that there is no significant impact on UK customers of non-UK CSDs, including those within the EU, the government is bringing forward legislation that will allow these CSDs to benefit from transitional provisions. These CSDs will be able to continue to provide services to the UK until both equivalence and recognition decisions are made. Further details on this regime are expected to be provided by HM Treasury and the Bank of England in September 2018.

There will be no need to take any action for FMIs that are already designated on Exit day under the UK Settlement Finality Regulations (SFR). Their designation in respect to UK insolvency will carry on.

When the UK leaves the EU, it will no longer be a part of the EU Settlement Finality Directive (SFD) framework which allows designated Financial Market Infrastructures (FMIs) to benefit from protections from insolvency actions. The government has announced that it intends to bring forward legislation to continue protections granted by the SFR which implement the SFD. This legislation would allow designations of financial market infrastructure (FMIs) that are outside of the UK and give powers to the Bank of

England to designate these FMIs. This legislation will also provide for a temporary regime that would enable certain non-UK FMIs to continue to benefit from UK protections currently provided for by the EU Settlement Finality Directive.

Without EU action to designate UK FMIs, EU settlement finality protection for UK FMIs will cease to be in place. This will mean that EU customers will present higher risks to these FMIs and may no longer be able to access their services.

Without action from the EU, when the UK leaves the EU, UK trading venues would no longer qualify as EU trading venues. This means that, under their national law, EEA firms may not be able to be members of UK venues. UK venues will also not be eligible venues for EEA firms to execute certain equity and derivatives trades. This may prevent EEA firms from being able to trade in certain derivatives, where there is no alternative venue available in the EU. This would reduce market liquidity in the UK and EU.

EU market operators that currently passport into the UK do not have to be recognised by the FCA in order to have UK firms participate in their markets. However, EU market operators who undertake regulated activities in the UK should seek recognition as a Recognised Overseas Investment Exchange. In addition, UK-based firms may also no longer be able to undertake certain equity and derivatives trades on EEA trading venues. However, alternative UK and international venues exist, and would be available for UK market participants.

The government intends to give the FCA powers to authorise and regulate both UK and non-UK Credit Rating Agencies (CRAs) and Trade Repositories (TRs) after exit. The government intends to grant powers to the FCA to allow UK CRAs and TRs to convert their existing EU authorisation into a UK authorisation, so UK customers of both UK CRAs and TRs that convert will not have to take any action.

If no action is taken by the EU, EEA firms will no longer be able to access these UK firms.

Unless the EU acts by endorsing or finding UK-based CRAs equivalent, the ratings of UK-based CRAs will no longer be able to be used in the EU for regulatory purposes when the UK exits the EU.

The government is legislating to bring in a temporary regime in order to minimise the impact on UK customers of both EU CRAs and TRs. Further details of the regimes for TRs and CRAs are expected to be provided by HM Treasury in September 2018.

#### **Data sharing**

The government will publish a technical notice on transfers of personal data between the UK and the EU. Organisations that receive or transfer personal data between the UK and the EU (including financial institutions) should refer to this document for further information on preparing for the UK leaving the EU without a deal.

## Citizen Rights: Data Protection

### Purpose

This notice sets out the actions UK organisations should take to enable the continued flow of personal data between the UK and the EU in the unlikely event that the UK leaves the EU in March 2019 with no agreement in place.

This notice does not consider sector-specific requirements, for example in relation to processing personal data for law enforcement purposes.

### Before 29 March 2019

Rules governing the collection and use of personal data are currently set at an EU-level by the General Data Protection Regulation (GDPR). In the UK, the Data Protection Act 2018 and the GDPR provide a comprehensive data protection framework. Most other EU countries have their own supplementary legislation.

Under GDPR rules, organisations are only permitted to transfer personal data outside the EU if there is a legal basis for doing so. Transfers of personal data within the EU are not restricted.

### After March 2019 if there's no deal

If the UK leaves the EU in March 2019 with no agreement in place regarding future arrangements for data protection, there would be no immediate change in the UK's own data protection standards. This is because the Data Protection Act 2018 would remain in place and the EU Withdrawal Act would incorporate the GDPR into UK law to sit alongside it.

However, the legal framework governing transfers of personal data from organisations (or subsidiaries) established in the EU to organisations established in the UK would change on exit. As set out below, you would need to take action to ensure EU organisations were able to continue to send you personal data.

You would continue to be able to send personal data from the UK to the EU. In recognition of the unprecedented degree of alignment between the UK and EU's data protection regimes, the UK would at the point of exit continue to allow the free flow of personal data from the UK to the EU. The UK would keep this under review.

### What you would need to do

The EU has an established mechanism to allow the free flow of personal data to countries outside the EU, namely an adequacy decision. The European Commission has stated that if it deems the UK's level of personal data protection essentially equivalent to that of the EU, it would make an adequacy decision allowing the transfer of personal data to the UK without restrictions. While we have made it clear we are ready to begin preliminary discussions on an adequacy assessment now, the European Commission has not yet indicated a timetable for this and have stated that the decision on adequacy cannot be taken until we are a third country.

If the European Commission does not make an adequacy decision regarding the UK at the point of exit and you want to receive personal data from organisations established in the EU (including data centres) then you should consider assisting your EU partners in identifying a legal basis for those transfers.

For the majority of organisations, the most relevant alternative legal basis would be standard contractual clauses. These are model data protection clauses that have been approved by the European Commission and enable the free flow of personal data when embedded in a contract. The clauses contain contractual obligations on you and your EU partner, and rights for the individuals whose personal data is transferred. In certain circumstances, your EU partners may alternatively be able to rely on a derogation to transfer personal data. We recommend that you proactively consider what action you may need to take to ensure the continued free flow of data with EU partners. Further detail on the availability of each legal basis, and the processes associated with making use of them, is available from the [Information Commissioner's website](#).

Before and after leaving the EU, we are committed to the highest standards of data protection and all organisations should continue to comply with their broader obligations under data protection law, including the GDPR (as incorporated into UK law). The Information Commissioner's Office would produce additional guidance outlining the steps organisations would need to take to continue to meet their obligations. EU organisations should seek guidance from their respective data protection authorities.

The Information Commissioner will remain the UK's independent supervisory authority on data protection and the UK will continue to push for close cooperation and joined up enforcement action between the Commissioner's office and EU data protection authorities.

## Transport: Maritime: Security

### Purpose

This notice informs companies that are currently exempted from providing security pre-arrival information for scheduled services between the UK and the EU ports that:

- in a no deal scenario, they will need to provide this information
- they should plan accordingly by engaging with EU countries to understand what information they would be required to provide and how it would be submitted

### Before 29 March 2019

Under Article 6 of EC Regulation 725/2004, shipping companies (including ferries carrying passengers and lorries) are required to submit security information prior to entering an EU port. Sometimes this is referred to as a pre-arrival notification (PAN). It may include the following information:

- particulars of the ship
- last 10 port facilities of call
- special or additional security measures taken by the ship
- details of any ship to ship activities
- crew list
- passenger list

Article 7 of the regulation allows EU countries to issue exemptions from the requirement to provide this information to companies operating scheduled services between ports located in their territory, or between ports within their territory and that of another EU country.

### After March 2019 if there's no deal

Article 7 only allows an EU country to issue an exemption for services between its territory and that of another EU country. Therefore, in a 'no deal' scenario EU countries would be unable to issue exemptions to vessels, irrespective of registration / flag, operating scheduled services from the UK.

### What you would need to do

Companies holding these exemptions should prepare for a scenario after exit in which submission of security pre-arrival information (as set out in Article 6) would be required before their vessels were permitted to enter the port(s) of an EU country. This requirement would come into effect as soon as the UK leaves the EU.

Shipping companies should engage with EU countries to ensure they are prepared for a 'no deal scenario' and understand what information they would be required to provide and how it would be submitted.

The UK government intends to continue issuing exemptions for scheduled services from an EU country to a port in the UK, or between ports in the UK, after EU withdrawal, regardless of the outcome of negotiations.

This is subject to a set of conditions which would be similar to those currently placed upon existing exemption holders.

## Business: Professional Qualifications: Seafarers

### Purpose

This notice provides information about the impact of the UK leaving the EU without a deal on the recognition of seafarer certificates. It also outlines the government's approach to providing continuity for EU trained seafarers working on board UK flagged vessels, and the action being taken by government to minimise risks for UK trained seafarers working on board EU flagged vessels.

### Before 29 March 2019

At present, the international standards of training, certification and watch keeping convention (STCW) mandates that if you're a crew member carrying out certain duties, you must have a [certificate of competency \(COC\)](#). A COC must be renewed every 5 years.

If you're a seafarer who has trained outside of the UK and are working on a UK flagged vessel, you must have a certificate of equivalent competency (CEC) issued by the Maritime and Coastguard Agency (MCA). The CEC allows seafarers holding COCs issued by recognised non-UK countries to work on board UK-registered merchant ships. The UK has recognised the certificates of nearly 50 countries.

EU legislation has harmonised the way that EU countries apply the STCW requirements. This has led to 2 different EU procedures for recognising seafarers' qualifications.

### Issued under EC Directive 2005/45/EC

Every EU country recognises the certificates issued to seafarers by the other EU countries. The certificates must be accompanied by an 'endorsement attesting such recognition', issued by the country recognising the certificate. In the UK, the CEC provides this endorsement.

### Issued under EC Directive 2008/106/EC

This enables EU countries to endorse the certificates issued by recognised third (non-EU) countries. This directive enables third countries to secure recognition of their certificates by the EU.

### After March 2019 if there's no deal

If there's no deal, endorsements issued before withdrawal by EU countries to seafarers holding UK COCs would continue to be valid until they expire. So if you're a UK-trained seafarer with an endorsement issued by an EU country, you would be able to continue working on board vessels flying the flag of that country until the endorsement expires.

After exit, the rights and obligations placed on the UK as a signatory to the STCW convention would remain, including those for recognising certificates issued by third countries.

Therefore, in the event of no deal our intention is to:

- continue recognising all certificates that we currently recognise, including those issued by EU and EEA countries after exit
- seek third country recognition of UK certificates by the EU under the STCW convention

EU countries that wish to continue accepting new UK COCs would need to write to the European Commission, in accordance with the procedure in EC Directive 2008/106. These EU countries would then be able to recognise such certificates. The European Commission, with the assistance of the European Maritime Safety Agency (EMSA), would assess our training and certification systems under this procedure.

### What you would need to do

Since the UK is already operating to international and EU standards and will continue to do so after exit, we expect EMSA's assessment of the UK's training and certification systems to be straightforward, but it may take some time. Once this assessment is successfully completed, any EU country would be able to accept UK COCs and issue the necessary endorsements. This would mean that as a UK trained seafarer, you would be able to work on board vessels flagged with those EU countries.

Under no deal if an EU country chose not to recognise UK COCs after exit, as a UK trained seafarer you would only be able to work on board vessels flagged with that country until your certificate expires. However, as noted above this is not an outcome that we expect to occur.

## Citizen Rights: Education: Erasmus+

### Purpose

This notice provides information for UK organisations and individuals on continued funding for their participation in the current Erasmus+ programme (2014-2020) in the unlikely event that the UK leaves the EU in March 2019 with no agreement in place. This notice will also be of interest to EU organisations that collaborate with UK participants on Erasmus+ projects.

### Before March 2019

Erasmus+ is the EU funding programme for education, youth, training and sport, which provides €14.7 billion in grants for exchanges and collaboration over 7 years (2014-2020). The UK is a net contributor to the overall EU budget and is one of the most popular destinations for EU participants. For example, in 2015/16, the UK was the third most popular destination for higher education students. The government values international exchanges and collaboration in education and training and is therefore pleased to confirm that the [joint report on progress during phase 1 of negotiations](#) states that ‘following withdrawal from the Union, the UK will continue to participate in the Union programmes financed by the Multiannual Financial Framework (MFF) 2014-2020 until their closure’.

Erasmus+ is one such EU programme and under the terms of the Withdrawal Agreement UK organisations’ eligibility to apply for Erasmus+ projects during this period will remain unchanged for the duration of the programme, and EU funding for UK participants and projects will be unaffected for the entire lifetime of projects, including those that extend beyond 2020. On this basis, the UK government encourages UK organisations to continue to bid for Erasmus+ funding.

Full information and future updates can be found on the UK [Erasmus+ National Agency’s website](#).

### After 29 March 2019 if there’s no deal

In the unlikely event that the UK leaves the EU with no agreement in place, the [governments underwrite guarantee](#) will cover the payment of awards to UK applicants for all successful Erasmus+ bids submitted before the UK exits the EU. This includes projects and participants that are only informed of their success, or who sign a grant agreement, after the UK’s withdrawal from the EU, and commits to underwrite funding for the entire lifetime of the projects.

The government will need to reach agreement with the EU for UK organisations to continue participating in Erasmus+ projects and is seeking to hold these discussions with the EU. If discussions with the Commission to secure UK organisations’ continued ability to participate in the programme are unsuccessful, the government will engage with member states and key institutions to seek to ensure UK participants can continue with their planned activity.

The government has also announced an [extension of the underwrite guarantee](#) for certain EU programmes, including Erasmus+. This means that where UK organisations are eligible to participate in the Erasmus+ grant programme from 29 March 2019 until the end of 2020, they will also receive funding from successful bids in a ‘no deal’ scenario. The government is seeking to discuss and agree with the EU the terms under which UK organisations could be eligible for this extension of the underwrite guarantee to apply.

### What you would need to do

So that projects can continue without financial disruption, and subject to the UK reaching agreement with the EU about continuing UK participation as explained above, the original and extended government underwrite guarantees apply to funding allocated to UK organisations whether in applications submitted to Brussels (centralised) or to the UK National Agency (decentralised), and whether or not the UK is the lead partner. Successful bids from UK participants will be covered by the underwrite guarantee in full and for the duration of the project’s lifetime.

The October 2018 call for bids will take place as usual. Applications for Erasmus+ funding are made by organisations, for example universities, vocational education and training organisations, schools and youth and sport groups. Individual students and young people who wish to participate in Erasmus+ funded activities should therefore contact their respective organisations.

## Travel: Mobile Phone: Roaming

### Before 29 March 2019

You can travel in the EU with guaranteed surcharge-free roaming. This means you can use your mobile devices to make calls, send texts and use mobile data services for no more than you would be charged when in the UK. In addition, the EU Roaming regulation requires mobile operators to apply a default financial limit for mobile data usage of €50. Operators are also required to send an alert once your device reaches 80% and then 100% of the agreed data roaming limit. These requirements apply regardless of where you are in the world, not only within the EU. Surcharge-free roaming in the EU, known as Roam Like at Home, is underpinned by the EU Roaming Regulation - (EU) No 531/2012 - and its subsequent amendments - (EU) No 2015/2120 and (EU) No 2017/920. This Regulation also regulates what mobile operators can charge each other for providing roaming services and extends to the wider European Economic Area (EEA), which includes Iceland, Liechtenstein and Norway.

### After March 2019 if there's a deal

In the likely event of a deal, surcharge-free roaming would continue to be guaranteed during the Implementation Period. Following the Implementation Period, the arrangements for roaming, including surcharges, would depend on the outcome of the negotiations on the Future Economic Partnership.

### After March 2019 if there's no deal

In the unlikely event that we leave the EU without a deal, the costs that EU mobile operators would be able to charge UK operators for providing roaming services would no longer be regulated after March 2019. This would mean that surcharge-free roaming when you travel to the EU could no longer be guaranteed. However, the government would legislate to ensure that the requirements on mobile operators to apply a financial limit on mobile data usage while abroad is retained in UK law. The limit would be set at £45 per monthly billing period, as at present (currently €50 under EU law). The government would also legislate, subject to parliamentary approval, to ensure the alerts at 80% and 100% data usage continue. Leaving without a deal would not prevent UK mobile operators making and honouring commercial arrangements with mobile operators in the EU - and beyond the EU - to deliver the services their customers expect, including roaming arrangements. The availability and pricing of mobile roaming in the EU would be a commercial question for the mobile operators. As a consequence, surcharge-free mobile roaming in the EU may not continue to be standard across every mobile phone package from that point. Roaming may also be offered with different terms and conditions. This might affect the amount of calls that you can make, texts you can send and data you can consume, including applying limits that are less than the amount available in your bundle when you're in the UK.

However, we should be clear that surcharge-free roaming for UK customers may continue across the EU as now, based on operators' commercial arrangements. Some mobile operators (3, EE, O2 and Vodafone - which cover over 85% of mobile subscribers) have already said [they have no current plans to change their approach to mobile roaming after the UK leaves the EU](#).

In the unlikely event that we leave the EU without a deal, our advice to consumers is to: 1) check the roaming policies of your mobile operator before you go abroad, 2) consider what your operator is saying about surcharge-free roaming post-EU exit, 3) check your operator's terms and conditions in detail - particularly if you are a heavy user of mobile services in the EU, 4) be aware of [your rights to change mobile operator](#) ("switching"), be aware that [Ofcom rules allow cancellation of your contract free-of-charge if your operator makes certain price increases](#) 5) know how to turn off your mobile data roaming on your mobile device if you're worried about being charged for data usage in the EU, 6) ensure you understand the alternatives to using mobile networks when abroad. Wi-Fi is widely available, which would allow you to make calls, send texts and use data for free or with little charge, 7) understand which services might be expensive to use and which are likely to be cheap. For example, streaming live television or sending large video clips (MMS) could be expensive as they use large amounts of data

### If you live in Northern Ireland

Consumers and businesses in border areas should be aware of the issue of 'inadvertent roaming'. This is when a mobile signal in a border region is stronger from the country across the border. In this case, a consumer from Northern Ireland in a border region of Northern Ireland would roam onto an Irish network as the mobile phone signal is stronger from a network in Ireland. The availability and pricing of mobile roaming in the EU, including across the island of Ireland, would be a commercial question for the mobile operators. Some mobile operators have stated that they have no current plans to change their approach to mobile roaming after the UK leaves the EU. In addition, the Government is open to facilitating discussions between mobile operators to ensure that future arrangements are as effective as possible. However, surcharge-free mobile roaming in the EU may not continue to be standard across every mobile phone package from the point of EU exit.

## Travel: Pets

### Purpose

This notice sets out how the arrangements that allow pet owners to travel to and from the EU with pets (cats, dogs and ferrets) would change if the UK leaves the EU in March 2019 without a deal. It explains what pet owners would need to do to prepare their pets for travel, and what Official Veterinarians (OVs) would need to do to ensure UK pet owners travelling with their pets continue to meet the requirements of the EU pet travel scheme.

### Before 29 March 2019

Under the EU Pet Travel Scheme, owners of dogs, cats and ferrets can travel with their animals to and from EU countries provided they hold a valid EU pet passport.

Before a pet can travel from the UK to an EU country for the first time, it must be taken to an Official Veterinarian (OV) at least 21 days before travel. The OV will ensure the animal has a microchip and rabies vaccination, before issuing an EU pet passport, which remains valid for travel for the pet's lifetime or until all of the treatment spaces are filled.

On its return to the UK, the pet has its microchip scanned (to confirm its identity) and passport checked (to ensure it corresponds with the microchip and treatment requirements are met). Dogs returning to the UK from countries that are not free from *Echinococcus multilocularis* (a type of tapeworm) must have an approved tapeworm treatment administered by a vet between one and five days before entering the UK.

### After March 2019 if there's no deal

If the UK leaves the EU in March 2019 with no deal, it would become a third country for the purposes of the EU Pet Travel Scheme.

Pets would continue to be able to travel from the UK to the EU, but the requirements for documents and health checks would differ depending on what category of third country the UK becomes on the day we leave the EU. Within the Pet Travel Scheme, there are three categorisations of 'third country', linked to a country's animal health status: 'listed: Part 1', 'listed: Part 2', or 'unlisted'.

Third countries apply to the European Commission to be listed under Part 1 or Part 2 of Annex II to EU Pet Travel Regulations. A small number of countries and territories are Part 1 listed, which means they operate under the same EU Pet Travel Scheme rules as EU member states. The majority of countries are Part 2 listed, which means additional conditions, such as the use of temporary health certificates. If a country has not applied or been accepted as a Part 1 or Part 2 listed country, it is an unlisted third country, and owners must take some specific actions several months before they wish to travel.

We are seeking technical discussions with the European Commission to allow the UK to become a listed third country on the day we leave the EU. We will continue to press the Commission to discuss this option with us. However, to allow effective contingency planning, this notice explains the impacts of all three different types of third country status in terms of the EU Pet Travel Scheme.

### If the UK is a listed third country

Should the UK become a Part 1 listed country, there would be little change to the current pet travel arrangements, with only minor changes needed to documentation for travel between the UK and EU and no change for pet owners from what they currently need to do in terms of health preparations.

Should the UK become a Part 2 listed country, there would be some new requirements, but they would not be as burdensome as those for unlisted status. There would be no requirement for a blood titre test, which would remove the three month waiting period before travel, although pet owners would still need to ensure rabies vaccinations were kept up to date. Before a pet could travel from the UK to an EU country for the first time, it would still need to be taken to an Official Veterinarian (OV) at least 21 days in advance. The OV would ensure the animal has a microchip and rabies vaccination.

Pet owners would still need an OV to issue a health certificate confirming the pet was appropriately identified and vaccinated against rabies, as in an unlisted no deal scenario. This document would differ from the current EU pet passport. It would be valid for ten days after the date of issue for entry into the EU, and for four months of onward travel within the EU. Health certificates would have to be issued for each trip to the EU.

On arrival in the EU, pet owners travelling with their pet would still be required to report to a Travellers' Point of Entry as set out above.

### If the UK is an unlisted third country

Should the UK become an unlisted third country, pet owners intending to travel with their pet from the UK to EU countries would need to discuss preparations for their pet's travel with an Official Veterinarian (OV) at least four months in advance of the date they wish to travel. This means pet owners intending to travel to the EU on 30 March 2019 would need to discuss requirements with their vet before the end of November 2018.

## **Rabies vaccinations**

Pet owners would need to prove animals are effectively vaccinated against rabies before they could travel with their pet to EU countries. This would require a blood titre test to demonstrate sufficient levels of rabies antibody, which would need to be carried out a minimum of 30 days after any initial rabies vaccination.

- Pets that have previously had a blood titre test, and whose rabies vaccinations are up to date, would not be required to repeat the blood test before travel.
- Pets that have not previously had a blood titre test, but whose rabies vaccinations are up to date, would be required to have the blood test carried out prior to travel. If the result shows sufficient levels of antibody, a three-month waiting period before travel would still be required from the date the blood was drawn to ensure no rabies symptoms develop. If the result shows insufficient levels of antibody the pet will be treated as if the rabies vaccination were not up to date as described below.
- Pets that have not previously had a blood titre test, and have never had a rabies vaccination, or the vaccination is not up to date, would be required to have a rabies vaccination before the blood titre test. There must then be a 30 day waiting period before the blood sample is drawn for the titre test, to allow time for sufficient rabies antibodies to develop. Once a blood titre test shows sufficient levels of antibody, there must be a three-month waiting period between the date the blood is drawn and the date of travel.

In both the second and third cases, pet owners would need to visit their vet to discuss health preparations at least four months before they intend to travel with their pet. The lifespan of the vaccination will depend on the brand of vaccination used. The majority last for around 3 years. Provided a pet's rabies vaccinations are kept up to date once a test has shown a satisfactory blood titre, the blood test does not need to be taken again.

Pet owners travelling from the EU to the UK would need to ensure their pets had a satisfactory rabies antibody blood titre test to re-enter the EU. This would need to be administered prior to leaving the EU but there is no requirement for a three month wait period before travel.

## **Health certificates to travel to the EU**

Once the rabies vaccination and (if required) blood titre test shows sufficient levels of antibody, pets would need to be taken back to an OV, who would then issue a health certificate confirming the pet was appropriately identified and vaccinated against rabies. This document would be different from the current EU pet passport. It would be valid for ten days after the date of issue for entry into the EU, and for four months of onward travel within the EU.

Health certificates would have to be issued for each trip to the EU. For repeat journeys, where proof of vaccination history and a satisfactory blood titre test were available, the pet owner would only have to visit an OV and obtain a new health certificate at some point within ten days before travel.

## **Arriving in the EU**

On arrival in the EU, pet owners travelling with their pets would be required to report to a designated [Travellers' Point of Entry \(TPE\)](#). At the TPE, the pet owner would be asked to present proof of microchip, vaccination and the blood test result alongside their pet's health certificate.

## Travel: Ireland to UK

### Purpose

The purpose of this notice is to provide clarity on the Common Travel Area (CTA) arrangements and the associated rights and privileges of British and Irish citizens in the other jurisdictions.

### Before 29 March 2019

If you are a British or Irish citizen you can travel freely within the Common Travel Area (CTA) without seeking immigration permission from the authorities. For other nationalities, the CTA's internal borders are subject to some immigration restrictions but not, or only to a minimal extent, border controls. As a British citizen in Ireland or an Irish citizen in the UK, to facilitate moving to and working in each other's jurisdictions you can enjoy associated rights and entitlements including access to employment, healthcare, education, social benefits, as well as the right to vote in certain elections. For nationality purposes, as directed in the British Nationality Act 1981, the Crown Dependencies are treated as if part of the United Kingdom: they do not have separate nationality laws. The CTA is a long-standing arrangement between the UK, the Crown Dependencies (Jersey; Guernsey; Isle of Man) and Ireland. It has its origins in the 1920s and ensures that British and Irish citizens can move freely between and reside in these islands. The CTA is not reliant on membership of the EU, formed before either the UK or Ireland were members, but based on domestic legislation and bilateral agreements. The CTA established cooperation between the immigration authorities of its members to provide a pragmatic response to the movement of people within it, including other nationalities who remain subject to immigration control. Central to the UK's legal framework is that there are no routine immigration controls on journeys from within the CTA to the UK, including on the Northern Ireland-Ireland land border. The UK's approach to the CTA is set out in the Immigration Act 1971 and subsequent secondary legislation. These legislative arrangements are extended to the Crown Dependencies. Protocol 20 to the Treaty on European Union and the Treaty on the Functioning of the EU recognises the cooperation between members, confirming that the UK and Ireland can 'continue to make arrangements between themselves relating to the movement of persons between their territories (the Common Travel Area)'. More recently the Commission has acknowledged that the CTA arrangements can continue, as confirmed in paragraph 54 of the Joint Report from the negotiators of the European Union and the United Kingdom (2017). The rights of Irish citizens in the UK are rooted in the Ireland Act 1949 but provided for in subsequent legislation and bilateral agreements as the nature of these rights has evolved over time. The CTA arrangements are deeply embedded within our shared history and are central to our close social and cultural ties. These arrangements complement the provisions of the Belfast (Good Friday) Agreement.

### After March 2019 if there is no deal

If you are an Irish citizen you would continue to have the right to enter and remain in the UK, as now. You are not required to do anything to protect your status. In addition, you would continue to enjoy the reciprocal rights associated with the CTA in the same way that British citizens in Ireland would if there is no deal. These rights include the right to work, study and vote, access to social welfare benefits and health services. Where required domestic legislation and agreements would be updated to ensure that the CTA rights continue to have a clear legal basis. There would be no practical changes to the UK's approach to immigration on journeys within the CTA: as now there would be no routine immigration controls on journeys from within the CTA to the UK. The legislation governing this approach will remain unchanged when the UK leaves the EU. So too will the legislative framework of integrated immigration laws between the UK and the Crown Dependencies. The CTA arrangements would be maintained, promoting the benefits of migration between these islands. If you are not an Irish or British citizen you will be required to continue to meet relevant domestic entry clearance requirements as set out in the Immigration (Control of Entry through the Republic of Ireland) Order 1972 (as amended). The UK will continue to work with Ireland and the Crown Dependencies on the movement of people between these islands, ensuring the effective functioning of the CTA and its external border. The CTA holds special importance to people in their daily lives: it goes to the heart of the relationship between these islands. The UK government is firmly committed to maintaining the CTA arrangements after the UK leaves the EU, an objective shared by the Crown Dependencies. The Irish Government has been clear also in its commitment to the continuation of the CTA. The CTA has proven to be resilient over the years and would continue to endure if there is no deal.

### What you would need to do

If you are a British or Irish citizen in another part of the CTA, you are not required to take any action to protect your status or rights associated with the CTA. When travelling to the UK from within the CTA you should continue with your journey as you do today, meeting any travel requirements set by your carrier. Irish citizens in the UK and British citizens in Ireland will continue to enjoy the same associated rights and entitlements to public services, including access to employment, healthcare, education, social welfare and benefits, as well as the right to vote in certain elections. If you are a non-Irish or British citizen arriving in the UK from Ireland, you should ensure that you follow UK entry clearance requirements. Find out more about [entry clearance requirements](#).

## Citizen Rights: UK and Irish Nationals

The agreement reached at the December Council ensures that the rights enjoyed by British and Irish citizens under the CTA are protected after the UK leaves the EU. This means that no UK or Irish nationals will be required to apply for settled status to protect their entitlements in Ireland and the UK respectively. The rights to work, study, access social security and public services will be preserved on a reciprocal basis for UK and Irish nationals. There will be also be full protection and maintenance of the current arrangements for journeys between the UK and Ireland. This includes movement across the land border between Northern Ireland, protecting the uninhibited movement enjoyed today.

### 1. What is the CTA? What rights does it confer?

The Common Travel Area (CTA) facilitates the principle of free movement for British and Irish citizens between the UK, Ireland, the Channel Islands and the Isle of Man, and the reciprocal enjoyment of rights and entitlements to public services of citizens when in the other's state. The CTA was formed before either the UK or Ireland were members of the EU and means that reciprocal rights for Irish and UK citizens operate separately and alongside those rights afforded to EU nationals.

Under the CTA, UK and Irish nationals enjoy a range of reciprocal rights - for example:

- the right to enter and reside in each other's state without being subject to a requirement to obtain permission
- the right to work without being subject to a requirement to obtain permission
- the right to access education
- access to social welfare entitlements and benefits
- access to health services
- access to social housing
- the right to vote in local and parliamentary elections.

### 2. I'm a British citizen living in Ireland. Do I need to take any action now to protect my rights?

No. Your rights under the CTA will be protected after the UK leaves the EU.

### 3. I'm an Irish citizen living in Great Britain. Do I need to take any action now to protect my rights?

No. Irish citizens residing in Great Britain do not need to do anything. Your rights under the CTA will be protected after the UK leaves the EU.

### 4. I'm an Irish citizen living in Northern Ireland. Do I need to take any action now to protect my rights?

No. Irish citizens residing in Northern Ireland do not need to do anything. Your rights under the CTA will be protected after the UK leaves the EU

### 5. Will the rights of EU citizen frontier workers living in Ireland but working in Northern Ireland be protected?

Yes. We have now agreed that frontier workers should be protected under the withdrawal agreement.

Under the definition agreed with the EU a frontier worker shall be defined as a UK or EU citizen pursuing genuine and effective work as an employed or self-employed person in one or more host states, and who resides in another state, unless or until they no longer retain the status of a worker.

## Travel: Entry to EU with a UK passport

### Before 29 March 2019

Most EU countries (though not the UK) are members of the Schengen Agreement. This agreement removes passport checks and border controls at the borders between [countries within the Schengen area](#). People can travel around the area as if it is one country.

If you're a British citizen, as an EU national, you're currently able to enter the Schengen area if you have a valid passport. There's no requirement for British passports to have a minimum or maximum validity period remaining when you enter or leave the Schengen area.

The following are members of the [Schengen Agreement](#): Austria, Belgium, the Czech Republic, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Iceland, Italy, Latvia, Liechtenstein, Lithuania, Luxembourg, Malta, the Netherlands, Norway, Poland, Portugal, Slovakia, Slovenia, Spain, Sweden and Switzerland.

These EU countries are not in the Schengen area: Ireland, Romania, Bulgaria, Croatia and Cyprus.

### After March 2019 if there's no deal

After 29 March 2019, if you're a British passport holder (including passports issued by the Crown Dependencies and Gibraltar), you'll be considered a third country national - under the Code and will therefore need to comply with different rules to enter and travel around the Schengen area. Third-country nationals are citizens of countries (like Australia, Canada and the USA) which do not belong to the EU or the European Economic Area.

According to the Schengen Border Code, third country passports must:

- have been issued within the last 10 years on the date of arrival in a Schengen country, and
- have at least 3 months' validity remaining on the date of intended departure from the last country visited in the Schengen area. Because third country nationals can remain in the Schengen area for 90 days (approximately 3 months), the actual check carried out could be that the passport has at least 6 months' validity remaining on the date of arrival.

If you plan to travel to the Schengen area after 29 March 2019, to avoid any possibility of your adult British passport not complying with the Schengen Border Code we suggest that you check the issue date and make sure your passport is no older than 9 years and 6 months on the day of travel.

For example, if you're planning to travel to the Schengen area on 30 March 2019, your passport should have an issue date on or after 1 October 2009.

If your passport does not meet these criteria, you may be denied entry to any of the Schengen area countries, and you should renew your passport before you travel.

The easiest way to [renew your passport](#) is online. Or find out about [other ways of applying to renew your passport](#).

If you are planning travel after 29 March 2019, and your passport will be affected by the new validity rules, we recommend you consider renewing your passport soon to avoid any delay, as the passport issuing service can get busy, especially in the spring.

If you are a parent or guardian:

For 5-year child passports issued to under-16s, check the expiry date and make sure there will be at least 6 months' validity remaining on the date of travel.

For example, a child planning to travel to the Schengen area on 30 March 2019 should have a passport with an expiry date on or after 1 October 2019.

If a child's passport does not meet these criteria, they may be denied entry to any of the Schengen area countries, and you should renew their passport before travel.

The easiest way to [renew a child's passport](#) is online. Or find out about [other ways of applying to renew a child's passport](#).

### Travelling to countries which are in the EU but not in the Schengen area

For countries that are in the EU but not in the Schengen area, you'll need to check the entry requirements for the country you're travelling to before you travel.

### Travel to Ireland after EU exit

Travel to Ireland is subject to separate Common Travel Area arrangements which will be maintained after the UK leaves the EU.

[Further details on travel to Ireland can be found here](#).

### Passports with validity over 10 years (5 years for children)

Since 2001, some adult British passports were issued with a validity longer than 10 years. This is because if you renewed your passport before it expired you were allowed to have the time left on your old passport added to your new passport. The maximum validity period possible was 10 years and 9 months. This means you can't use the expiry date to check if your adult passport will be valid under the new rules.

From the beginning of September 2018 extra validity is no longer added to passports and the maximum validity for a new adult UK passport will be 10 years, and for a child passport will be 5 years. We have made this change to follow recommendations set out by the International Civil Aviation Organisation and to help provide clarity about passport validity in the Schengen area in the future.

### **Crown Dependencies and Gibraltar passports**

If your British passport is a Crown Dependency or Gibraltar issued passport and you're going to travel to a country in the Schengen Area from 30 March 2019, these new rules will also apply to you. If your passport does not meet these criteria, you may be denied entry to any of the Schengen area countries, and you should renew your passport before you travel.

You can apply for a new passport at your respective Crown Dependencies or Gibraltar passport offices:

- [Gibraltar](#)
- [Guernsey](#)
- [Isle of Man](#)
- [Jersey](#)

### **British passports issued after 29 March 2019**

[The design of the British passport will change after Britain leaves the EU](#). This will happen in two stages.

Passports printed between 30 March 2019 up until the introduction of the new passport design will be burgundy but will not include the words 'European Union' on the front cover. This includes passports issued by the Crown Dependencies and Gibraltar.

Blue passports will start being issued from late 2019.

If you renew your passport between late 2019 and early 2020, you'll be automatically issued with either a blue or burgundy British passport.

This notice is meant for guidance only. You should consider whether you need separate professional advice before making specific preparations.

It is part of the government's ongoing programme of planning for all possible outcomes. We expect to negotiate a successful deal with the EU.

The UK government is clear that in this scenario we must respect our unique relationship with Ireland, with whom we share a land border and who are co-signatories of the Belfast Agreement. The UK government has consistently placed upholding the Agreement and its successors at the heart of our approach. It enshrines the consent principle on which Northern Ireland's constitutional status rests. We recognise the basis it has provided for the deep economic and social cooperation on the island of Ireland. This includes North-South cooperation between Northern Ireland and Ireland, which we're committed to protecting in line with the letter and spirit of Strand two of the Agreement.

The Irish government have indicated they would need to discuss arrangements in the event of no deal with the European Commission and EU Member States. The UK would stand ready in this scenario to engage constructively to meet our commitments and act in the best interests of the people of Northern Ireland, recognising the very significant challenges that the lack of a UK-EU legal agreement would pose in this unique and highly sensitive context.

It remains, though, the responsibility of the UK government, as the sovereign government in Northern Ireland, to continue preparations for the full range of potential outcomes, including no deal. As we do, and as decisions are made, we'll take full account of the unique circumstances of Northern Ireland.

Norway, Iceland and Liechtenstein are party to the Agreement on the European Economic Area and participate in other EU arrangements. As such, in many areas, these countries adopt EU rules. Where this is the case, these technical notices may also apply to them, and EEA businesses and citizens should consider whether they need to take any steps to prepare for a 'no deal' scenario.

# Citizen Rights: Workplace Rights

## Purpose

This notice informs businesses, workers and citizens of the UK's plans to continue workplace protections in the unlikely event that the UK leaves the EU in March 2019 with no agreement in place. This government firmly believes in the importance of strong labour protections. Amendments we are putting in place will ensure legal certainty and clarity for stakeholders on their responsibilities and rights.

## Before 29 March 2019

The workplace rights and protections covered in this notice come from EU law and include the following:

- the [Working Time Regulations](#), which include provisions for annual leave, holiday pay and rest breaks
- family leave entitlements, including maternity and parental leave
- certain requirements to protect the health and safety of workers
- legislation to prevent and remedy discrimination and harassment based on sex, age, disability, sexual orientation, religion or belief, and race or ethnic origin in the workplace, and any resulting victimisation
- the [TUPE regulations](#), protecting workers' rights in certain situations when there is a transfer of business or contracts from one organisation to another
- protections for agency workers and workers posted to the UK from EU states
- legislation to cover employment protection of part-time, fixed-term and young workers; information and consultation rights for workers, including for collective redundancies
- legislation covering insolvency referred to in the Employment Rights Act 1996 and Pension Schemes Act 1993, administering redundancy related payments to employees in case of insolvency. The legislation that applies in Northern Ireland is the Employment Rights (Northern Ireland) Order 1996 and the Pension Schemes (Northern Ireland) Act 1993.

## After 29 March 2019 if there's 'no deal'

The EU (Withdrawal) Act 2018 brings across the powers from EU Directives. This means that workers in the UK will continue to be entitled to the rights they have under UK law, covering those aspects which come from EU law (including those listed above except where caveated below). Domestic legislation already exceeds EU-required levels of employment protections in a number of ways. The government will make small amendments to the language of workplace legislation to ensure the existing regulations reflect the UK is no longer an EU country. These amendments will not change existing policy. This will provide legal certainty, allowing for a smooth transition from the day of EU exit, and will ensure that employment rights remain unchanged, including the employment rights of those working in the UK on a temporary basis, except where set out below.

The UK government will continue to work with the devolved administrations to ensure workers' rights continue to operate across the UK.

In the following cases, withdrawal from the EU in a 'no deal' scenario has impacts on participation in agreed arrangements with the EU which benefit all EU countries:

- Employer Insolvency: Currently, UK and EU employees working in the UK are protected under [the Employment Rights Acts 1996](#) and [Pension Schemes Act 1993](#) (or the relevant legislation in Northern Ireland on [employment rights](#) and [pension schemes](#)) implementing the Insolvency Directive, with procedures in place for making claims in the case of employer insolvency. Similarly, UK employees working in an EU country are protected by the laws of that country that implement the directive.
- European Works Councils: Currently EU law allows for workers to request, in certain circumstances, that their employer establishes a European Works Council to provide information and consult with employees on issues affecting employees across two or more European Economic Area states. These rules are set out in the European Works Council Directive (2009/38/EC). The statutory framework that applies to European Works Councils would require a reciprocal agreement from the EU for them to continue to function in their present form within the UK.

## Implications

In a 'no deal' scenario, there are no expected financial implications or impacts for citizens or businesses operating in the UK (whether UK or EU-based) in regard to workplace rights. There are some implications in relation to European Works Councils and the insolvency of some employers, laid out below.

## Employer insolvency

With regards to employer insolvency, in a 'no deal' scenario, people living and working in the UK for a UK or EU employer will continue to be protected under the same parts of the [Employment Rights Act 1996 and Pension Schemes Act 1993 implementing the Insolvency Directive](#) (or the relevant legislation in Northern Ireland on [employment rights](#) and [pension schemes](#)).

Employees will still be able to bring forward claims in the same way that they can currently. UK law provides protection for all UK, EU, and non-EU employees working in the UK, provided that certain other criteria are met. This will not change as a result of exiting the EU.

UK and EU employees that work outside the UK in an EU country for a UK employer may still be protected under the national guarantee fund established in that country. However, this may not always be the case, as there are variations in how each EU country has implemented the guarantee required by EU law.

### **European Works Councils**

With regards to European Works Councils, in a 'no deal' scenario, the government will ensure the enforcement framework, rights and protections for employees in the UK European Works Councils continue to be available, as far as possible in a 'no deal' scenario. There are implications for UK businesses and trade unions with regards to their European Works Council agreements.

UK regulations will be amended so that:

- no new requests to set up a European Works Council or Information and Consultation procedure can be made
- provisions relevant to the ongoing operation of existing European Works Councils will remain in force
- requests for information or to establish European Works Councils or Information and Consultation procedures made before EU exit but not completed by EU exit will be allowed to complete.

### **Actions for businesses and other stakeholders**

#### **UK and EU employees working in an EU country**

Employees should make themselves aware of the relevant implementing legislation in the EU country in which they work, to confirm whether they will still be protected under the national guarantee fund established in that country.

#### **UK businesses and trade unions**

UK businesses with European Works Councils, and trade unions that are parties to European Works Council agreements, may need to review those agreements in light of there no longer being reciprocal arrangements between the UK and the EU.

# Business: Broadcasting and Media

## Purpose

The purpose of this notice is to set out the legal status for audio-visual services that media services providers may wish to consider in the unlikely event that the UK leaves the EU in March 2019 with no agreement in place.

## Before 29 March 2019

The Audio-visual Media Services Directive (AVMSD) (Directive 2010/13/EU) sets out a country of origin principle, according to which audio-visual media service providers are only subject to the jurisdiction of one EU country. Providers of broadcasting channels and of video on demand services based in one country are only subject to one set of rules and regulation from this 'country of origin'. A broadcasting licence issued by Ofcom, the UK communications regulator, is valid in the whole of the EU. The provider therefore need only comply with Ofcom rules, regardless of where the licensed service is received within the EU.

A provider requires a licence from the country which has jurisdiction over it. Under the AVMSD there is a specific hierarchy of rules for determining jurisdiction (Article 2): these include rules based on the establishment of a media service provider ("establishment criteria") and technical criteria for providers broadcasting via a satellite ("technical criteria"), which apply where the establishment criteria are not met.

The establishment criteria set out a series of rules which determine when a service provider is considered established within a EU country (Article 2 (3) of AVMSD) so that that country has jurisdiction over it. In the first instance a provider is taken to be established where the head office and editorial decisions for a service are taken. If the head office is in one location but editorial decisions are taken in another EU country, establishment is based on the location of the office where a significant part of the workforce is located. If a significant part of the workforce is in multiple locations, establishment is based on the location of the head office. For example, if a service has its head office in one EU country but editorial decisions are taken in the UK, and a significant part of the workforce is in multiple EU countries, the country with the head office will have jurisdiction.

If the establishment criteria do not apply, the technical criteria may apply (Article 2(4) of AVMSD). According to the technical criteria a service provider will be deemed to be within the jurisdiction of an EU country if:

- it uses a satellite uplink situated in that EU country, or
- it uses satellite capacity relating to that EU country (this is a subsidiary criterion and will apply only if the jurisdiction of an EU country cannot be established under the "satellite uplink" criterion).

If the service is uplinked from more than one EU country, the broadcaster will fall under the jurisdiction of the EU country where the first established uplink is located. However, if the oldest uplink relates to a satellite without a footprint focused on Europe, while the more recent one relates to a satellite with a footprint which is focused on Europe, the more recent uplink will determine jurisdiction.

AVMSD is in the process of being revised and is in the later stages of the legislative process for doing so. A new version is expected to be adopted by December 2018 and implemented by EU countries by August 2020.

Alongside AVMSD the UK, along with 20 other EU countries, is a signatory to the Council of Europe Convention on Transfrontier Television (ECTT), which entered into force in 1993. EU countries that have signed and ratified the ECTT are Austria, Bulgaria, Croatia, Cyprus, Czech Republic, Estonia, Finland, France, Germany, Hungary, Italy, Latvia, Lithuania, Malta, Poland, Portugal, Romania, Slovakia, Slovenia and Spain.

The Convention guarantees freedom of reception between the parties and sets out that parties to the Convention must not restrict the retransmission of compliant programmes within their territories.

However, ECTT provides that EU countries will continue to apply the AVMSD in their mutual relations and not ECTT. This means that even the EU countries who have signed ECTT observe only AVMSD rules inside the single market.

European Works is a content quota system for broadcasters and on demand services designed to promote domestic European production and preserve European cultural identity. It forms part of both ECTT and AVMSD. European Works classification requires a programme to originate in either an EU country or a non-EU European country which is party to the ECTT.

The UK's position as a party to the ECTT will not be affected by the UK's withdrawal from the EU. Further, the EU's 'Notice to Stakeholders' for audio-visual media services has confirmed works originating in the UK will continue to be classed as European Works after exit.

### **After March 2019 if there is 'no deal'**

If there's no deal, the AVMSD and the country of origin principle will no longer apply to services under UK jurisdiction that are broadcast into the EU, as the UK would be classified as a third country. Recital 54 of the AVMSD sets out that EU countries are free to take whatever measures they deem appropriate with regard to audio-visual media services that come from third countries, provided the measures comply with Union law and the international obligations of the Union. However, in the absence of the AVMSD regulatory framework, the ECTT framework continues to apply and may have increased relevance. The 20 EU countries that have signed and ratified ECTT will be required to permit freedom of reception to services under UK jurisdiction (how this right is given effect in each country may depend on national law and how the ECTT has been implemented locally). In turn, the UK would be required to permit freedom of reception for services which originate from EU and non-EU countries that are parties to the ECTT. Details will be confirmed in due course regarding the seven EU countries that have not signed and ratified this convention. As noted in the White Paper, in any scenario the UK is committed to ensuring continued licence-free reception for TG4, RTÉ1 and RTÉ2 to reflect and build-on the commitments in the Good Friday agreement. If media service providers rely on the ECTT for distribution of a service in a no-deal scenario, they would need to be mindful of the fact that the ECTT does not have the same enforcement mechanisms as the AVMSD. There is a standing committee to resolve disputes, but this has not met since 2010. Article 26 of the ECTT also contains provision for arbitration.

### **What you would need to do**

The White Paper on the future relationship with the EU noted that the UK will not be part of AVMSD after exit and therefore the country of origin principle will not apply to the UK. Before exit in March 2019, you would need to assess on a case-by-case basis whether your current licence would continue to be accepted in the EU countries where the service is made available, and seek independent local advice if necessary. It is your responsibility to take measures to ensure that you can obtain a valid licence or authorisation to ensure compliance if it is required. See the [list of media regulators in the EU](#) which can be found on the European Commission's website.

You should assess if a service you provide is available in the EU. If it is a UK service, and not receivable in the EU, you would not need to take any action. The Ofcom licence would still be valid on exit. If the service is available in the EU and only available in one or more of the 20 ECTT countries noted above, freedom of reception should be permitted in accordance with ECTT. However, you should seek local legal advice to check how national law deals with ECTT obligations to permit freedom of reception of the service and what action (if any) needs to be taken. Ofcom licences should still be recognised but the process may depend on national law. If a service is available in the EU and available in one or more of the 7 non-ECTT countries (Belgium, Denmark, Greece, Ireland, Luxembourg, The Netherlands and Sweden) you would need to ensure that the service is correctly licensed (or authorised) on exit day. How this is done is dependent on a number of factors as there is a hierarchy of jurisdiction (noted above) in the AVMSD which determines which EU country regulates the service. You should be aware that you may need to have two licences. You would need an Ofcom licence for services receivable in the UK. An Ofcom licence can also cover services that are receivable in other ECTT countries (because under the ECTT those countries must recognise Ofcom licences). However, Ofcom licences would not be capable of covering services receivable in EU countries that are not party to the ECTT. There are seven such countries, in which a further licence may be needed. You should consider taking local legal advice on the licensing requirements in those countries. The ECTT does not provide for freedom of reception for video-on-demand services, and so providers of these services will need to comply with the requirements of AVMSD for jurisdiction as set out above. The regulation and authorisation of video-on-demand service is determined locally and providers should seek local legal advice with regard to the status of their service. If you take no action, you're likely to be viewed as a third-country broadcaster broadcasting into the EU. Under AVMSD, this would mean that EU countries are free to impose through national laws further conditions on transmitting services into their territories - although subject to the provisions of the ECTT itself. As noted above, you would need to take into account that the enforcement mechanisms of the ECTT are limited. After exit, if your company wishes to retain your head office in the UK you can do so whilst, at the same time, qualifying for jurisdiction in an EU state (and so being able to obtain an AVMSD licence via that EU state). Under AVMSD, if decisions of a provider are taken in an EU country that provider will fall under the jurisdiction of that EU country provided a significant part of its workforce is located in that EU country. This would be the case even if the head office remained in the UK. However, we advise you to seek local legal advice on the requirements in the EU country concerned. If you do not have a significant workforce within a EU country, the technical criteria may still apply, as set out in Article 2 (4) AVMSD. In practice this means if a service is provided via an uplink in a EU country then jurisdiction would fall to that country. If there is more than one uplink, jurisdiction will fall to the EU country where the first uplink was established. If the uplink is in the UK, the jurisdiction will (however) fall to the EU country which operates the relevant satellite capacity. In most cases, this would either be Luxembourg or France, as the majority of EU broadcasting satellites are operated by these two countries. These countries have different notification systems and you should contact the local relevant regulator to ascertain the local regulatory requirements. As part of the 'no deal' planning the UK will make provisions in domestic legislation for the continuation of Ofcom licences from day 1 following EU exit, so that broadcasters can continue to broadcast in the UK, without having to reapply for their licence under any new framework. In addition, the government will ensure that the domestic legislation in relation to audio-visual media services will continue to be operable.

## Business: Copyrights

### Purpose

If the UK leaves the EU in March 2019 without a deal, find out in this notice how this would affect cross border copyright.

### Before 29 March 2019

The UK and other EU member states are party to the main international treaties on copyright and related rights. Under the rules of these treaties, countries provide copyright protection for works originating in or made by nationals of other countries. These rules underpin the copyright legislation in all member states of the EU and do not depend on the UK's membership of the EU.

There is also a body of EU law on copyright and related rights that goes beyond the provisions of the international treaties, including several cross-border copyright mechanisms. These mechanisms are unique to the EU and provide reciprocal protections and benefits between EU member states. They include:

- Sui generis database rights. Under the Database Directive (Directive 96/9/EC of the European Parliament and of the Council of 11 March 1996 on the legal protection of databases, extended to the EEA in paragraph 9a, Annex XVII of EEA Agreement), nationals, residents, and businesses of EEA member states are eligible for database rights in all EEA member states. These rights are unique to the EEA and do not arise in relation to databases created or owned by non-EEA citizens, residents, or businesses.
- Portability of online content service. The Portability Regulation (Regulation (EU) 2017/1128 of the European Parliament and of the Council of 14 June 2017 on cross-border portability of online content services in the internal market) allows consumers to access their online content services (e.g. Netflix) when they are temporarily in an EU member state other than their home state.
- Country-of-origin principle for copyright clearance in satellite broadcasting. The Satellite and Cable Directive (Council Directive 93/83/EEC of 27 September 1993 on the coordination of certain rules concerning copyright and rights related to copyright applicable to satellite broadcasting and cable retransmission, extended to the EEA in paragraph 8, Annex XVII of the EEA Agreement) simplifies the clearance of rights for cross-border satellite broadcasting. Under the Directive, a satellite broadcaster can broadcast a work protected by copyright into any EEA member state after having cleared the copyright requirements for the member state in which the broadcast originates. Wider country-of-origin issues in relation to broadcasting are covered in [Broadcasting and video on demand if there's no Brexit deal](#).
- Orphan works (works without documented owners) copyright exception. The Orphan Works Directive (Directive 2012/28/EU of the European Parliament and of the Council of 25 October 2012 on certain permitted uses of orphan works, extended to the EEA in paragraph 10, Annex XVII of the EEA Agreement) allows cultural heritage institutions established in the EEA to digitise orphan works in their collection and make them available online across the EEA without the permission of the right holder.
- Collective management of copyright. The Collective Rights Management Directive (Directive 2014/26/EU of the European Parliament and of the Council of 26 February 2014 on collective management of copyright and related rights and multi-territorial licensing of rights in musical works for online use in the internal market, extended to the EEA in paragraph 11, Annex XVII of the EEA Agreement) places obligations on EEA Collective Management Organisations – bodies that manage the licensing of copyright works on behalf of right holders. Among these is a requirement that EEA Collective Management Organisations that offer multi-territorial licensing of online rights of musical works must represent on request the catalogues of EEA Collective Management Organisations that do not offer such licences.
- Cross-border transfer of accessible format copies of copyright works. The Marrakesh Directive (Directive (EU) 2017/1564 of the European Parliament and of the Council of 13 September 2017 on certain permitted uses of certain works and other subject matter protected by copyright and related rights for the benefit of persons who are blind, visually impaired or otherwise print-disabled and amending Directive 2001/29/EC on the harmonisation of certain aspects of copyright and related rights in the information society) and Regulation (Regulation (EU) 2017/1563 of the European Parliament and of the Council of 13 September 2017 on the cross-border exchange between the Union and third countries of accessible format copies of certain works and other subject matter protected by copyright and related rights for the benefit of persons who are blind, visually impaired or otherwise print-disabled) implement the Marrakesh Treaty (the Marrakesh VIP Treaty, previously the Marrakesh Treaty to Facilitate Access to Published Works for Persons Who Are Blind, Visually Impaired or Otherwise Print Disabled) in EU law and allow the cross-border transfer of accessible format copies of copyright works between EU member states and with other countries that have ratified the Treaty.

The Portability and Marrakesh Regulations take effect directly in the UK. The remainder of the cross-border mechanisms have been or will be implemented in UK legislation.

### After March 2019 if there's no deal

The UK's continued membership of the main international treaties on copyright will ensure that the scope of protection for copyright works in the UK and for UK works abroad will remain largely unchanged.

The EU cross-border copyright mechanisms extend only to member states of the EU or EEA. On exit, the UK will be treated by the EU and EEA as a third country and the reciprocal element of these mechanisms will cease to apply to the UK.

The EU Directives and Regulations on copyright and related rights will be preserved in UK law as retained EU law under the powers in the EU Withdrawal Act 2018. The government will make adjustments under the powers of the Act to ensure the retained law can operate effectively.

### **Implications**

In respect of the cross-border mechanisms, in a 'no deal' scenario for:

- Sui generis database rights. There will be no obligation for EEA states to provide database rights to UK nationals, residents, and businesses. UK owners of UK database rights may find that their rights are unenforceable in the EEA.
- Portability of online content service. The Portability Regulation will cease to apply to UK nationals when they travel to the EU. This means online content service providers will not be required or able to offer cross-border access to UK consumers under the EU Regulation. UK consumers may see restrictions to their online content services when they temporarily visit the EU.
- Country-of-origin principle for copyright clearance in satellite broadcasting. UK-based satellite broadcasters that currently rely on the country-of-origin copyright clearance rule when broadcasting into the EEA may need to clear copyright in each member state to which they broadcast.
- Orphan works copyright exception. UK-based Cultural Heritage Institutions that make works available online in the EEA under the exception may be infringing copyright.
- Collective management of copyright. UK Collective Management Organisations will not be able to mandate EEA Collective Management Organisations to provide multi-territorial licensing of the online rights in their musical works.
- Cross-border transfer of accessible format copies of copyright works. The UK intends to ratify the Marrakesh Treaty after exit but ratification will not have taken place before 29 March 2019. Between exit and the point of ratification, businesses, organisations or individuals transferring accessible format copies between the EU and UK may not be able to rely on the EU Regulation.

### **Actions for businesses and other stakeholders**

Businesses and other interested parties may wish to seek legal advice on how these arrangements could affect their business model or intellectual property rights, for example:

- Sui generis database rights. UK owners may want to consider relying on other forms of protection (e.g. restrictive licensing agreements or copyright where applicable) for their databases.
- Portability of online content service. UK consumers may see restrictions to their online content services when they temporarily visit the EU.
- Country-of-origin principle for copyright clearance in satellite broadcasting. UK-based satellite broadcasters may need to clear copyright in each member state to which they broadcast. Broadcasters may want to consider whether they need to seek additional copyright permissions.
- Orphan works copyright exception. Institutions that currently use the exception may want to consider whether they need to remove works from their websites or limit access to content on a geographical location basis in the EEA.
- Collective management of copyright. UK Collective Management Organisations that currently rely on this right may want to consider seeking to continue existing arrangements with EEA Collective Management Organisations via new contractual arrangements.
- Cross-border transfer of accessible format copies of copyright works. Businesses, organisations or individuals transferring accessible format copies between the EU and UK may want to consider whether they need to seek the permission of the relevant right holders or cease the cross-border transfer of accessible copies.

## Business: Trademarks and Design

### Purpose

If the UK leaves the EU in March 2019 without a deal, find out how this would affect:

- registered Community designs
- unregistered Community designs
- correspondence addresses and confidentiality for UK trademarks and designs

### Continued protection of registered trademarks and designs in the UK

#### Before 29 March 2019

EU trademarks and registered Community designs are intellectual property rights. They are granted by the EU Intellectual Property Office and are governed by EU regulations, including [Regulation \(EU\) 2017/1001 on the EU trade mark](#) and [Regulation \(EC\) No 6/2002 of 12 December 2001 on Community designs](#). A business, organisation or individual that owns an EU trade mark or registered Community design (the right holder) has that right protected across all EU member states including the UK.

Right holders can also hold trademarks and registered designs through the international Madrid and Hague systems. These systems allow users to file one application, in one language, and pay one set of fees to protect trademarks and registered designs in up to 113 territories including the EU. Trademarks and registered designs obtained through these systems are also protected in the UK. An estimated combined figure of 1.7 million EU trademarks and registered Community designs are in force (2017 figures), along with over 200,000 international trade mark and design registrations covering the EU.

#### After March 2019 if there's no deal

The government will ensure that the property rights in all existing registered EU trademarks and registered Community designs will continue to be protected and to be enforceable in the UK by providing an equivalent trade mark or design registered in the UK.

Businesses, organisations or individuals that have applications for an EU trade mark or Community design which are ongoing at the point of the UK's exit from the EU will have a period of nine months from the date of exit to apply in the UK for the same protections, retaining the date of the EU application for priority purposes.

The government will work, including with the World Intellectual Property Organization, to provide continued protection in the UK after March 2019 of trademarks and designs filed through the Madrid and Hague systems and which designate the EU.

Right holders with an existing EU trade mark or registered Community design will have a new UK equivalent right granted that will come into force at the point of the UK's exit from the EU. The new UK right will be provided with minimal administrative burden. The trade mark or design will then be treated as if it had been applied for and registered under UK law. This means that these trademarks and designs:

- will be subject to renewal in the UK
- can form the basis for proceedings before the UK Courts and the Intellectual Property Office's Tribunal
- can be assigned and licensed independently from the EU right

After exit, business, organisations and individuals with EU trade mark and Community design applications which are ongoing at the date of exit will be able to refile with the Intellectual Property Office under the same terms for a UK equivalent right, using the normal application process for registered trademarks and registered designs in the UK.

Applying for registered trade mark or registered design protection in the UK can be done via post or online. The online form and instructions for applying by post can be found [here](#) for trademarks and [here](#) for registered designs.

This means that for a period of nine months from exit, the government will recognise filing dates and claims to earlier priority and UK seniority recorded on the corresponding EU application. Right holders taking this step will need to meet the cost of refiling the application in accordance with the UK application fee structure.

The UK is also working, including with the World Intellectual Property Organisation, to provide continued protection in the UK from March 2019 onwards for trademarks and registered designs (filed through the Madrid and Hague Systems, and designating the EU as the area where they apply). This also includes practical solutions for pending applications.

## Implications

EU trade mark and registered Community design rights holders (businesses, organisations or individuals) may want to be aware of the following implications which will apply in a 'no deal' scenario:

- existing registered EU trademarks or registered Community designs held will continue to be valid in the remaining EU member states
- protection of existing registered EU trademarks or registered Community designs in the UK will be through a new, equivalent UK right which will be granted with minimal administrative burden
- right holders will be notified that a new UK right has been granted. Any business, organisation or individual that may not want to receive a new comparable UK registered trade mark or design will be able to opt out
- provision will be made regarding the status of legal disputes involving EU trademarks or registered Community designs which are ongoing before the UK courts and more information will be provided on this before the point at which the UK exits the EU
- applicants with a pending application for an EU trade mark or a registered Community design at the point of exit will be able to refile, within nine months from the date of exit, under the same terms for a UK equivalent right, retaining the EU application date for priority purposes
- applicants with pending applications for an EU trade mark or a registered Community design will not be notified and after exit will need to consider whether they refile with the Intellectual Property Office to obtain protection in the UK
- new applications will be eligible to be filed in the UK for UK trademarks and registered designs as they are now, and at [the cost specified in the UK fee structure](#)
- UK applicants, like EU and third country applicants, will continue to be able to apply for protection in the EU through an EU trade mark or registered Community design as they do currently

The government is working, including with the World Intellectual Property Organisation, to provide for continued protection in the UK from exit day onwards of registered trademarks and registered designs filed through the Madrid and Hague systems which designate the EU.

### Continued protection of unregistered Community designs

#### Before 29 March 2019

Unregistered Community Designs are intellectual property rights [governed by an EU Regulation](#). A business, organisation or individual that owns an unregistered Community design (the right holder) currently has that right protected across all EU member states including the UK.

Unregistered Community designs protect a range of design features including two- and three-dimensional aspects such as surface decoration and product shape. The unregistered Community design provides three years of protection from the date that the design is first made available to the public ('disclosed') within the EU. The unregistered Community design is entirely separate from the UK's own design right, which protects product shape and configuration for a maximum period of fifteen years.

#### After March 2019 if there's no deal

The government will ensure that all unregistered Community designs which exist at the point that the UK leaves the EU will continue to be protected and enforceable in the UK for the remaining period of protection of the right.

In addition to this, the UK will create a new unregistered design right in UK law which mirrors the characteristics of the unregistered Community design. This means that designs which are disclosed after the UK exits the EU will also be protected in the UK under the current terms of the unregistered Community design. This new right will be known as the supplementary unregistered design right.

Those UK unregistered design rights which exist at the point of exit will continue to be protected and the UK unregistered right will continue to exist for designs first disclosed in the UK. The UK will amend legislation to ensure that it functions effectively once the UK is no longer part of the EU system for designs.

## Implications

UK, EU and third country designers will be provided with continued protection for those designs first disclosed in EU27 member states and already protected by an unregistered Community design right at the point that the UK exits the EU. Through the new supplementary unregistered design right, designs which are disclosed in the UK after the UK exits the EU will be protected in the UK under the current terms of the unregistered Community design.

From that point:

- existing unregistered Community designs will continue to be valid in the remaining EU member states

- protection of existing unregistered Community designs in the UK will be provided for with no action required by the right holder
- provision will be made regarding the status of legal disputes involving unregistered Community designs which are ongoing before UK courts

#### *Actions for businesses and other stakeholders*

The protection of existing unregistered Community designs in the UK will continue through a new equivalent right which arises automatically and with no action required by the right holder. For eligible designs disclosed after exit, the supplementary unregistered design right will arise automatically.

Businesses may wish to seek legal advice on how these arrangements could affect their business model or intellectual property rights.

#### **Correspondence addresses and confidentiality for UK trademarks and designs**

##### **Before 29 March 2019**

UK withdrawal is expected to have consequences on the rights of UK businesses, organisations and representatives to represent themselves, and on their choice of representatives in relation to EU trademarks and registered Community designs. This notice does not cover those arrangements. Businesses, organisations or individuals that have EU trade mark or design applications or registrations at the EU Intellectual Property Office and have appointed UK-based representatives to act on their behalf, should check the information in the notices published by the EU Intellectual Property Office - [Notice to holders of and applicants for European Union trademarks and to holders of and applicants for Community designs](#), and Part D of FAQ: '[Impact of the United Kingdom's withdrawal from the European Union on the European Union trade mark and the Community design](#)'. They may also want to consider speaking to their current representative to find out what arrangements they have in place.

This notice also does not cover rules relating to legal professional representation and address for service requirements relating to intellectual property rights protected at the national level in individual European Economic Area (EEA) states.

When a business, organisation or individual (right holder) applies for a UK trade mark or design at the UK Intellectual Property Office, they must supply an address for service which is within the EEA (which currently includes the EU and hence the UK). UK right holders generally have a UK address for service, either because they appoint a UK-based intellectual property representative to act for them and represent their interests before the Intellectual Property Office, or they represent themselves. Some EEA business, organisations or individuals may also have a UK address for service, if they have appointed a UK intellectual property representative. There are, however, some UK businesses, and many from outside the UK, who have an address for service within the EEA but outside the UK.

Legal professional privilege is given to communications between registered intellectual property representatives and their clients. This means that in legal proceedings in the UK, for example, such communications are considered confidential and will not, generally, be shared with those on the other side of the dispute. This privilege is provided for in the UK's intellectual property legislation.

For trademarks and designs, legal professional privilege is given to trade mark attorneys registered in the UK. It extends to those intellectual property representatives who are not based in the UK but are on the 'list of representatives' for the EU Intellectual Property Office for trademarks and designs. This list reflects the EEA geographical area.

##### **After March 2019 if there's no deal**

There will be no immediate changes to the UK address for service and privilege rules.

#### *Implications*

There will be no immediate implications for UK, EU or third country businesses. The current rules will remain in place at the point the UK exits the EU.

#### *Actions for businesses and other stakeholders*

There are no immediate actions for UK, EU or third country businesses. The current rules will remain in place at the point the UK exits the EU.

## Business: Exhaustion of IP rights

### Purpose

If the UK leaves the EU in March 2019 without a deal, find out in this notice how this would affect the exhaustion of intellectual property rights.

### Before 29 March 2019

Intellectual property rights give the business, organisation or individual that holds the rights (the right holder) certain exclusive entitlements, which include the right to control distribution of a protected product. The exhaustion of intellectual property (IP) rights refers to the loss of the right to control distribution and resale of that product after it has been placed on the market within a specified territory by, or with the permission of, the right holder.

The UK is currently part of a regional European Economic Area (EEA) exhaustion scheme, meaning that IP rights are considered exhausted once they have been put on the market anywhere in the EEA with the rights holder's permission.

### After March 2019 if there's no deal

In this scenario the UK will continue to recognise the EEA regional exhaustion regime from exit day to provide continuity in the immediate term for businesses and consumers.

This approach means there will be no change to the rules affecting imports of goods into the UK, and businesses that undertake this activity may continue unaffected.

Ongoing UK recognition of the EEA regional exhaustion area will ensure that parallel imports of goods, such as pharmaceuticals, can continue from the EEA. A parallel import is a non-counterfeit product which is imported into a country where the intellectual property rights in that product have already been exhausted.

While there will be no change for the importation of goods into the UK, there may however be restrictions on the parallel import of goods from the UK to the EEA. Businesses undertaking such activities may need to check with EU right holders to see if permission is needed.

The government is currently considering all options for how the exhaustion regime should operate after this temporary period. The government is undertaking a research programme to support this decision. [Information relevant to specific areas can be found here](#).

### Implications

Intellectual property-protected goods placed on the EEA market by, or with the consent of, the right holder after the UK has exited the EU will continue to be considered exhausted in the UK. This means that parallel imports of these goods from the EEA to the UK will be able to continue unaffected.

Goods placed on the UK market by or with the consent of the right holder after the UK has exited the EU will not however be considered exhausted in the EEA. This means that businesses exporting these goods from the UK to the EEA might need the right holder's consent.

### Actions for businesses and other stakeholders

Businesses may find that they need the right holder's consent to export intellectual property-protected goods that have been legitimately put on the market in the UK to the EEA.

Businesses may wish to seek legal advice on how this arrangement could affect their business model or intellectual property rights.

## Business: Patents

### Purpose

If the UK leaves the EU in March 2019 without a deal, find out in this notice how this would affect:

- the UK patent system and supplementary protection certificates
- the Unified Patent Court and unitary patent
- correspondence addresses and confidentiality for UK patents

### Patents and supplementary protection certificates

#### Before 29 March 2019

Only a few areas of UK patent law come from EU legislation (supported by, or implemented via, UK domestic legislation such as the Patents Act 1977). One important area relates to patented pharmaceutical products and agrochemicals where EU law provides for an additional period of protection after a patent has run out. This is called a supplementary protection certificate.

Additionally, EU law:

- sets out legal provisions on the patenting of biotechnological inventions. This includes exceptions from patenting, the scope of any protection, and a compulsory licensing regime between overlapping patents and plant variety rights
- provides processes for a compulsory licence to be granted for UK manufacture of a patented medicine for export to a country with a public health need
- sets out an exception that certain studies, trials and tests can be carried out using a patented pharmaceutical product without there being an infringement of the patent

A broader exception to infringement is also set out in UK law which allows for other activities to be carried out to meet regulatory requirements for medicines. This exception relies on references to relevant EU law.

#### After March 2019 if there's no deal

The relevant EU legislation (or its domestic implementation) will be retained in UK law under the EU Withdrawal Act 2018.

The existing systems will therefore remain in place, operating independently from the EU regime, with all the current conditions and requirements.

Any UK legislation supporting the existing systems will also continue to function as normal.

This means that the EU's legislation on supplementary protection certificates will be kept in UK law. This law, along with the existing supporting provisions in UK patents legislation, will form the UK's own supplementary protection certificate regime on exit.

Likewise, all other EU legislation relevant to patents and supplementary protection certificates will be kept in UK law. This will ensure UK law continues to work in respect of biotechnology patents and applications, compulsory licensing arrangements, and exceptions from infringement for the testing of pharmaceutical products. Issues relating to the unitary patent are covered elsewhere in this notice.

### Implications

Any existing rights and licences in force in the UK will remain in force after March 2019. For UK, EU and third country businesses there will be no significant change to the legal requirements or the application processes. In particular, pending applications for patents and for supplementary protection certificates will continue to be assessed on the same basis, and new applications can continue to be filed. If legal proceedings involving these rights or licences are underway, they will continue unaffected. The supplementary protection certificate regime in the UK will continue to operate as before for UK, EU and third country businesses. The conditions for patenting biotechnological inventions will remain in place. UK, EU and third country businesses as patent holders, third parties and applicants can continue to make decisions on the basis of the current legislation. Patent examiners will continue to apply the same law when scrutinising patent applications in this area. Third parties who wish to challenge the validity of a patent will be able to do so on the same grounds as at present. For compulsory licensing, UK, EU or third country businesses as holders of patents or plant variety rights which are valid in the UK will continue to be able to apply for a compulsory licence, where there is an overlap between the rights. UK, EU and third country businesses will continue to be able to obtain a compulsory licence for manufacturing a patented medicine to meet a specific health need in a developing country. For pharmaceutical product testing, UK, EU or third country businesses can continue to rely on the exceptions from patent infringement provided for various studies, trials and tests carried out on a pharmaceutical product.

## **Actions for businesses and other stakeholders**

Any existing rights and licences in force in the UK will remain in force automatically after March 2019 and no action is required from the right or licence holder. For UK, EU and third country businesses there will be no significant change to the legal requirements or the application processes. Pending applications will continue to be assessed on the same basis, and new applications can continue to be filed.

Supplementary protection certificate holders, applicants for supplementary protection certificates, and third parties may wish to familiarise themselves with any changes to the related regulatory processes (human and veterinary medicines and chemicals). [All technical notices can be found here](#).

## **Unitary patent and Unified Patent Court**

### **Before 29 March 2019**

The Unified Patent Court will hear cases relating to European patents and the new unitary patent – both administered by the non-EU European Patent Office. The unitary patent is a new type of patent and will be a single patent covering a number of European states.

The Unified Patent Court will be an international patent court established through an international agreement (the Unified Patent Court Agreement) between 25 EU countries. The Unified Patent Court is intended to provide businesses with a streamlined process for enforcing patents through a single court, rather than through multiple courts in multiple countries. The Unified Patent Court (UPC) is not yet in force, with the start date being dependent on ratification of the Unified Patent Court Agreement by Germany. It is unclear whether the Unified Patent Court and unitary patent will start before 29 March 2019.

### **After March 2019 if there's no deal**

There are two different scenarios for the Unified Patent Court:

- The Unified Patent Court does not come into force. The UK has ratified the Unified Patent Court Agreement but ratification by Germany is still outstanding. If the Unified Patent Court is never fully ratified, the domestic legislation to bring it into force will never take effect in the UK. In this scenario, there will be no changes for UK and EU businesses at the point that the UK exits the EU.
- Unified Patent Court comes into force. If the Unified Patent Court is ratified and comes into force, there will be actions that UK and EU businesses, organisations and individuals may need to consider. The UK will explore whether it would be possible to remain within the Unified Patent Court and unitary patent systems in a 'no deal' scenario. In the event that the Unified Patent Court and unitary patent come into force and the UK needs to withdraw from one or both systems, please see the implications below.

### **Implications**

If the Unified Patent Court comes into force and the UK needs to withdraw from both the Unified Patent Court and unitary patent, businesses will no longer be able to use the Unified Patent Court and unitary patent to protect their inventions within the UK. Existing unitary patents will give rise to equivalent UK patent protection to ensure continued protection in the UK. UK business will still be able to use the Unified Patent Court and unitary patent to protect their inventions within the contracting EU countries. However, in the UK, businesses will only have the option of protecting their inventions using national patents (including patents available from the non-EU European Patent Office) and UK courts. UK business will still be open to litigation within the Unified Patent Court based on actions they undertake within the contracting EU countries if they infringe existing rights. EU business will no longer be able to use the Unified Patent Court and unitary patent to protect their inventions within the UK but will be able to apply for domestic UK rights as they can now, via the UK Intellectual Property Office and the non-EU European Patent Office.

## **Actions for businesses and other stakeholders**

If the Unified Patent Court comes into force before March 2019 and the UK needs to withdraw from the Unified Patent Court and unitary patent:

- UK, EU and third country businesses will still be able to use the Unified Patent Court and unitary patent to protect their inventions within the EU
- any existing unitary patents (UPs) will give rise to patent protection within the UK with no action required by the right holder. The UP system will only come into force when the Unified Patent Court is operational. UPs will not be available to businesses until this point
- provision will be made regarding the status of any pending cases before the Unified Patent Court at exit
- UK, EU and third country businesses seeking protection in the UK for their inventions will need to use national patents (including patents available from the non-EU European Patent Office) and the UK court system

Businesses may wish to seek legal advice on how these arrangements could affect their business model or intellectual property rights

### Correspondence addresses and confidentiality for UK patents

UK withdrawal is expected to have consequences on the rights of UK businesses, organisations and representatives to represent themselves, and on their choice of representatives in relation to EU trademarks and registered Community designs. However European Patent Attorneys based in the UK will continue to be able to represent applicants before the European Patent Office. Please see the [notice published by the European Patent Office](#).

When a business, organisation or individual (right holder) applies for a UK patent at the UK Intellectual Property Office, they must supply an address for service which is within the European Economic Area (EEA) (which currently includes the EU and hence the UK). UK right holders generally have a UK address for service, either because they appoint a UK-based intellectual property representative to act for them and represent their interests before the Intellectual Property Office, or they represent themselves. Some EEA business, organisations or individuals may also have a UK address for service, if they have appointed a UK intellectual property representative. There are, however, some UK businesses, and many from outside the UK, who have an address for service within the EEA but outside the UK. Legal professional privilege is given to communications between registered intellectual property representatives and their clients. This means that in legal proceedings in the UK, for example, such communications are considered confidential and will not, generally, be shared with those on the other side of the dispute. This privilege is provided for in the UK's intellectual property legislation. Legal professional privilege is given to patent attorneys registered in the UK and to those intellectual property representatives who are not based in the UK, but are on the 'list of representatives' for the European Patent Office. This reflects the geographical area covered by the European Patent Convention (a non-EU international agreement).

#### After 29 March 2019 if there's no deal

There will be no immediate changes to the UK address for service rules. Privilege for patent attorneys will remain unaffected as this is not determined by reference to EU membership. Implications: **There will be no immediate implications for UK, EU or third country businesses. The current rules will remain in place at the point the UK exits the EU.** Actions for businesses and other stakeholders: There are no immediate actions for UK, EU or third country businesses. The current rules will remain in place at the point the UK exits the EU.

## Business: Telecoms Business

### Purpose

The purpose of this notice is to inform businesses of our contingency plan with regard to the telecoms regulatory framework in the unlikely event that the UK leaves the EU in March 2019 with no agreement in place. It does not cover other matters which may also be relevant to telecoms providers (please see separate technical notices for information on mobile roaming and data protection).

### Before 29 March 2019

The UK electronic communications regulatory framework is mainly contained within the [Communications Act 2003](#) and the [Wireless Telegraphy Act 2006](#), which implement the [EU Common Regulatory Framework](#). This domestic legislation governs the regulation of the telecoms markets, guarantees basic user rights, and sets out the powers and duties of Ofcom as the national regulator including how radio spectrum in the UK is managed.

The EU Common Regulatory Framework has been under review and a new electronic communications directive – the European Electronic Communications Code (EECC) - is expected to be adopted by the EU in Autumn 2018. EU countries will have 24 months from adoption to transpose the new directive into their national law.

### After March 2019 if there's no deal

If the UK leaves the EU in March 2019 with no deal in place, parts of the UK electronic communications regulatory framework would no longer be appropriate without corrections (e.g. the requirement to notify matters to the European Commission would not be applicable because the UK would cease to be a member of the EU).

The UK framework also includes references to the EU policy objective of promoting the Single Market, and cross-references to EU obligations and Commission Recommendations with which Ofcom would no longer be required to comply. We would correct references within the UK's regulatory framework to EU bodies, processes and legislation, to ensure that the regulatory framework remains operable. We intend to make secondary legislation under the EU Withdrawal Act 2018 later this year, which would bring these corrections into force in March 2019.

If the EECC is adopted by the EU before exit day but with a transposition deadline post-exit (likely to be 24 months from Autumn 2018), the Government would be minded to implement, where appropriate, its substantive provisions in UK law, on the basis that it would support the UK's domestic policy objectives. We would intend to implement these provisions according to a similar timetable to the EU, subject to UK Parliamentary business.

### Implications

After March 2019, irrespective of the outcome of the negotiations between the UK and the EU, we do not expect there to be significant impacts on how businesses operate under the telecoms regulatory framework and how consumers of telecoms services are protected. This is because the EU-derived rules applicable to communication providers and governing the way Ofcom regulates telecoms markets are implemented in UK law and would be corrected by statutory instruments made under the EU Withdrawal Act 2018. The rules on spectrum allocation and assignment would similarly be corrected so that the way Ofcom carries out these functions would be essentially unchanged.

Ofcom has always been able to and would continue to be able to tailor its regulatory approach to the needs of the UK telecoms market. In a no deal scenario, this approach would continue to be founded on the regulatory principles implemented presently in UK law, which aim to encourage competitive markets and guarantee consumer rights.

In a no deal scenario, UK operators would continue to be able to provide cross-border telecoms services as well as operate within the EU, under the World Trade Organisation's GATS (General Agreement on Trade in Services).

## Business: Mergers and Anti-competitive activity

### Purpose

This notice sets out how merger review and investigations into anti-competitive activity would be affected if the UK leaves the EU with no deal.

If the UK leaves the EU in March 2019 without a deal, find out how this would affect:

- the role of the Competition and Markets Authority;
- merger review;
- investigations into anti-competitive activity in the UK;
- exemptions from competition law that businesses can benefit from;
- claiming damages if you have been affected by anti-competitive behaviour.

### Before 29 March 2019

UK and EU competition law prohibit anti-competitive agreements and the abuse of a dominant market position. Merger control exists to prevent harmful effects to competition from mergers.

While the UK is part of the EU, mergers which meet EU turnover thresholds and many cases of anti-competitive conduct which affect the UK as part of the Single Market are investigated by the European Commission, with appeals to the Court of Justice of the European Union (CJEU). Where the European Commission does not take jurisdiction (legal authority over the case), the Competition and Markets Authority (CMA) is responsible for investigating the impact in the UK market. UK sector regulators (such as Ofcom) also have concurrent powers to investigate suspected infringements of competition law. Most appeals from Competition and Markets Authority decisions are heard by the specialist Competition Appeal Tribunal.

While the UK is part of the EU, it is possible to bring follow-on actions for private damages in UK courts for infringements of EU competition law based on decisions by the European Commission. European Commission decisions that are made before exit will continue to have the same legal status in UK law that they have now, meaning that claimants may bring follow-on claims based on those decisions in UK courts. In addition, the CMA and UK courts are required to follow decisions of the CJEU on points of competition law and to take account of decisions of the European Commission in order to avoid inconsistent decisions.

### After March 2019 if there's no deal

In the unlikely event of a 'no deal' scenario, the UK will cease to be part of the EU competition regime. The government is not proposing to make any changes to the UK competition regime beyond those necessary to manage the UK's exit from the EU.

The Competition and Markets Authority, which is a world-leading competition authority, will continue in its investigatory role for mergers and anti-competitive conduct with effects on UK markets.

The government will make necessary changes to UK law through Statutory Instruments made under the EU Withdrawal Act 2018. These will remove references to EU law and institutions, and duties on UK bodies which relate to current EU obligations. For example, powers relating to the European Commission's ability to undertake investigations of business premises in the UK will be removed; and the CMA and UK courts will no longer be bound to follow future CJEU case law.

The domestic UK competition regime will remain in place. All businesses operating in the UK will continue to have to comply with UK competition law. Anti-competitive agreements and abuses of a dominant market position that affect competition within the UK will continue to be prohibited. The Competition and Markets Authority and sectoral regulators will continue to investigate possible breaches of UK competition law.

The EU Withdrawal Act will preserve the EU block exemption regulations (which currently apply in the UK as parallel exemptions to the UK competition prohibitions). The block exemption regulations exempt certain types of agreements from competition rules where there are benefits for consumers. Any necessary modifications will be made to correct deficiencies in the exemptions, for example amounts denominated in euros will be converted and redenominated in pounds sterling. The intention is that existing agreements between companies that benefited from the parallel application of an EU exemption to the UK antitrust prohibitions prior to EU exit should continue to benefit from that exemption in the UK. Companies will also be able to benefit from the preserved block exemptions within the UK when they enter into new agreements that meet the relevant criteria after EU exit.

In a 'no deal' scenario, businesses should be aware that it is possible that there will be no agreement on jurisdiction over live EU merger and antitrust cases to the extent that they address effects on UK markets. Businesses subject to an ongoing antitrust investigation should take independent legal advice on how to comply with any ongoing investigation of the European Commission and/or the Competition and Markets Authority (or the relevant UK regulator).

Once the UK has left the EU, although the European Commission may investigate mergers or anti-competitive conduct within the EU Single Market, it will no longer begin investigations into the UK aspects of mergers or cases involving anti-competitive conduct in the UK. Instead, the Competition and Markets Authority and regulators with competition enforcement powers (for example, Ofcom and Ofwat) will only investigate anti-competitive conduct that affects UK markets under UK competition law. The Competition and Markets Authority will be the only authority with jurisdiction to review mergers for their effects in the UK.

In a 'no deal' scenario the UK will not be part of the EU Civil Judicial Cooperation regime, which governs certain aspects of claims for damages for infringements of EU competition law. The government's technical notice on [Civil Judicial Cooperation](#) explains the general implications of this change.

If a decision is made by the European Commission after exit, claimants who wish to pursue private damages claims in UK courts for infringements of EU competition law will no longer be able to rely on that decision as a binding finding of an infringement in follow-on claims. Consumers and businesses will continue to be able to pursue private damages claims before UK courts based on Competition and Markets Authority decisions (or decisions by a competent sectoral regulator) under UK competition law.

### **Implications**

The main change for businesses will be that, in some cases, mergers that currently meet the relevant EU thresholds will be reviewed by both the Competition and Markets Authority and the European Commission. The [UK's voluntary notification regime](#) will remain. Similarly, after the UK exits the EU, companies may be investigated by both authorities in parallel for breaches of UK and EU antitrust rules where there are effects in both markets.

UK businesses that conduct business in the EU (or that otherwise act in a way that affects competition in the EU) will continue to be subject to EU competition law.

EU firms that conduct business in the UK will continue to be subject to UK competition law.

Competition infringement decisions of the European Commission that are made before the UK exits the EU will continue to have the same legal status as they have now, meaning that claimants may bring follow-on claims based on those decisions in UK courts.

### **Actions for businesses and other stakeholders**

Most businesses (those not subject to an ongoing investigation or considering a merger transaction) will not need to take any action except to continue to comply as normal with the prohibitions on anti-competitive agreements and the abuse of a dominant market position that will continue to apply in the EU and the UK.

The EU merger regime continues to apply as normal until the point of exit. If businesses are considering a merger transaction in the run up to March 2019 and are in doubt as to whether parallel notification in the UK and the EU is advisable, they may want to consider early engagement with both the Competition and Markets Authority and the European Commission. Businesses that have made a merger notification but have not received clearance prior to March 2019 should approach the European Commission and the Competition and Markets Authority, who will be able to advise whether any further action is necessary to comply with the EU or UK merger control regime in the specific case.

Businesses operating in the EU that meet EU turnover thresholds for merger review will still be required to notify the European Commission for clearance as they do now, subject to the fact that the UK will no longer be part of the EU for the purposes of the application of the relevant EU thresholds.

After exit, because the EU's "one-stop shop" for mergers will no longer be in effect in the UK, businesses considering a merger that has an impact in EU and UK markets after exit will need to comply with both EU and UK merger rules.

Businesses benefiting from EU Block Exemption Regulations will wish to familiarise themselves with the modifications to the preserved block exemptions but should not be significantly affected by the changes.

The European Commission will continue to have the power under EU law to investigate UK firms if they engage in conduct that distorts competition within the EU.

EU businesses operating in the UK must comply with UK competition law as they do now.

Businesses subject to an ongoing antitrust investigation should take independent legal advice on how to comply with any ongoing investigation of the European Commission and/or the Competition and Markets Authority (or the relevant UK regulator).

Claimants who wish to pursue claims in UK courts based on alleged breaches of EU competition law that took place after exit will be able to do so on a standalone basis, as a foreign tort claim (a legal claim in the UK relating to a violation of foreign law).

In a 'no deal' scenario, if companies or consumers wish to claim damages based on infringement decisions issued by both the European Commission and the UK authorities after exit, it may be necessary to make parallel claims before the UK courts and the courts of an EU member state.

Claimants pursuing claims for damages in UK courts, based on decisions of the European Commission or member state competition authorities that are made before exit, may bring those claims in UK courts. Claimants should consider the applicability of damages claims in EU member states in the light of the government's Technical Notice on Civil Judicial Cooperation.

## Business: State Aid

### Purpose

This notice explains to state aid givers and beneficiaries how the state aid rules will apply in the United Kingdom in the unlikely event that the UK leaves the EU in March 2019 with no agreement in place.

### Before 29 March 2019

State aid is support in any form (financial or in kind) from any level of government – central, regional or local – which gives a business or another entity a benefit in the single market that could not be obtained during the normal course of business.

State aid is governed by a legal framework. These rules are set out in the Treaty of the Functioning of the European Union and associated European legislation. The rules are in place to ensure open and fair competition and to prevent subsidies causing unfair distortions within the single market.

As long as the UK is part of the EU, state aid rules have direct effect without the need for domestic implementing legislation. The rules are enforced by the European Commission. There is no specific UK legislation related to state aid regulation. It is, however, possible to bring a claim in the UK courts to force aid givers who have not notified aid (to the European Commission) to stop giving aid until they have done so.

The UK strongly supports a rigorous state aid system – this is good for taxpayers, consumers, and for businesses.

### After 29 March 2019 if there's 'no deal'

The government will create a UK-wide subsidy control framework to ensure the continuing control of anti-competitive subsidies.

The EU state aid rules will be transposed into UK domestic legislation under the European Union (Withdrawal) Act. This will apply to all sectors; and will mirror existing block exemptions as allowed under the current rules, including the Agricultural Block Exemption Regulation, and the Fisheries Block Exemption Regulation.

The Competition and Markets Authority, which is a world leading competition authority, will take on the role of enforcement and supervision for the whole of the UK.

The UK government will continue to work with the devolved administrations to ensure the new state aid regime works for the whole of the UK.

### Implications

If the UK were to leave the EU on 29 March 2019 with no agreement, the Competition and Markets Authority will take over state aid regulation within the UK at that point.

The new regime will apply to all businesses with operations in the UK – whether UK, EU or third country based.

From that point:

- UK public authorities will need to notify state aid to any undertaking, through either the block exemption or through a full notification to the Competition and Markets Authority instead of the European Commission
- Existing approvals of state aid, including block exemption approvals, will remain valid and will be carried over into UK law under the Withdrawal Act
- Any full notifications not yet approved by the Commission should be submitted to the Competition and Markets Authority.

### Actions for businesses and other stakeholders

#### All businesses

UK businesses and EU businesses with operations in the UK will still be able to receive state aid from UK public authorities in accordance with the UK state aid rules. Any complaints from businesses about unlawful aid or the misuse of aid should be made to the Competition and Markets Authority.

Businesses should also consult further guidance to be published by the Competition and Markets Authority in early 2019.

## Business: Public Sector Contracts

### Before 29 March 2019

Under the UK's EU membership, all procurement opportunities that fall within the scope of the EU procurement directives are advertised on the Official Journal of the European Union (OJEU) via Tenders Electronic Daily (TED).

Procurement opportunities for below threshold contracts not falling within the scope of the EU procurement directives are advertised on 'domestic' portals such as:

- Contracts Finder
- Public Contracts Scotland
- Sell2Wales
- eTendersNI

### After March 2019 if there's no deal

If the UK leaves the EU in March 2019 with no deal in place regarding future arrangements on access to OJEU/TED, a replacement UK-specific e-notification service will be made available. Changes to the procurement rules will be made via amendments to existing legislation, to ensure continued operability.

All contract opportunities that would currently be published on OJEU/TED would be published on the new UK e-notification service. This would be in line with the current requirements to send notices to the EU Publications Office for publication on OJEU/TED. Publication would take place electronically and the service will be free for all users.

The UK is also aiming to accede to the WTO Agreement on Government Procurement (GPA). The UK currently participates in the GPA by virtue of its EU membership.

### Implications

#### Contracting authorities and entities

Contracting authorities and entities would need to ensure their contract notices are published on the UK e-notification service rather than OJEU/TED.

The requirement to advertise in Contracts Finder, MOD Defence Contracts Online, Public Contracts Scotland, Sell2Wales and eTendersNI would remain.

Those contracting authorities and entities who are currently working with a third party such as an 'E-Sender' or 'E-Publisher' to publish to OJEU/TED should be able to continue to work with their provider to publish on the UK e-notification service. Contracting authorities and entities that place their contract opportunities directly on to OJEU/TED will be contacted to ensure that they are familiar with the new UK e-notification service. There will be more engagement on about how to deal with ongoing procurement procedures in the handover period between the two systems nearer the time. This will be described via appropriate communication channels and in guidance, which will be made available on GOV.UK

#### Suppliers

Suppliers wishing to access contract opportunities from the UK public sector will need to access the new UK e-notification service. The UK e-notification service will be available from Exit day. Suppliers can continue to access the relevant domestic portal, such as Contracts Finder, MOD Defence Contracts Online, Public Contracts Scotland, Sell2Wales and eTendersNI. Suppliers who wish to access contract opportunities from the EU may continue to do so via OJEU/TED. [Additional information](#) on this has been [published by the EU](#).

#### E-Senders

E-Senders are involved in the technical changes being made and participating in testing to allow them to make any changes that are required to ensure continued operability.

## Business: Appointing Nominated Persons

### Purpose

The purpose of this notice is to explain future arrangements for nominated persons ('authorised representatives' and 'responsible persons') in relation to manufactured goods. These arrangements will apply in the unlikely event that the UK exits the EU without a deal in March 2019.

This notice does not cover the following areas:

- The role of Qualified Persons and Qualified Persons Responsible for Pharmacovigilance (QPs and QPPVs) for pharmaceuticals. Guidance available here: [Batch testing medicines if there's no Brexit deal](#) and [Medicines, Medical Devices and Clinical Trials](#)
- The role of the Only Representative for chemicals
- Authorised Representatives for medical devices

For the purposes of this notice, references to EU countries should be read as references to EEA states (Iceland, Liechtenstein and Norway).

### Before 29 March 2019

Businesses can appoint nominated persons to carry out certain tasks on their behalf. The tasks a nominated person can carry out are defined in different pieces of EU product legislation. Individuals who can carry out the role of nominated person may also be known as authorised representatives and responsible persons.

For example, an authorised representative must hold technical documentation about a product and provide this to market surveillance authorities in EU countries upon request. In some cases, they may affix a marking, such as the CE marking, to a product to indicate that the product meets the relevant requirements set out in [legislation](#).

Generally, the appointment of an authorised representative is optional. It is mandatory in the following circumstances:

- For some products (such as medical devices and marine equipment) where the manufacturer is not based in an EU country; and
- For cosmetics: a responsible person carries out specific duties, including ensuring that the product is safe for human health. Where a business is based in an EU country and placing cosmetics on the EU market, the responsible person is usually the manufacturer itself.

### After March 2019 if there's no deal

Any UK-based nominated person will no longer be recognised under [EU law](#). This means they will not be recognised as able to carry out tasks on the manufacturer's behalf.

To minimise disruption immediately after exit, existing authorised representatives based in an EU country will continue to be recognised in the UK for a time-limited period.

However, new authorised representatives will need to be based in the UK to be recognised under UK law. Examples of EU production regulations that include the role of authorised representatives can be found at Annex A of the [technical notice on 'New Approach' product regulation](#)

For cosmetics, responsible persons based in an EU country will no longer be recognised by the UK after March 2019 ([Regulation \(EC\) N° 1223/2009](#) is the main EU legislation covering cosmetics and covers the role of the responsible person). Businesses wishing to place cosmetics on the UK market will need to appoint a UK-based responsible person. This is due to specific legal duties assigned to the responsible person and their importance on ensuring the safety of products placed on the market.

### Implications

The implications outlined below relate to UK, EU and third country businesses in the event of the UK leaving the EU in a 'no deal' scenario.

This notice does not apply to medical devices. [A separate notice has been published for medical devices](#), although some details are subject to forthcoming consultation.

Businesses with an existing authorised representative based in an EU country will not be impacted in the short term and can continue to place products on the EU and UK markets in the same way.

Businesses with an authorised representative based in the UK will no longer be able to rely on that representative to carry out all the required tasks for products placed on the EU market.

Businesses wishing to appoint a new authorised representative to carry out tasks on their behalf in the UK should be aware that the authorised representative must be located in the UK but will be unable to carry out tasks relating to products being placed on the EU market.

Businesses placing cosmetic products on the EU market will not be able to use a responsible person located in the UK to place a product on the EU market.

Businesses placing cosmetic products on the UK market will not be able to use a responsible person located in an EU country to place a product on the UK market.

### **Actions for businesses and other stakeholders**

The actions outlined below relate to UK, EU and third country businesses in the event of the UK leaving the EU in a 'no deal' scenario. These businesses may want to discuss their requirements and necessary actions with their counterparts in the country they wish to establish representation.

Businesses with an authorised representative based in the UK will need to establish a new authorised representative in an EU country if they want an authorised representative to carry out tasks on their behalf within the EU.

Businesses wishing to appoint a new authorised representative to carry out tasks on their behalf in the UK will need to appoint a representative located in the UK.

Businesses placing cosmetic products on the EU market will need to appoint a responsible person located in an EU country.

Businesses placing cosmetic products on the UK market will need to appoint a responsible person located in the UK.

## Business: Labelling: Food

### Purpose

This notice sets out how labelling of food and compositional standards (minimum standards for certain types of key foods) would be affected if the UK leaves the EU in March 2019 without a deal. It sets out the actions food businesses would need to consider to continue to comply with food compositional standards and labelling legislation.

### Before 29 March 2019

Food labelling and compositional standards exist to maintain consumer confidence and a level playing field for businesses.

### Labelling

Labelling rules ensure consumers have easy access to the information they need to make an informed choice on which food to buy and eat. For example, all pre-packaged food must have a name that accurately describes the product. Multi-ingredient food must have an ingredients list with allergens highlighted.

These labelling provisions are set out primarily in EU Regulation 1169/2011 on the provision of Food Information to Consumers (plus the related Implementing Regulation 1337/2013 on the country of origin of certain meats).

### Compositional standards

Compositional standards lay down minimum standards for certain types of foods, for example honey, jam, chocolate products, sugars, instant coffee, bottled waters and fruit juices. These laws provide a level playing field for producers of these commodities and ensure minimum quality standards are maintained.

The EU-based rules on compositional standards are set out in the following sets of English regulations:

- the Jam and Similar Products (England) Regulations 2003
- the Natural Mineral Water, Spring Water and Bottled Drinking Water (England) Regulations 2007
- the Spreadable Fats (Marketing Standards) and Milk and Milk Products (Protection of Designations) (England) Regulations 2008
- the Honey (England) Regulations 2015
- the Coffee Extracts and Chicory Extracts (England) Regulations 2000
- the Fruit Juices and Fruit Nectars (England) Regulations 2013
- the Condensed Milk and Dried Milk (England) Regulations 2015
- the Cocoa and Chocolate Products (England) Regulations 2003
- the Specified Sugar Products (England) Regulations 2003
- the Caseins and Caseinates (England) Regulations 2017

In addition, there are domestic (non-EU) rules for England on compositional standards regarding products containing meat, and bread and flour.

Equivalent regulations for all of the above exist for Scotland, Wales and Northern Ireland.

### After March 2019 if there's no deal

The UK government will maintain our current world-leading set of standards on food safety, food labelling and food quality, ensuring high food standards at home and promoting high standards internationally. Initially, the EU-based provisions would all be rolled over, as part of the Withdrawal Act, and fixed where necessary by statutory instrument so the rules apply as before. However, some changes would be required to reflect the fact that the UK will no longer be a member of the EU. Where the UK has its own compositional standards that do not stem from the EU, such as specific national rules on products containing meat and the composition of bread and flour, these would remain unchanged.

### Labelling the origin of food

Use of the term 'EU' in origin labelling would no longer be correct for food or ingredients from the UK.

Some products will require further changes. For example, labels of honey blends from more than one country referring to the EU would be replaced with more appropriate terminology. We would replace the requirement for EU/non EU blended honey indications with 'blend of honeys from more than one country' or similar wording in the domestic honey regulations. In addition, from April 2020, the country of origin or place of provenance of the primary ingredient of a food (where different to that given for the food overall) will be required on labels as part of EU rules on food labelling. The government may seek views on whether similar national rules would be appropriate in the UK when EU rules no longer apply.

### **Addresses on food labels**

For pre-packed products sold in the UK, the label would need to include the name and a UK address of the responsible food business operator. The food business operator is the business under whose name the food is marketed in the UK or, if that operator is not established in the UK, the importer of the product into the UK. An EU address alone would no longer be valid for the UK market. Similarly, a UK address alone would no longer be valid for the EU market and an address within the remaining EU member states will be required following EU exit. A UK address together with an EU address on the label would mean that the label is valid for both the UK and EU markets.

For example, a business based in France but selling products in the UK can currently provide its name and address in France on products sold in the UK. In a 'no deal', the business would need to provide the address of a responsible business in the UK by, for example, setting up a UK hub or working with an importer. A food business in the UK selling pre-packaged food in France can currently provide the address of the business in the UK. In a 'no deal', the business would need to provide an address for the responsible business or importer into the EU, in one of the remaining EU member states.

In order to mitigate the immediate impacts of these changes, in particular on UK food retailers selling food originating in the EU, we will consult with stakeholders on an option to continue to allow, for a period of up to 6 months following a no-deal exit from the EU, food bearing an EU address to be placed on the UK market. In addition, for foods already labelled and placed on the UK market bearing an EU27 address, these will be allowed to be sold through until stocks are exhausted. We will be working with businesses and local authorities, who are responsible for enforcing labelling standards, to support adjustment to any necessary changes.

### **Natural Mineral Waters**

Natural Mineral Waters (NMWs) currently undergo a specific recognition process in order to be able to be marketed across the EU. Each country carries out this recognition as stipulated in the EU rules in Directive 2009/54/EC.

We will amend our domestic regulations to ensure the rules on natural mineral waters can continue to operate. This means the status of NMW recognitions granted by all nations of the UK would still be recognised across the UK, and UK NMW producers would not need to renew their recognition in the UK internal market.

We will also amend our current domestic regulations to ensure in a no deal scenario we would be able to make our own decisions on the recognition of both existing and future NMWs recognised by the EU.

The UK government will set out more information and options in a full public consultation.

NMW producers should take note that natural mineral waters recognised in the UK may no longer be accepted as such in the EU (please see stakeholder notice by the Commission on 23 January 2018 to that effect). In the event of 'no deal', 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 third country applications for third country NMWs are processed now.

## Agriculture: Organic: Food

### Purpose

This notice informs businesses (growers, processors and importers) involved in the UK organic sector of the expected position on regulations governing organic food production, labelling, imports and exports. Existing EU requirements would continue to be applied in the UK in equivalent terms.

### Before 29 March 2019

All food and feed sold as organic must be produced in accordance with standards set out in EU law on organic production. Food sold as organic must originate from businesses registered and approved by organic control bodies on the basis of a rigorous annual inspection. These standards apply to the production of food, animal feed, livestock (including bees and farmed fish) and any food products marketed as 'organic'. Six UK-based and two Ireland-based organic control bodies are currently approved by Defra to license individual organic operators. The control bodies oversee organic production and offer advice to ensure the integrity of organic products placed on the market. Labels on food sold as 'organic' must indicate the organic control body with which the processor or packer is registered. The labels must, as a minimum, include a code number that denotes the approved control body. Products sold as organic must also carry the EU organic logo on the packaging. Importers of organic food must register all consignments of organic produce via TRACES NT to ensure the traceability of organic food and feed.

### After 29 March 2019 if there's no deal

If the UK leaves the EU in March 2019 without a deal some processes would remain the same:

- The UK would continue to maintain our high standards of food production and labelling.
- UK organic control bodies would be able to continue certifying UK organic operators for trade within the UK.
- The UK intends to continue to recognise those countries currently equivalent to the EU. Therefore, the import and export of organic goods to or from countries such as the USA, Canada, Japan and South Korea should only be minimally disrupted, if at all.
- We anticipate continuing to accept EU organic products in a 'no deal' scenario, but this will be at the UK's discretion.

However, there are some things that would change in the event of a no deal because the EU will treat the UK as a third country:

- Logos on packaging would need to change. There would be a grace period to use up existing stock. UK organic operators would not be permitted to use the EU organic logo. UK organic operators may continue to use their control body's logo. Defra has commissioned research on organic logos used worldwide which will provide evidence for developing any future UK logo.
- UK businesses would only be able to export to the EU if they were certified by an organic control body recognised and approved by the EU to operate in the UK. To do this, UK organic control bodies will need to apply to the European Commission for recognition.
- UK control bodies are not permitted to make these applications until the UK becomes a 'third country'. Approval can take up to nine months so we are exploring alternative approaches that should speed up this process. As we are retaining EU regulation in UK law, we expect to negotiate an equivalency arrangement with the EU which will allow the free movement of organic goods between the EU and the UK. We will ask the European Commission to discuss these applications in advance of 29 March 2019.

Through the European Union (Withdrawal) Act 2018, existing EU regulations (Regulation 834/2007, Regulation 889/2008 and Regulation 1235/2008) will be rolled into UK law and continue to apply after we have left the EU. However, elements of this legislation - for example, references to the UK as a 'Member State' - will not be operable when applied in a UK-only context. Defra and the devolved administrations are working together to amend the legislation so it can function effectively. A new UK-owned imports traceability system would replace the current EU TRACES NT system to ensure the traceability of organic food and feed.

# Agriculture: Protection: Food of Geographical Indication

## Purpose

This notice informs UK producers about what might happen to geographical indication (GI) protection, and action they may wish to consider taking, should the UK leave the EU in March 2019 without a deal.

## Before 29 March 2019

Producers in the EU can protect the names of their products under GI regulations put in place by the EU. These ensure that EU countries, including the UK, comply with the World Trade Organisation Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPS), and that UK GIs are protected from imitation and evocation throughout the EU. There are currently 86 GI-protected UK product names, comprising 76 agricultural and food products, five wines and five spirit drinks which together make up a quarter of the value of UK food and drink exports. These products make an important contribution to local economies and enhance the UK's reputation for high-quality food and drink.

## After 29 March 2019 if there's no deal

### An independent UK GI scheme

When we leave the EU we will set up our own GI schemes which will be WTO TRIPS compliant, broadly mirror the current EU regime and be no more burdensome to producers. Details to be explored in a public consultation include the UK GI logo and appeals process. The protections will be similar to those enjoyed now by UK GI producers, with all 86 UK GIs given new UK GI status automatically. The UK would no longer be required to recognise EU GI status. EU producers would be able to apply for UK GI status. We will be publishing guidance on the UK GI schemes in early 2019. In the unlikely event of a no deal scenario, there are two issues for UK producers of GI products to consider:

- the use of a new UK logo on products marketed in the UK. The preparation of an application for GI status in the EU, or other steps that producers may wish to take in order to protect product integrity - applying for trade mark protection, for example

### A new UK logo

We expect to introduce a new UK logo for GI products to replace the EU logo, whether or not we leave the EU with a withdrawal agreement. Producers of GI products wishing to use this logo will need to make preparations to comply with the new rules around use of this logo within the deadline. This will be subject to consultation. When a new UK GI logo is finalised, we plan to promote this with stakeholders and the wider public.

### EU protection of UK GIs

After we leave the EU, we anticipate that all current UK GIs will continue to be protected by the EU's GI schemes. If this is not the case, UK producers wishing to regain the protection offered by EU GI status, and the right to use the EU GI logo, would need to submit their applications to the European Commission as 'third country' producers. The application process would be similar to that used by EU countries, with the additional need to show that the GI was protected in the UK. The UK Government would provide support and guidance for this process. Alternatively, or in addition, producers might consider protecting their products by applying for EU Collective Marks or EU Certification Marks. These are granted by the EU Intellectual Property Office, either directly or through the World International Property Organisation (Madrid system), and can be applied for individually or collectively. We would recommend that producers seek legal advice in respect of their options. After March 2019, irrespective of the outcome of negotiations, Irish Whiskey, Irish Cream and Irish Poteen, which are GIs that can be produced anywhere on the island of Ireland, will continue to be fully protected in the EU as well as the UK.

### International protection of UK GIs

The UK Government is working with its global trading partners to replicate EU free trade agreements and other sectoral agreements, including accommodating the protection of UK GIs in third countries. After March 2019, irrespective of the outcome of EU negotiations, we expect UK GIs currently named in and protected by EU free trade agreements and other sectoral agreements will continue to be protected.

## Agriculture: Genetically modified organisms (GMOs)

### Purpose

This notice explains how controls on the release of genetically modified organisms (GMOs) into the environment would be affected if the UK leaves the EU in March 2019 without a deal.

### Before 29 March 2019

The release of GMOs into the UK environment is currently regulated in line with EU Directive 2001/18. Prior approval has to be sought to undertake a GMO trial release or market a GMO.

Decisions on proposed trials are taken by the UK government or devolved administrations. Decisions on marketing GMOs are made at EU level. In either case, approval is only granted if a risk assessment shows human health and the environment will not be compromised.

Only one type of GM crop seed currently has EU approval for commercial cultivation, known as MON 810 maize. It is not being marketed or grown in the UK, and is not expected to be in the future. Five different varieties of GM carnation are currently authorised under Directive 2001/18 for marketing as cut flowers, and may be sold in the UK.

The export of GMOs intended for environmental release from the UK to third (non-EU) countries is currently regulated in line with EU Regulation 1946/2003. This implements in the EU the requirements of the Cartagena Biosafety Protocol to the United Nations Convention on Biological Diversity. The key requirement is for companies planning the first export of a GMO to a third country to notify the country in advance and await its approval.

### After 29 March 2019 if there's no deal

There would be no significant implications for UK stakeholders. Through the European Union (Withdrawal) Act 2018 existing UK domestic laws implementing Directive 2001/18 and Regulation 1946/2003, and Regulation 1946/2003 itself, would continue to apply as UK law after we have left the EU.

The government would amend the legislation to ensure it is operable in the new UK-only context, for example by replacing references to 'Member States'. All current EU requirements would be maintained across the UK in equivalent terms. The release of GMOs would continue to require prior authorisation, and this would only be granted if there are no safety concerns. In this context:

- Regulatory decisions on proposed GMO trials will continue to be made within the UK as they are now on a devolved basis.
- Regulatory decisions on marketing GMOs will be made within the UK rather than at EU level, but the same risk assessment process will be applied. Defra and the devolved administrations are discussing whether decisions will be taken jointly on a UK-wide basis, or separately in England, Wales, Scotland and Northern Ireland.
- In terms of trade, in a no-deal scenario the UK will be treated as a third country by the EU. Therefore, UK businesses would only be able to export GMO products to the EU if the GMO in question has EU marketing approval. Similarly, EU exports to the UK of GM products would be dependent on there being approval for marketing here.
- Any EU decisions authorising the marketing of GMOs which are in force on the day we leave the EU will remain applicable here until the expiry of the current EU consent period (details of EU decisions under [Directive 2001/18](#)).
- For UK exports of GMOs to non-EU countries, the rules in Regulation 1946/2003 as converted into UK law will continue to apply.

## Business: Regulating Chemicals (REACH)

### Purpose

This notice sets out how businesses producing, registering, importing or exporting chemicals would be affected if the UK leaves the EU in March 2019 with no deal.

### Before 29 March 2019

There is a large body of existing EU law relating to chemicals which protect human health and the environment, as well as enabling products to be placed on the market.

The UK chemicals industry is regulated through a framework largely based on EU legislation. The European Chemicals Agency (ECHA) is the lead body in implementing this framework. The main piece of legislation is REACH (Registration, Evaluation, Authorisation and Restriction of Chemicals). REACH requires EU companies to register chemicals with ECHA before placing them on the market and puts in place additional regulatory controls on hazardous chemicals.

Companies producing and exporting chemicals from outside the European Economic Area (EEA) must comply with REACH by ensuring the EEA-based importer they supply fulfils the requirements of the regulation or procuring the services of an Only Representative (OR). An OR is based in the EEA and acts as an agent to carry out the tasks and responsibilities of importers to comply with REACH. This can simplify access to the EEA market for products from companies outside the EEA, secure the supply and reduce responsibilities for importers.

### After March 2019 if there's no deal

In the unlikely event of a no deal, the UK would ensure UK legislation replaces EU legislation via the EU Withdrawal Act, establish a UK regulatory framework and build domestic capacity to deliver the functions currently performed by ECHA. The legislation would preserve REACH as far as possible, while making technical changes that would need to be made because the UK has left the EU.

By doing this the UK would continue to be able to monitor and evaluate chemicals in the UK to reduce the risk posed to human health and the environment. It would also minimise disruption to the supply in chemicals. Existing standards of protection of human health and the environment would be maintained. The Health and Safety Executive (HSE) would act as the lead UK regulatory authority, from the day the UK leaves the EU, building on its existing capacity and capability.

The new regulatory framework would: enable the registration of new chemicals through a UK IT system that is similar to the existing EU IT system; provide specialist capacity to evaluate the impact of chemicals on health and the environment; ensure sufficient regulatory and enforcement capacity in the HSE, the Environment Agency (EA) and other regulators, enabling them to recommend controls in response to the hazards and risks of substances; and provide for an appropriate policy function in Department for Environment, Food & Rural Affairs (Defra) and the devolved administrations.

In a 'no deal' scenario the UK would not be legally committed to medium- or long-term regulatory alignment with the EEA.

### Implications

In the unlikely event that the UK leaves the EU without a deal, this would mean:

- Companies registered with REACH would no longer be able to sell into the EEA market without transferring their registrations to an EEA-based organisation. Companies would therefore need to take action to preserve their EEA market access.
- UK downstream users currently importing chemicals from an EEA country would face new registration requirements. Under the UK's replacement for REACH, importers would have a duty to register chemicals. Similarly, UK downstream users of authorisations would no longer be able to rely on authorisation decisions addressed to companies in the remaining EEA countries.

### Ensuring continued access to the UK market and maintaining existing standards of protection for human health and the environment

The approach set out below is designed to maximise continuity in as light a touch way as possible, consistent with the requirements of REACH that are being brought into UK law through the EU Withdrawal Act. It provides a transition period before full obligations would fall on the importers who would otherwise be most affected.

To ensure continuity for business we would:

- Carry across existing REACH registrations held by UK-based companies directly into the UK's replacement for REACH, legally 'grandfathering' the registrations into the UK regime.
- Set up a transitional light-touch notification process for UK companies importing chemicals from the EEA before the UK leaves the EU that don't hold a REACH registration. This would reduce the risk of interruption in supply chains for companies currently relying on a registration held by an EEA-based company. This would mean that those UK companies could continue to buy those chemicals from the EEA without any break.
- Carry into the UK system all existing authorisations to continue using higher-risk chemicals held by UK companies.

To ensure we have the information needed to regulate the safe use of chemicals, UK firms would need to take the following action:

- Businesses with existing EU REACH registrations being automatically grandfathered into the UK regime or authorisations would have to validate their existing registration with the UK authority (the HSE), opening an account on the new UK IT system and providing some basic information on their existing registration within 60 days of the UK leaving the EU. This IT system is being tested with a range of different users so that it is ready to support registrations of chemicals in the UK from March 2019.
- Companies with grandfathered registrations would have two years from the day the UK leaves the EU to provide the UK authority (the HSE) with the full data package that supported their original EU registration and is held on the ECHA IT system.
- Businesses that imported chemicals from the EEA before the UK leaves the EU (but who did not have an EU REACH registration), would need to notify the UK authority and provide some basic data on the chemicals within 180 days of the UK leaving the EU, instead of having to undertake a full registration immediately. This would be an interim arrangement for those importers and they would need to move to full registration at a later date following a review of this approach.
- Importing businesses would be responsible for identifying appropriate risk management measures and recommending them to their customers.

If a business wished to place new chemicals on both the EEA and UK markets, in a 'no deal' scenario, they would have to make two separate registrations, one to ECHA and one to the UK. The information and data package needed would be the same for both.

#### **Maintaining or securing EEA market access**

UK companies with existing REACH registrations wishing to maintain EEA market access would need to refer to [guidance on the ECHA website](#) on the steps they would need to take. Existing UK registrants would, for example, need to transfer their registrations to an appropriate EEA-based entity (such as an affiliate or an OR) or develop new working relationships with their EEA customers. This would require action before the UK leaves the EU.

UK companies wishing to register new chemicals for the EEA market after the UK leaves the EU would need to register those with ECHA as they do now, but would need to do so via their EU customers or an OR. Further guidance on how to do this can be [found on the ECHA website](#).

## Business: Regulation: EU's New Approach

### Purpose

This notice explains the future arrangements for the regulation of most goods covered by the EU's New Approach, which includes those regulated under the 'New Legislative Framework' as well as machinery. In particular, it covers arrangements for conformity assessment (the testing of goods to ensure they meet relevant requirements). These goods are subject to EU-wide product specific rules. These arrangements will apply in the unlikely event that the UK exits the EU without a deal in March 2019.

This notice does not cover the following areas:

- Automotive ([Vehicle type approval](#))
- Aerospace
- Pharmaceutical products ([Batch testing medicines](#), [Medicines, Medical Devices and Clinical Trials](#), [Submitting regulatory information on medical products](#))
- Medical devices ([Medicines, Medical Devices and Clinical Trials](#), [Submitting regulatory information on medical products](#))
- Chemicals
- Goods subject to national regulations ([Non-harmonised goods](#))

Annex A sets out the specific EU goods regulations and directives covered by this notice. This list may be updated over time.

Annex B provides additional detail regarding civil explosives.

### Before 29 March 2019

For the products covered by this notice EU legislation sets out the rules, or 'essential (safety) requirements', which products must meet before they are placed on the EU market.

For some of these product areas, manufacturers can choose to demonstrate compliance with the essential requirements set out in legislation by following 'harmonised standards'. Harmonised standards that can be used to demonstrate that a product meets essential requirements are published in the [Official Journal of the European Union](#).

For construction products, use of the harmonised standards is mandatory.

The relevant EU legislation sets out how products within its scope can be tested to prove that they conform with the essential requirements. Typical ways of showing conformity include:

- self-declaration by the manufacturer that they have taken appropriate steps to ensure their product is compliant (for example, for most toys)
- assessment of the final product by an EU-accredited body (known as a 'notified body'. A notified body is an organisation designated by an EU country to assess the conformity of certain products before being placed on the market.)
- assessment of a product's design (or a prototype) by a notified body, followed by testing of either a sample of the final product or quality assurance of production processes

For many products, a manufacturer must affix a 'conformity marking', most commonly the CE marking (CE marking is defined in EU law as "a marking by which the manufacturer indicates that the product is in conformity with the applicable requirements set out in [EU] harmonisation legislation providing for its affixing"). This acts as a declaration that the product complies with the relevant requirements. For marine equipment, the wheel mark (The Wheel Mark (Mark of Conformity) is the European regulatory marking of all marine equipment, as defined in the Marine Equipment Directive, 2014/90/EU) is used.

Where EU rules require third party testing, that notified body's four-digit identification number (as listed on the EU's New Approach Notified and Designated Organisations database, known as [NANDO](#)) must also be affixed to the product.

Notified bodies are usually given the right to carry out conformity assessment following assessment by a national accreditation body (in the UK, the [United Kingdom Accreditation Service](#)). They are then formally 'notified' to the European Commission and other EU countries by the relevant public body and listed on the New Approach Notified and Designated Organisations (NANDO) database.

### **After March 2019 if there's no deal**

Goods already placed on the market will be able to continue to circulate in the UK. Additionally, goods that meet EU requirements (and were tested by an EU recognised conformity assessment body) can still be placed on the UK market. This is intended to be a time-limited measure.

The results of conformity assessment carried out by UK notified bodies will no longer be recognised in the EU. This means that products tested by a UK notified body will no longer be able to be placed on the EU market without retesting and re-marking by an EU recognised conformity assessment body.

For the areas within scope of this notice (see Annex A), notified bodies based in the UK will be granted new UK 'approved body' status and listed on a new UK database. Approved bodies will be able to assess products for the UK market against UK essential requirements (which, immediately after exit day in a 'no deal' scenario, will be identical to EU essential requirements).

Manufacturers selling goods on the UK market will then be able to affix a new UK conformity marking before placing a product on the UK market. A separate UK marking to replace the wheel mark will be in place for marine equipment. Manufacturers will not need to use these markings from the point of exit in a 'no deal' scenario if they have used the relevant EU marking after having their product assessed by an EU recognised body. This will be a time-limited arrangement. Details of these markings will be published later in 2018 and with sufficient time to allow businesses to prepare.

The United Kingdom Accreditation Service's role as the UK's national accreditation body, including for most UK conformity assessment bodies, will remain as it is now. Existing harmonised standards (used to demonstrate conformity with EU essential requirements) will become UK 'designated standards', used to demonstrate conformity with UK essential requirements. As noted above, immediately following exit these will be identical to EU essential requirements.

### **Implications**

All manufacturers intending to place products on the UK market on or after 29 March 2019 will want to consider the actions outlined below.

All manufacturers placing products on the EU market will need to take the actions outlined below if they intend to place products on the EU market on or after 29 March 2019

### **Actions for businesses and other stakeholders**

Manufacturers placing products on the UK market should note:

- Products that meet EU requirements can continue to be placed on the UK market without any need for retesting or re-marking, including where they have demonstrated compliance with EU requirements after exit day. This will apply for a time-limited period and sufficient notice will be given to businesses before that period ends.
- Products that meet UK requirements and bear a UK conformity marking can be placed on the UK market, as long as any third-party testing required has been carried out by a UK-recognised conformity assessment body.
- For product areas covered by this notice, UK-based notified bodies will become UK approved bodies after March 2019 and will be listed on a new UK database.

Manufacturers placing products on the EU internal market should note:

- Products which were tested by a UK-based notified body will need to be retested by an EU-recognised conformity assessment body before placing on the EU internal market (A list of EU-recognised conformity assessment bodies can be found on the [NANDO database](#). After March 2019, in a no deal scenario UK-based bodies will no longer be listed on this database).
- Alternatively, manufacturers can seek to arrange for their files to be transferred to an EU-recognised notified body to allow for certificates of conformity issued by a UK-based notified body to continue to be valid.
- In either of the scenarios above, products where third-party testing is required would need to be re-marked with the new EU-recognised notified body's four-digit number.

## Business: Labelling: Tobacco and E-cigarettes

### Purpose

The purpose of this notice is to provide information to organisations, businesses and members of the public concerned with tobacco and related products, regarding changes to the regulation of such products in the unlikely event that the UK leaves the European Union (EU) in March 2019 with no agreement in place. Tax issues fall outside the scope of this notice.

### Current context

Current regulations for tobacco and related products are designed to promote and protect the public's health. The government's priority is to maintain the same high standards after the UK leaves the EU. Some of the UK law which regulates tobacco products and e-cigarettes implements the Tobacco Products Directive 2014/40/EU and the Tobacco Advertising Directive 2003/33/EC, as well as a number of delegated and implementing acts made under the Tobacco Products Directive. All relevant EU legislation is listed at the end of this notice. EU-derived policy and legislation regarding tobacco and related products cover areas including:

- control of sale of products
- advertising
- product standards (such as ingredients of products and their emissions)
- and packaging.

The Tobacco Products Directive also sets reporting requirements for tobacco products and e-cigarettes. Manufacturers must submit specified information on ingredients and emissions for products before they are placed on the market.

### What would happen in a March 2019 'no deal' scenario?

If the UK leaves the EU in March 2019 with no agreement in place, the Tobacco Products Directive and the Tobacco Advertising Directive would no longer directly apply to the UK. The UK domestic law that implements these directives, such as the Tobacco and Related Products Regulations 2016, would remain in force, with minor amendments to ensure it still works effectively after EU exit. These amendments would be brought in through regulations made under the EU (Withdrawal) Act powers and would come into force on exit day. The amendments to UK tobacco legislation would include giving the UK government the power to update the legislation in response to emerging threats, changing safety and quality standards, and technological advances. These updating powers are likely to have minimal impact on industry. Their purpose is to make sure that the UK is still able to make technical changes after we leave the EU, where needed.

### Implications for businesses and stakeholders

If there's no deal, we would:

- create new domestic systems to allow producers to notify tobacco products and e-cigarettes in accordance with existing rules. Manufacturers will need to submit information on the new systems for any new products that they wish to sell in the UK
- introduce new picture warnings for tobacco products as the copyright for the existing picture library is owned by the European Commission. Manufacturers will need to ensure that tobacco products which include picture warnings produced from Exit Day onwards will be labelled with the new picture warnings.

We will be consulting on the technical details of both these issues in September to ensure that changes are simple and effective, to minimise the burden of any changes. Inevitably, under a 'no deal' scenario the close working relationships that exist with our European partners would not be the same. The UK will, of course, continue to play an active role in the World Health Organisation Framework Convention on Tobacco Control.

## Travel: European Firearms Pass

### Before 29 March 2019

The European Firearms Pass (EFP) is a form of passport for firearms and is designed for use by those who are travelling with their firearms between EU countries. EFPs are issued by the EU country in which a firearm owner is resident. You do not need an EFP if you are travelling within the UK and you hold a valid UK firearms certificate.

In the UK, police forces are responsible for issuing EFPs to UK residents who have been granted a certificate permitting them to acquire and possess firearms and shotguns. An EFP can only cover the firearms and shotguns that are specified on your certificate.

In addition to an EFP, all EU visitors to the UK must hold a valid Visitor's Permit in order to bring their firearm into the country. The provisions relating to Visitors' Permits are set out in section 17 of the [Firearms \(Amendment\) Act 1988](#) and articles 15-16 of the Firearms (Northern Ireland) Order 2004. An application for a Visitor's Permit must be made to the local UK police force by the EU visitor's sponsor in this country and must be accompanied by the EU visitor's valid EFP or a copy of it.

### After March 2019 if there is no deal

Should the UK leave the EU with no deal, EFPs would no longer be available to UK residents wishing to travel with their firearms to EU countries. You would need to comply with whatever licensing or other requirements each EU country decides to impose, as well as UK import and export licensing requirements (see link below for information about export controls but, in summary, export licences would be required for exports of firearms to EU countries, although there would be an exemption for firearms travelling as personal effects).

EFPs would no longer be recognised for EU visitors to the UK. Their sponsors would, as now, have to apply for a Visitor's Permit but it would no longer be a legal requirement to also produce a valid EFP. This would not weaken the current firearm controls as the police would continue to assess an applicant's fitness to hold a firearm as part of their consideration of the Visitor's Permit application.

### What you need to do

UK residents wishing to travel to EU countries with their firearm or shotgun after 29 March 2019 should contact the authorities of the countries concerned for information about their licensing requirements. This advice would also apply to UK residents who are due to be in an EU country with their firearm at the point when the UK leaves the EU.

If you are sponsoring an EU visitor to the UK, you should continue to apply to the local police force for a Visitor's Permit. Permits issued before the UK leaves the EU will remain valid until they expire.

## Business: Approvals: Vehicle Types and Components

### Purpose

This notice explains the contingency plans the Department for Transport (DfT) and the Vehicle Certification Agency (VCA) would implement in order to allow vehicle and component manufacturers to place new products on the market if the UK leaves the EU in March 2019 without an agreement.

Motorists and fleet operators would not be affected by these plans and they would not apply to vehicles currently on the road.

### Before 29 March 2019

Vehicle and component manufacturers must show they comply with safety and environmental standards before they can place a product on the market for sale. This process is known as type-approval.

Currently, these standards are set out in the framework regulations on European Community Whole Vehicle Type-Approval (ECWVTA) and those on the approval of non-road mobile machinery.

For a vehicle to be sold and registered in the EU, the manufacturer must hold a European Community type-approval (EC type-approval) issued by the type-approval authority in an EU country. Some components may also need EC type-approval.

Type-approval authorities may appoint separate bodies, known as 'technical services', to test that vehicles adhere to the safety and environmental standards. Type-approval authorities also carry out quality reviews to ensure that manufacturers continue to build compliant vehicles. The VCA is the UK's type-approval authority. It also acts as a technical service.

The UK is also a contracting party to the UN-ECE (United Nations Economic Commission for Europe), and recognises approvals to its standards for systems and components. These approvals make up the majority of the system and component approvals required for ECWVTA.

### After March 2019 if there's no deal

In a no deal scenario, type-approvals issued in the UK would no longer be valid for sales or registrations on the EU market. EC type-approvals issued outside of the UK, would no longer be automatically accepted on the UK market.

This means that affected manufacturers would need to ensure that they have the correct type-approval for each market.

The UK will continue to recognise UN-ECE approvals for systems and components.

VCA would continue to act as a technical service for the purpose of testing for UK type-approvals. However, it may no longer be recognised as a technical service by EU type-approval authorities.

Type-approval only applies to manufacturers. For motorists and fleet operators, a no deal scenario would not prevent them from driving cars they own or may buy either in the UK or abroad. There are no implications for owners of vehicles registered either in the UK or abroad before the UK leaves the EU.

### What you would need to do

#### Existing vehicle and component approvals

Vehicle and, where relevant, component manufacturers, would need to obtain a UK type-approval before placing their products on the UK market. EC type-approvals would no longer be valid for this purpose. Existing EC type-approvals would need to be converted into a UK type-approval to allow manufacturers to continue to place products on the market in the UK. Further information on this process will be made available in due course and in sufficient time to ensure approvals are issued by exit day. Upon exit, UK and EU technical standards would be fully aligned. The UK plans to issue provisional UK type-approvals to manufacturers that already have EC type-approvals. This would be an administrative conversion of EC type-approvals into UK type-approvals. This streamlined approach would ensure that products can continue to be sold and registered in the UK. This provisional approval would be time-limited (for example 2 years). During this period, manufacturers would be able to approach the VCA to request a full conversion of their EC type-approval to a UK type-approval. This approach avoids costly re-testing and re-design for manufacturers. The VCA reserves the right to require additional administrative and conformity of production checks for the granting of the full UK type approval, where evidence supports the need for this approach.

We will provide more information about how manufacturers can apply for a provisional UK type-approval later in 2018.

Manufacturers currently holding a VCA-issued EC type-approval, who intend to continue placing their products on the EU market, must obtain a new EC type-approval from a type-approval authority in an EU country. This process is set out in the European Commission's legislative proposal published in June this year. We expect to see agreement on this proposal in the near future. Further specific information on how the process works will be set out by the European Commission in due course.

## **New vehicle and component approvals**

Manufacturers who are in the process of obtaining a new EU approval at the point of exit or intend to place a new vehicle models or components onto the UK market after exit day would need to obtain a UK type-approval. They must comply with the requirements of the UK type-approval scheme, which will be fully aligned with the requirements for ECWVTA immediately after exit. The VCA would grant a UK type-approval where a manufacturer can demonstrate it holds a valid EC type-approval issued post exit. Where necessary, the VCA would carry out conformity of production checks and review the documentary evidence, including test reports and approval certificates.

As the UK will be aligned with EU regulations at the time of EU exit, it is not envisaged that duplicate testing would be required as long as the VCA is satisfied with the documentary evidence provided. Manufacturers wishing to place new products on the EU market after exit would need to follow the existing procedure for obtaining a new EC type-approval. Full testing and certification must be done by an EU type-approval authority and a technical service designated by that authority.

## **Vehicle categories and engines subject to EC type-approval**

Passenger vehicles:

- passenger cars (M1)
- mini-buses (M2)
- buses and coaches (M3)

Goods vehicles:

- light goods vehicles, car derived vans (N1)
- goods vehicles up to 12 tonnes (N2)
- goods vehicles over 12 tonnes (N3)

Trailers for road vehicles:

- light trailers (O1)
- trailers up to 3.5 tonnes (O2)
- trailers up to 10 tonnes (O3)
- trailers over 10 tonnes (O4)

Motorcycles:

- mopeds and powered cycles (L1)
- 3-wheel Mopeds (L2)
- motorcycles (L3)
- motorcycles with sidecar (L4)
- powered tricycles (L5)
- light quadricycles (L6)
- heavy quadricycles (L7)

Agricultural and forestry vehicles:

- wheeled Tractors (T)
- tracked Tractors (C)

Engines for non-road mobile machinery including:

- small gardening and handheld equipment (lawn mowers, chainsaws, etc)
- construction machinery (excavators, loaders, bulldozers, etc)
- agricultural & farming machinery (harvesters, cultivators, etc)
- railcars, locomotives and inland waterway vessels

## Business: Trading: Mutual Recognition Principle

### Purpose

This notice provides guidance on how the importing and exporting non-harmonised goods under the mutual recognition principle would be affected in the unlikely event that the UK exits the EU without a deal in March 2019.

### Before 29 March 2019

Some manufactured goods are subject to national regulations rather than EU-wide rules. Examples include furniture, textiles, bicycles, and cooking utensils. This is not an exhaustive list.

These non-harmonised goods can circulate on the EU market under the mutual recognition principle. This principle prevents EU countries from prohibiting the sale of goods that have already been legally sold in another EU country. This applies even where countries have different national requirements covering the same good.

As an example, a bicycle made to comply with French national requirements and sold in France can then lawfully be marketed in other EU countries – even though those countries may have different national requirements for bicycles.

The only exceptions to the mutual recognition principle are restrictions which EU countries can introduce on grounds such as public safety, public policy and public morality. EU countries' right to restrict the circulation of these goods, for the above reasons, is regulated by the [EU Mutual Recognition Regulation \(764/2008\)](#). As well as setting out rules and procedures, it establishes product contact points in each EU country which respond to requests for information about national regulations.

### After March 2019 if there's no deal

The UK would no longer fall within the scope of the mutual recognition principle.

### Implications

UK businesses exporting non-harmonised goods to the EU market will need to consider the national requirements of the first EU country they export to. They will not need to consider the national requirements of any EU countries goods travel through before reaching the EU country in which they are intended to be placed on the market.

UK businesses who have already exported a non-harmonised good to an EU country by meeting the relevant national requirements will still be able to make use of the mutual recognition principle and market their product in other EU countries.

UK businesses who import non-harmonised goods into the UK will need to take action even if their goods were previously lawfully marketed in another EU country.

Non-UK businesses exporting non-harmonised goods to the UK will need to take action even if their goods were previously lawfully marketed in another EU country or in the UK.

### Actions for businesses and other stakeholders

UK businesses exporting non-harmonised goods to the EU market will need to meet the national requirements of the first EU country they export to.

UK businesses who have already exported a non-harmonised good to an EU country by meeting the relevant national requirements will not need to take any specific action.

UK businesses who import non-harmonised goods into the UK will need to ensure they meet UK national requirements.

Non-UK businesses exporting non-harmonised goods to the UK will need to ensure that the goods meet UK national requirements, regardless of whether they were previously lawfully marketed in another EU country or in the UK.

# Business: Space and Satellite Programmes

## Purpose

This notice sets out how the UK's space programmes would be affected if the UK leaves the EU with no deal, including:

- the European satellite navigation programmes, Galileo and European Geostationary Navigation Overlay Service (EGNOS)
- the Copernicus Earth Observation space programme
- the EU Space Surveillance and Tracking (EUSST) programme

The UK's membership of the European Space Agency (ESA) is not affected by leaving the EU as it is not an EU organisation.

## Galileo

Galileo is the Global Navigation Satellite System (GNSS) that is being created by the European Union (EU) through the European Space Agency (ESA). One of the aims of Galileo is to provide EU autonomy in high-precision positioning, navigation and timing. European Geostationary Navigation Overlay Service is a satellite-based augmentation system which augments Global Navigation Satellite System signals such that they can be relied upon in safety critical situations.

## Before March 2019

The UK currently participates in the EU Global Navigation Satellite System (GNSS) programmes Galileo and European Geostationary Navigation Overlay Service by virtue of being a member state, and makes financial contributions and provides technical expertise to the programme. EU member states may access all services provided by both systems including the encrypted Galileo Public Regulated Service (PRS) which is expected to be available from the mid-2020s. Companies based in the EU may also bid in open competition for contracts to build, operate and exploit both Galileo and European Geostationary Navigation Overlay Service. UK companies have been central to the deployment of Galileo and European Geostationary Navigation Overlay, delivering satellite payloads and security systems. The Galileo system has begun to offer initial services worldwide but is not expected to be completed until the mid-2020s. European Geostationary Navigation Overlay is already fully operational and provides services across Europe. In addition, the UK hosts ground infrastructure for both Galileo and European Geostationary Navigation Overlay. Currently users in the UK may access all available Galileo and European Geostationary Navigation Overlay signals and services, however in the unlikely event that the UK leaves the EU with 'no deal' in place, the UK will no longer have access to Public Regulated Service.

## After March 2019 if there's no deal

In the unlikely event of the UK leaving the EU without a negotiated agreement, the majority of position, navigation and timing services provided by Galileo and European Geostationary Navigation Overlay will continue to be freely available to all UK based users. The Public Regulated Service will not be available to the UK; however, this is not expected to be completed until the mid-2020s and will not have immediate impact on users. The UK will no longer play any part in the development of Galileo or European Geostationary Navigation Overlay programmes. This means that UK-based businesses, academics and researchers will be unable to bid for future EU Global Navigation Satellite System contracts and may face difficulty carrying out and completing existing contracts. For example, it may not be possible for businesses or organisations which currently host Galileo and European Geostationary Navigation Overlay ground infrastructure to continue to do so. To prepare for this scenario the UK is exploring alternatives to fulfil its needs for secure and resilient position, navigation and timing information. These contingency options are made possible by the expertise of the UK space sector and will be assessed on their own merits. The government will invest £92 million from the Brexit readiness fund on an 18-month programme to design a UK Global Navigation Satellite System. This will inform the decision to create an independent system as an alternative to Galileo.

## Implications

For the public and most UK, EU and other commercial satellite navigation users, there should be no noticeable impact if the UK were to leave the EU with no agreement in place. All devices that currently use Galileo and European Geostationary Navigation Overlay, such as smartphones, will continue to be able to do so.

## Actions for businesses and other stakeholders

UK-based businesses, academics and researchers will not be eligible to bid for any future work on the EU Global Navigation Satellite System programmes. Any UK businesses, academics and researchers currently contracted or expecting to carry out contracts on these programmes should contact the relevant contracting authority to make sure that arrangements are in place to comply with the conditions of the contract and to avoid possible penalties. Businesses, academics and researchers in the UK and in UK overseas territories which currently hold ground infrastructure hosting contracts may wish to contact their contracting authority such as the European Space Agency or the EU Global Navigation Satellite System Agency to verify the future position. UK businesses and organisations will continue to be able to use the freely available 'open' signal to develop products and services for consumers. EU-based businesses, academics and researchers remain eligible to bid for future work on the EU Global Navigation Satellite System programmes.

## Copernicus

### Before March 2019

Copernicus is the most ambitious Earth Observation programme to date. It is intended to provide accurate, timely and easily accessible information to improve the management of the environment, understand and mitigate the effects of climate change and ensure civil security.

The UK currently participates in the Copernicus Earth Observation space programme as an EU member state, as well as through our membership of the European Space Agency (ESA) and the European Organisation for the Exploitation of Meteorological Satellites (EUMETSAT). The UK contributes to Copernicus financially and UK industry and academia are involved in the delivery and operation of the programme.

UK companies, researchers and public sector organisations use Copernicus data for a wide range of applications. Companies and researchers based in the EU currently also bid in open competition for contracts to design, build and operate both the physical infrastructure of the programme and its services.

The UK is fully involved in the decision-making of the programme, for example as a member of the main governance Committee. The Department for Environment, Food and Rural Affairs (Defra) leads for the UK government on the overall Copernicus policy. The UK Space Agency leads on the satellites and physical infrastructure.

### After March 2019 if there's 'no deal'

The UK will no longer be able to participate in the Copernicus programme as an EU member state and will have no role in how it is run.

### Implications

Copernicus has a free and open data policy which means that the data produced by its satellites (Sentinels) and the Land, Marine Environment, Climate Change and Atmosphere services will continue to be freely available to UK users.

The UK's memberships of European Organisation for the Exploitation of Meteorological Satellites (EUMETSAT), European Centre for Medium-Range Weather Forecasts (ECMWF) and Mercator Ocean are unaffected, therefore those organisations will retain access to high-bandwidth data that supports the Land, Marine Environment, Climate Change and Atmosphere services.

Other UK users could lose the right to high-bandwidth access to the standard data from Copernicus Sentinels. The UK is clarifying the situation with the European Commission. The UK will lose access to data sourced by Copernicus from Contributing Missions. The UK is clarifying this with the ESA and the European Commission.

UK-based businesses, academics and researchers will be unable to bid for future Copernicus contracts tendered through the EU, or through any other process using EU procurement rules. The government is seeking to clarify with the European Commission what this will mean for those UK-based businesses, academics and researchers holding Copernicus contracts with delivery dates that run past the date of the UK's exit from the EU. EU-based users of Copernicus data and services will be unaffected in a 'no deal' scenario. EU-based businesses, academics and researchers will remain eligible to participate in all aspects of the design, build and operation of the Copernicus programme. The government is seeking to clarify with the European Commission whether EU businesses, academics and researchers involved in partnering arrangements with UK will be affected in any way.

### Actions for businesses and other stakeholders

UK-based Copernicus data users may wish to consider the impact that losing access to any Copernicus data or information not sourced under the free and open data policy will have on their operations.

### Space Surveillance and Tracking

#### Before March 2019

The EUSST programme was set up in 2014 to provide the EU with an autonomous Space Surveillance and Tracking (SST) capability to protect EU Space Infrastructure (for example, satellites) from risks of collision with other orbital objects (other satellites and debris), and to provide civil contingency services with accurate data regarding debris re-entering the atmosphere. The programme currently provides three services to Member States and EU businesses and organisations:

- Conjunction Analysis (i.e. Collision Avoidance);
- Fragmentation Analysis (i.e. the analysis of in-orbit fragmentations from space vehicles, as well as the information about the fragmentation); and
- Re-Entry warnings (i.e. satellites or debris coming back to earth on a scheduled or unscheduled basis). In the UK, the UK Space Agency distributes EU funding to UK organisations to carry out the necessary tasks to fulfil the EU Space Surveillance and Tracking programme. The UK National Operational Centre provides the Fragmentation service and provides a back-up service for Re-Entry services. EU Space Surveillance and Tracking has been partially operational and providing some data since July 2016, but it will take time until it is a fully functioning Space Surveillance and Tracking system.

**After March 2019 if there's 'No Deal'**

If the UK leaves the EU in March 2019 with no agreement in place, the UK will not be eligible to participate in the EU Space Surveillance and Tracking programme. UK organisations will not therefore be able to contribute to providing services to the EU Space Surveillance and Tracking, to participate in the scientific and technical groups to develop the programme further or be able to receive grant funding to pay for UK involvement. The UK will continue to receive space, surveillance and tracking data from the United States of America.

**Implications**

A limited number of UK satellite owners and operators currently have arrangements to receive services from the EU Space Surveillance and Tracking programme. These are not linked to the government's role in the EU Space Surveillance and Tracking programme, and we are seeking clarification from the European Commission as to the potential impacts on access to services in the unlikely event of 'no deal'.

**Actions for businesses and other stakeholders**

A small number of UK providers may still have programme delivery contracts in place in March 2019. These would be anticipated to expire before the end of September 2020. Any companies currently involved in the programme may wish to contact their relevant contracting authority if they have concerns about their contractual status. EU businesses, academics and researchers are currently eligible to bid for contracts related to the EU Space Surveillance and Tracking programme. Any EU organisations currently or expecting to carry out contracts which involve partnership arrangements with UK businesses, academics and researchers may wish to contact the relevant contracting authority to make sure that arrangements are in place to ensure continued partnership complies with the conditions of the contract post exit and to avoid possible penalties.

## Project Funding: Connecting Europe Facility (CEF)

### Purpose

This notice sets out how project promoters of Projects of Common Interest applying for, and receiving, grants from the Connecting Europe Facility (CEF) would be affected if the UK leaves the EU with no deal.

### Before 29 March 2019

The Trans-European Networks-Energy (TEN-E) regulation sets out the criteria and process for an energy project to earn the status of Project of Common Interest (PCI) (key infrastructure projects that are of EU benefit, especially cross-border projects, that link the energy systems of EU countries) including benefiting from a streamlined permitting process. PCI status is the first step for a project to be eligible for a CEF energy grant award under the linked CEF regulation, which provides the possibility of part funding PCI energy projects for studies and construction. The full eligibility criteria for CEF awards are set out in the TEN-E regulation.

The Innovation and Networks Executive Agency (INEA) has been appointed by the European Commission to manage the CEF fund on its behalf and to put in place the necessary grant agreements. CEF is funded from the EU budget to which the UK is a net contributor.

Grant agreements detail the specific tasks and timelines of the work to be carried out. An upfront award payment for a proportion of the grant award can be made but the remainder of the award is not paid out until all the tasks have been certified as complete.

### After March 2019 if there's no deal

In a 'no deal' scenario, the government guarantee means that UK organisations will be able to continue as beneficiaries of CEF energy grant awards that have been made or agreed before exit day without disruption.

The CEF regulation as it applies in UK domestic law will be revoked and specific powers will be introduced to enable payment of the awards in place of the CEF grant awards. Any CEF energy grant awards to UK organisations, which are not honoured in full by the European Commission/INEA, will be underwritten. Similar conditions and certification requirements will apply as with the INEA grant agreements. This will include CEF energy grant awards to UK organisations in respect of PCIs in the devolved administrations.

The linked TEN-E regulation as it applies in UK domestic law will also be revoked, with a saving provision in respect of the streamlined permitting process for PCIs in Great Britain and Northern Ireland. This means that where the statutory permit granting procedure for a PCI had already started before exit day, the project will still be able to benefit from the streamlined permitting process until conclusion of that permitting process.

### Implications

The developers of the relevant projects (PCI project promoters) should be able to progress their PCIs in the knowledge that CEF energy grants awarded to UK organisations before exit will be underwritten by the government guarantee. The PCI streamlined permitting process will also continue for a limited period.

### Actions for businesses and other stakeholders

The government guarantee means that, in the unlikely event that the UK leaves the EU with no agreement in place, UK organisations benefiting from CEF energy grant awards will be able to continue without disruption. The Department for Business, Energy and Industrial Strategy (BEIS) will be in contact with relevant project promoters if the guarantee needs to be put into effect.

# Project Funding: European Civil Protection and Humanitarian Aid Operations (ECHO)

## Purpose

This notice is to set out our offer to UK humanitarian aid organisations, which will allow them to continue bidding for funding from the core budget of the European Civil Protection and Humanitarian Aid Operations (ECHO) without undertaking unmanageable financial and programmatic risk.

## Before 29 March 2019

Article 7 (1)(b) of the Humanitarian Aid Regulation (Council Regulation (EC) No 1257/96) sets out that eligible non-governmental organisations (NGOs) must:

- be non-profit-making autonomous organisations in a member state under the laws in force in that member state
- have their main headquarters in a member state or in the recipient third country. This headquarters must be the effective decision-making centre for all operations financed under the regulation. Exceptionally, the headquarters may be in a third donor country

This should not exclude UK organisations prior to the UK's withdrawal, given that we remain an EU country until 29 March 2019. In addition, the Joint Report, published last December, recognises the eligibility of UK entities to participate in current EU programmes will be unaffected by the UK's withdrawal from the EU until programme closure.

UK-based organisations and individuals should be able to:

- bid for funding
- participate in and lead consortia

until programme closure, and otherwise implement as normal all EU development programmes which are approved before December 2020.

Despite this, European Commission contingency planning has had the effect of discouraging UK organisations from bidding for ECHO funding. ECHO appears to require UK organisations bidding for funds to undertake, in a 'no deal' scenario, the delivery of all programme outputs beyond March 2019 without ECHO funding, should they not decide or not be required to leave the programme. In addition, ECHO has inserted the below clause in their grant agreements with UK organisations:

"For British applicants (non-governmental organisations): Please be aware that you must comply with the requirement of establishment in an EU member state for the entire duration of the grants awarded under this Humanitarian Implementation Plan (HIP). If the United Kingdom withdraws from the EU during the grant period without concluding an agreement with the EU ensuring in particular that British applicants continue to be eligible, you will cease to receive EU funding or be required to leave the project on the basis of Article 15 of the grant agreement."

This is discouraging UK organisations from bidding and in some cases EU delegations are encouraging them to step down. We are keen to resolve this issue as soon as possible; given that it sets an unwelcome precedent for the UK to make future contributions through ECHO.

## After 29 March 2019 if there's no deal

If the UK leaves the EU in March 2019 with no agreement in place, ECHO could therefore either require UK organisations to leave their projects or even terminate funding to UK organisations but nevertheless expect them to implement the ECHO project in full. Neither of these outcomes would be acceptable to the UK government.

## Implications

The termination of funding by ECHO would leave organisations with existing grants with no other option but to either terminate projects early and abruptly, with high extraction costs and negative programmatic consequences, or to finance the remainder of the programme themselves.

This risk is discouraging organisations from bidding entirely, and has had a significant impact on UK organisations' access to ECHO funding for several months. They are losing access both to new grants, and grants which they have been successfully implementing for years.

## UK government offer

To facilitate continued applications by UK organisations to ECHO, and to avoid early termination of programmes, the government commits to funding the post-March 2019 outputs of any programme funded from ECHO's core budget, where a UK organisation is the lead consortium partner or sole implementer. This will apply only in a no deal scenario when ECHO terminates funding based on the clause quoted above at the time of the UK's exit from the European Union.

This commitment is subject to the following principles:

Applicable funding:

- this commitment only applies to new applications for ECHO funding between the date of this notice and 29 March 2019
- the UK government will not reimburse any programme activity that was undertaken prior to 30 March 2019

- this commitment is only applicable to programmes financed by core ECHO funding
- this commitment applies only to programme outputs delivered by UK-based NGOs

Requirements for receiving funding assurance:

- organisations must provide evidence for their status as a UK-based entity by submitting their registration number and address
- organisations must notify DFID on the date on which it applies for the ECHO grant in question and again on the date on which ECHO awards the grant
- at that time the organisation must provide a breakdown of expected amount, profile and timeline of spend agreed with ECHO, clearly indicating all chargeable work up to 29 March 2019
- organisations must give DFID sight of draft grant agreements prior to signing

DFID will reimburse only UK-based organisations that are either:

- consortium lead for the programme in question
- the sole implementer
- sub-contractors forming part of UK-led consortia

Any project components sub-contracted to non UK-based sub-contractors forming part of UK-led consortia are ineligible for reimbursement under this commitment

Requirements for receiving funding:

- organisations must have successfully undergone DFID due diligence and must comply with all standard DFID Accountable Grant clauses
- organisations must provide evidence for the funding disbursements already received from ECHO prior to 30 March 2019 and confirmation that all chargeable work under the grant to this date has been paid for by ECHO
- the government reserves the right to apply the same delivery, safeguarding and fiduciary requirements and expectations as set out by ECHO, and to terminate or withhold funding if these are not met

## Project Funding: European Regional Development Fund

### Purpose

This notice sets out how current and future European Regional Development Fund projects would be affected if the UK leaves the EU with no deal. Find out how this would affect you if you:

- want to apply for funding from the European Regional Development Fund;
- already get funding from the European Regional Development Fund.

### Before 29 March 2019

The current European Regional Development Fund Programme provides funding to support regional growth and reduce differences in economic performance between regions.

The programmes are managed by the Ministry of Housing, Communities and Local Government in England, and by Devolved Administrations in Scotland, Wales and Northern Ireland, as well as HM Government of Gibraltar.

The draft Withdrawal Agreement between the UK and the EU published in March 2018 would mean that the UK would continue to participate in the European Regional Development programmes until programmes end in 2023, subject to a final negotiated agreement.

This provides certainty to regions and communities, who will continue to receive the same level of funding as they would have if the UK was a member of the EU until the end of the 2014-2020 programme period.

Funding is currently administered through organisations who are awarded grants and contracts on a competitive basis and a range of business finance models that provide venture capital and loan finance.

### After March 2019 if there's no deal

In the unlikely event of a 'no-deal' scenario, the UK's departure from the EU would mean UK organisations would be unable to access EU funding for European Regional Development Fund projects after exit day.

We are committed to ensuring that there will be no gap in funding for regional growth in the event of a no-deal. The [Chancellor announced in August and October 2016](#) that the government would guarantee certain EU projects agreed before we leave the EU in order to provide more certainty for UK organisations over the course of EU exit. This guarantee included European Regional Development Fund projects.

In July 2018 [the government extended the guarantee](#) so that it would cover all projects, including European Regional Development Fund projects, that would have been funded by the EU under the 2014-2020 programme period. The extension means that the Ministry of Housing, Communities and Local Government, the Devolved Administrations, and HM Government of Gibraltar, will continue to sign new projects after EU exit until programme closure.

This practical measure provides additional certainty to communities, businesses and local partners, guaranteeing investment in regional growth up to the end of the current European Regional Development Fund programmes period, in the unlikely event that the UK leaves the EU without a negotiated agreement.

### Actions for businesses and other stakeholders

In order to ensure stability and continuity, UK Managing Authorities would administer the guarantee through existing national and local arrangements, modified and simplified as appropriate in line with wider rules on public spending.

Projects will be managed to ensure appropriate audit, monitoring and evaluation arrangements are in place and that all spending delivers good value for money and fits domestic strategic priorities.

Organisations should continue applying for and delivering funding under current arrangements with confidence that the funding guarantee applies if there is no negotiated agreement between the UK and the EU.

## Project Funding: European Social Fund (ESF)

### Purpose

This notice sets out how organisations in receipt or applying for European Social Fund (ESF) grants would be affected if the UK leaves the European Union (EU) with 'no deal'. Find out how this would affect you if you:

- want to apply for funding from the European Social Fund
- already get funding for European Social Fund projects

### Before 29 March 2019

The current European Social Fund in the UK provides funding for employment schemes, education and training, to support society's most disadvantaged people and help them acquire relevant skills to support entry into employment and progression in work.

Individual ESF programmes are managed by the Department for Work and Pensions in England, and by Devolved Administrations in Scotland, Wales and Northern Ireland, as well as HM Government of Gibraltar.

The draft Withdrawal Agreement between the UK and the EU published in March 2018 would mean that the UK would continue to participate in the European Social Fund programme until programmes end in 2023, subject to a final negotiated agreement.

This provides certainty to communities, who will continue to receive the same level of funding as they would have if the UK was a member of the European Union until the end of the 2014-2020 programme period.

Potential grant recipients currently make applications to Managing Authorities (Department for Work and Pensions in England, the Devolved Administrations, and HM Government of Gibraltar), in accordance with the project and appraisal processes in place for the relevant administration or Managing Authority.

### After March 2019 if there's no deal

In the unlikely event of a no deal scenario, the UK's departure from the EU would mean UK organisations would be unable to access EU funding for European Social Fund projects after exit day.

We are committed to ensuring that there will be no gap in funding for regional growth in the event of a no deal. The [Chancellor announced in August and October 2016](#) that the government would guarantee certain EU projects agreed before we leave the EU in order to provide more certainty for UK organisations over the course of EU Exit. This guarantee included European Social Fund projects. In July 2018 [the Government extended the guarantee](#) so that it would cover all projects, including European Social Fund Projects, that would have been funded by the EU under the 2014-2020 programme period. The extension means that the Department for Work and Pensions, the Devolved Administrations, and HM Government of Gibraltar, will continue to sign new projects after EU Exit until programme closure. This practical measure provides additional certainty, guaranteeing investment in skills and employment up to the end of the current European Social Fund programme period, in the unlikely event that the UK leaves the EU without a negotiated agreement. This will provide certainty to communities, businesses, charities, Local Enterprise Partnerships (in England), local authorities and other local partners.

### Actions for Businesses and Stakeholders

In order to ensure stability and continuity, Managing Authorities will administer the guarantee through existing national and local arrangements, modified and simplified as appropriate in line with wider rules on public spending.

Projects will be managed to ensure appropriate audit, monitoring and evaluation arrangements are in place, and that all spending delivers good value for money and fits domestic strategic priorities.

Organisations should continue applying for and delivering funding under current arrangements with confidence that the funding guarantee applies if there is no negotiated agreement between the UK and the EU.

# Project Funding: European Territorial Cooperation (ETC)

## Purpose

This notice sets out how current and future European Territorial Cooperation (ETC) programmes would be affected if the UK leaves the EU with no deal. Find out how this would affect you if you:

- want to apply for funding from the ETC programmes
- already get funding from the ETC programmes

## Before 29 March 2019

The purpose of this notice is to explain what happens if the UK leaves the EU without a negotiated agreement, in the unlikely event of a 'no deal'. It is for UK organisations who participate or want to apply for European Territorial Cooperation in the current Multiannual Financial Framework (the EU budget).

The current European Territorial Cooperation programmes support projects that enable businesses, universities, local and regional authorities and the voluntary and community sectors in different countries to work together on shared issues.

These programmes bring together organisations that collaborate in designing new solutions and approaches, drawing on the knowledge and expertise of participating groups and individuals. They fund projects on a range of priorities, including business competitiveness, innovation, renewable energy, health, transport, tourism and culture, and climate change and the environment.

## Current delivery arrangements

Organisations in different EU countries apply together for funding on a competitive basis. A single organisation acts as the lead partner for the whole project, on behalf of all other organisations who are involved in that project.

If the application is approved, the lead partner signs an agreement with the Managing Authority, with a partnership agreement governing relationships between all project partners. The lead partner coordinates claims and payments for all project partners through a process that involves the Managing Authority and the European Commission.

The Managing Authority monitors the delivery of projects. Every project partner is subject to audit procedures, which ensures EU funding rules have been followed.

## Programme governance

The UK participates in fifteen European Territorial Cooperation programmes, for which the [Department of Business, Energy and Industrial Strategy](#) (BEIS) oversees the overall policy and coordination across the UK.

The [Ministry of Housing, Communities and Local Government](#) (MHCLG) oversees UK interests in the nine programmes involving English project partners. UK interests in the other six programmes are overseen by the Devolved Administrations or HM Government of Gibraltar. A summary of these fifteen programmes is provided in the section on 'Further Information.'

Each European Territorial Cooperation programme is managed by a separate Managing Authority, with two UK-based Managing Authorities and one joint North-South Managing Authority between Northern Ireland and Ireland. These Managing Authorities manage programmes on behalf of the EU countries who participate in each programme.

These programmes are funded by the European Regional Development Fund (ERDF). This is funded by the contributions by the UK and other EU countries as part of the Multiannual Financial Framework. There is separate national financing from non-EU partners where they participate in programmes. Managing Authorities are responsible for managing the flow of funding with the European Commission and for certification and payment of claims to project partners.

## After March 2019 if there's no deal

### Guarantee Explanation

In the unlikely event of a 'no deal' scenario, the UK's departure from the EU would mean UK organisations may be unable to access EU funding for European Territorial Cooperation projects after exit day.

The [Chancellor announced in August and October 2016](#) that the government would guarantee certain EU projects agreed before we leave the EU in order to provide more certainty for UK organisations over the course of EU exit. This guarantee included ETC projects.

In July 2018, [the government extended the guarantee](#) to provide further stability for UK organisations in a no-deal scenario. The guarantee for European Territorial Cooperation programmes now covers the full 2014 to 2020 programme period.

## **Implications**

This means that grant funding to UK beneficiaries in respect of all projects approved on a competitive basis before the end of the programming period is now guaranteed. Managing Authorities can continue to sign new contracts with UK beneficiaries after exit for the duration of the programmes.

However, the government will have to work with other parties such as the European Commission to ensure that continued participation for UK organisations in European Territorial Cooperation programmes is possible and the UK can respond to new calls and continue to deliver projects.

Further information on the guarantee will be provided as it becomes available.

## **Delivery of the Guarantee**

The UK government understands the joint management of European Territorial Cooperation programmes creates additional complexity, and that continued delivery of projects requires joint working with Managing Authorities and EU countries.

The intention is to deliver the funding guarantee using existing programme management arrangements where possible, so that project partners can continue working together under a common framework and systems.

This is subject to agreement between the European Commission, Managing Authority and EU countries in each European Territorial Cooperation programme. Discussions on this will continue and further details will be provided through updates on this technical notice as agreements are reached.

## **Actions for businesses and stakeholders**

Organisations should continue applying for and delivering funding under current arrangements with confidence in the funding guarantee in a 'no deal' scenario.

## Project Funding: EU LIFE programme

### Purpose

This notice sets out how UK organisations receiving funding under the EU LIFE programme would be affected if the UK leaves the EU with no deal in March 2019. It explains what this would mean for existing projects due to finish after 29 March 2019 and for organisations applying for projects funded after this date.

### Before 29 March 2019

The LIFE programme is an EU fund supporting environmental, nature conservation and climate action projects throughout the EU. It is funded and administered by the European Commission. The UK is currently a net contributor to the EU budget, and all EU funding is derived from funding by UK taxpayers.

Currently, UK organisations submit bids directly to the LIFE fund on a competitive basis for a variety of projects focused on environmental and climate action. Projects usually last between three and five years, with funding paid by the European Commission in stages throughout the project. Project payments are currently made directly from the Commission to the organisation leading the project, with no involvement by the UK government. On average, five UK-led projects are awarded LIFE funding each year.

In a negotiated scenario, UK-based organisations will be able to continue to participate in the LIFE programme until the end of 2020 as they do now, and successful projects agreed within this timeframe will be fully funded by the European Commission until they finish. We are considering how environmental projects can be best supported in future when the UK is no longer part of the European Union.

### After March 2019 if there's no deal

In the unlikely event that the UK leaves the EU in March 2019 with no deal in place, the UK government has [guaranteed to fund](#) the following:

- LIFE project bids submitted by UK organisations and approved by the European Commission while we are still a member of the EU; and
- LIFE funding due to UK organisations acting as partners in projects led by other Member States. This covers ongoing projects, and those awarded funding before the end of 2020.

This means that, if required, the UK government would take over any remaining payments due to UK organisations involved in LIFE projects after March 2019, ensuring an uninterrupted flow of funding to these projects until they finish.

Payments due to be made to project leads after 29 March 2019 may no longer come from the European Commission, and so would need to be made by the UK government via Defra and the relevant devolved administrations.

Defra has contacted the small number of organisations in England leading LIFE projects due to be running after 29 March 2019 to request copies of project grant agreements, to inform contingency planning. Projects do not need to take any further action at present. The devolved administrations are making similar arrangements for projects where the lead partner is legally based within their countries. We are considering how environmental projects can be best supported in future when the UK is no longer part of the European Union.

The guarantee does not cover funding for organisations from countries in consortia with UK participants – only the funding for UK participants is in scope. We are aware of some cases where UK participants lead a consortium and are responsible for distributing funding to the other participants; the UK government is seeking to discuss how this could best be addressed in a 'no deal' scenario with the European Commission.

## Project Funding: Horizon 2020

### Purpose

This notice provides information on the Horizon 2020 underwrite guarantee, the extension to the guarantee and how our plans to support UK research and innovation will work in practice. It is aimed at UK organisations, such as universities and businesses, who are in receipt of Horizon 2020 funding or who are bidding for such funding. It will also be of interest to EU organisations who work with UK participants on Horizon 2020 projects.

### Before 29 March 2019

Horizon 2020 is an EU Research and Innovation programme which provides about €80 billion of funding available over 7 years (2014 to 2020); the UK has secured €4.6 billion of funding to date (14.3% of the total). The UK is currently a net contributor to the EU budget.

Horizon 2020 couples research and innovation, focusing on excellent science, industrial leadership and tackling societal challenges. The UK and EU's intention is that the eligibility of UK researchers and businesses to participate in Horizon 2020 will remain unchanged for the remaining duration of the programme. This has been agreed as part of the Financial Settlement which was signed-off by both UK and European Commission negotiators in a draft Withdrawal Agreement and welcomed by the other 27 EU countries at March European Council.

### After 29 March 2019 if there's 'no deal'

In the unlikely event of a 'no deal' scenario, the UK's departure from the EU would mean UK organisations may be unable to access funding for Horizon 2020 projects after exit day. However, the Chancellor announced in [August](#) and [October](#) 2016 that the government will guarantee funding for competitively bid for EU projects submitted before we leave the EU, including Horizon 2020 projects. This guarantee will cover all successful bids submitted by UK participants before the UK exits the EU, for the full duration of the projects.

The guarantee does not cover funding for organisations from other countries who are in consortia with UK participants – only the funding for UK participants is in scope. We are aware of some cases where UK participants lead a consortium and are responsible for distributing funding to the other participants; the UK government is seeking to discuss how this could best be addressed in a 'no deal' scenario with the European Commission. These discussions would also need to include consideration of projects where the UK's change in status from member state to third country could lead to concerns about ongoing compliance with Horizon 2020 rules (for example, where a consortium no longer meets the threshold for member state and/or associated country participants).

In July 2018, the Chief Secretary laid a [written ministerial statement \(HCWS926\) extending this guarantee](#) to provide further stability for UK organisations in a 'no deal' scenario. The guarantee now additionally covers funding for successful bids where UK organisations are able to participate as a third country in competitive EU grant programmes. This extension runs from exit day until the end of 2020.

In the unlikely event of a 'no deal' scenario, we therefore intend that UK researchers and businesses would be able to apply to and participate in all those Horizon 2020 calls open to third country participants from the date of exit, with funding provided via the extended guarantee. Third country participation is a well-established part of Horizon 2020 - entities from third countries currently participate in and lead consortia in a wide range of collaborative programmes. The government is seeking discussions with the European Commission to agree the details of our continued participation as a third country.

Third country participation does not extend to some Horizon 2020 calls; these include European Research Council (ERC) grants, some Marie Skłodowska-Curie Actions (MSCA) and the SME instrument. The government is considering what other measures may be necessary to support UK research and innovation in the event that the guarantee and the extension are required.

Looking beyond 2020, the UK remains committed to ongoing collaboration in research and innovation and wants to work with the EU on a mutually beneficial outcome. The government set out its plan for the [future relationship between the UK and the EU in its White Paper](#), which includes the proposal to form a cooperative accord with the EU on science and innovation.

At the same time, the government is signalling our commitment to the future of our country and the world through our goal to increase UK research and development spending to 2.4% of GDP by 2027.

The government is also working in partnership with UK Research and Innovation to develop a new International Research and Innovation Strategy. The Strategy will further set out our desire to build on the UK's long tradition of international collaborations in research and innovation across all fields and our openness to international talent.

## **Implications**

The UK is providing funding through the underwrite guarantee and extension to support UK participants to continue to take part in Horizon 2020 projects, subject to eligibility for participation in the project. The government is seeking discussions with the European Commission to agree the precise details of eligibility. The government is also considering what other measures may be necessary to support UK research and innovation in a 'no deal' scenario.

### **Actions for businesses and other stakeholders**

For all UK recipients

UK Research & Innovation (UKRI) will be developing systems to ensure payments to beneficiaries of Horizon 2020 funding can continue. Current UK recipients of Horizon 2020 funding will soon be invited to provide initial data about project(s) on a portal hosted on GOV.UK. The portal is designed to ensure that UKRI has information about projects and participants in order to deliver the underwrite guarantee if required. UKRI will use the contact details provided by current recipients to inform them of the next steps in the process.

The portal will remain open after the UK leaves the EU so that UK applicants can continue to register as and when they are informed that their bid has been successful. More information on the portal is available on the [UKRI webpage](#).

For EU Citizens and Organisations

Organisations in member states who are part of a consortium with UK participants do not need to register on the portal. The government will ensure that details of UK systems and processes are shared before you need to take action. These measures are intended to deliver continuity for both UK participants, and their research partners in the EU.

## Project Funding: UK guarantee for EU-funded programmes

### Purpose

The purpose of this notice is to provide an overview of the scope of the government's guarantee for EU-funded programmes and to link external stakeholders to the parts of government responsible for overseeing the application of the guarantee for specific programmes.

### Before 29 March 2019

Until our departure from the EU, we remain a Member State, with all the rights and obligations that entails. This means that the UK will continue to participate in all EU programmes while we remain a member of the EU.

As agreed as part of the Financial Settlement, the UK will continue to take part in all EU programmes post 29 March 2019 for the rest of the 2014-2020 Multiannual Financial Framework. This Financial Settlement has been signed off by both UK and Commission negotiators in a draft Withdrawal Agreement and welcomed by the other 27 EU countries at March European Council.

### After 29 March 2019 if there's 'no deal'

In the unlikely event of a 'no deal', the UK will leave the EU Budget in March 2019 meaning UK organisations would no longer receive future funding for projects under EU programmes, such as the European Regional Development Fund and Horizon 2020, without further action. However, the Chancellor announced in [August](#) and [October 2016](#) that the government will guarantee EU projects agreed before we leave the EU, to provide more certainty for UK organisations over the course of EU Exit.

In July 2018, the Chief Secretary laid [a Written Ministerial Statement \(HCWS926\) extending this guarantee](#) to provide further stability for UK organisations in a 'no-deal' scenario. The guarantee now covers the following:

- the full 2014-20 Multiannual Financial Framework allocation for structural and investment funds
- the payment of awards where UK organisations successfully bid directly to the European Commission on a competitive basis while we remain in the EU
- 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
- the current level of agricultural funding under CAP Pillar 1 until 2020.

For awards where UK organisations successfully bid directly to the European Commission on a competitive basis, we will work with the Commission to ensure that UK organisations will be able to continue to participate.

### Implications

This guarantee ensures that UK organisations, such as charities, businesses and universities, will continue to receive funding over a project's lifetime if they successfully bid into EU-funded programmes before the end of 2020.

## Project Funding: Nuclear Research

### Purpose

This notice explains how civil nuclear research that the UK already undertakes with the EU will be affected in the unlikely event that the UK leaves the EU in March 2019 with no agreement in place.

It is relevant to all researchers and research organisations in the fields of nuclear fission research (the current method of energy generation used at power plants), and nuclear fusion research (experimental energy generation technology).

### Before 29 March 2019

The UK is currently a net contributor to the EU budget. The UK is also a member of the European Atomic Energy Community (Euratom), which facilitates cooperation between EU countries in the civil nuclear sector. This includes participation in the Euratom Research & Training programme.

Through this programme, UK organisations and scientists collaborate internationally on a range of nuclear research projects and facilities, including:

- Joint European Torus: The Joint European Torus, located at Culham Centre for Fusion Energy in Oxfordshire UK, is the world's largest operational magnetically confined plasma physics experiment, and the focal point of the European fusion research programme
- International Thermonuclear Experimental Reactor: The International Thermonuclear Experimental Reactor is an international nuclear fusion research and engineering megaproject
- Joint Research Centre: The Joint Research Centre is the European Commission's science and knowledge service. It employs scientists to carry out research in order to provide independent scientific advice and support to EU policy
- indirect actions (such as a competitive call for proposals for fission research and the Joint European Torus Operating Contract).

The Euratom Research and Training programme runs for five years at a time, with scope for a two-year extension within the same Multiannual Financial Framework cycle. The current programme runs between 2014-2018 and the 2019-2020 extension of the programme is still under discussion in the EU. In May 2018, the Council of the EU agreed to the extension in principle. This extension is expected to be agreed in the early autumn 2018 once the European Parliament submits its view.

In a negotiated scenario, the UK will continue to take part in all EU programmes during the rest of the 2014-2020 Multiannual Financial Framework, including Euratom Research & Training. This has been agreed as part of the Financial Settlement which was signed-off by both UK and Commission negotiators in a draft Withdrawal Agreement and welcomed by the other 27 EU member states at March European Council.

### After 29 March 2019 if there's 'no deal'

The UK would leave Euratom. A separate notice has been prepared [on the implications of leaving Euratom for the civil nuclear sector](#), including the future context and impact in a 'no deal' scenario on civil nuclear trade with the EU and partners.

In a 'no deal' scenario, the UK will:

- no longer be a member of the Euratom R&T programme
- no longer be a member of Fusion for Energy
- therefore, no longer be able to collaborate on the International Thermonuclear Experimental Reactor project through the EU.

The UK government is committed to nuclear research. This will mean continued domestic research, as well as its other international partnerships, to ensure the UK retains its world leading position in this field.

### Implications, and actions for businesses and other stakeholders

#### Joint European Torus - continued funding

In a 'no deal' scenario, the government will fulfil its stated commitment to continue to provide funding for its share of Joint European Torus costs until the end of 2020, subject to the EU Commission extending the Joint European Torus operating contract until then. The European Commission has stated its ambition to 'extend the Joint European Torus operating contract until 2020' but a final decision is still outstanding. The UK Atomic Energy Agency sees Joint European Torus experiments as critical to supporting International Thermonuclear Experimental Reactor construction and planning. When the Joint European Torus operating contract ends, the UK government is willing to discuss options to keep Joint European Torus operational until the end of its useful life.

### **Guarantee for competitive EU funds**

In a 'no deal' scenario, the UK will leave the EU budget in March 2019 meaning UK organisations would no longer receive future funding for projects under EU programmes, such as Euratom Research and Training, without further action. However, the Chancellor announced in [August](#) and [October 2016](#) that the government will guarantee EU projects agreed before we leave the EU, to provide more certainty for UK organisations over the course of EU exit. The guarantee covers the payment of awards where UK organisations successfully bid directly to the European Commission on a competitive basis while we remain in the EU. In July 2018, the Chief Secretary laid a written ministerial statement extending this guarantee to provide further stability for UK organisations in a 'no deal' scenario. The guarantee now includes the payment of awards under successful bids where UK organisations can participate as a third country in competitive grant programmes from exit day until the end of 2020. This means that in a 'no deal' scenario, at which point the UK will assume third country status, the government's commitment will guarantee funding for eligible, successful bids until the end of 2020 for UK organisations who successfully bid directly to the EU for competitive grants under the Euratom Research and Training programme.

### **For international partnerships**

International research partnerships will continue to be important in a 'no deal' scenario. The UK is on track to have bilateral Nuclear Cooperation Agreements in place with key priority partners ahead of March 2019. This will facilitate continued, unimpeded civil nuclear trade and nuclear research cooperation with these countries. The UK will no longer be a member of Fusion for Energy and UK businesses will not be able to bid for International Thermonuclear Experimental Reactor contracts through Fusion for Energy. However, in this scenario the UK government is willing to discuss with International Thermonuclear Experimental Reactor opportunities for UK researchers, companies, and institutions, to collaborate on this critical experiment.

### **UK researchers working in the UK on Euratom Research and Training programmes**

The guarantee and its extension provide UK stakeholders with reassurance that Euratom Research & Training projects covered by its terms will be funded for the lifetime of the project.

The UK government intends to implement a similar process to that being used for Horizon 2020 to ensure beneficiaries of Euratom Research & Training grants can continue to receive payments unaffected, should the guarantee be required. Information on how this process will work can be found in the [Horizon 2020 technical notice](#), and further information and guidance will be provided in due course.

For awards where UK organisations successfully bid directly to the European Commission on a competitive basis, we will work with the Commission to ensure that UK organisations will be able to continue to participate.

We are aware there may be cases where UK participants lead a consortium and are responsible for distributing funding to the other participants; the UK government is seeking to discuss how this could best be addressed in a no-deal scenario with the European Commission. These discussions would also need to include consideration of projects where the UK's change in status from member state to third country could lead to concerns about ongoing compliance with Horizon 2020 rules (for example, where a consortium no longer meets the threshold for member state participants).

## Citizen Rights: Legal: Civil Cases

### Before 29 March 2019

Currently, the UK applies EU rules to determine:

- which country's courts hear a civil, commercial or family law case raising cross-border issues with other EU countries (jurisdiction)
- which country's laws apply (applicable law)
- how a judgment obtained in one EU country should be recognised and enforced in another (recognition and enforcement)
- how cross-border legal procedural matters are handled (such as taking evidence in one country for use in proceedings in another)

A number of different EU instruments make up the current system. These cover rules for civil and commercial disputes, including insolvency, and for family law matters. We also apply a number of international agreements because of our EU membership, which enable elements of civil judicial cooperation with non-EU countries.

A list of these instruments and international agreements can be found in the list of EU civil judicial instruments and international agreements.

These instruments and agreements currently operate in each of the UK's separate and distinct legal systems.

- England and Wales, which operates a common law system
- Scotland, which operates Scots law, a mixed system
- Northern Ireland, which also operates a common law system

### After March 2019 if there's no deal

In the unlikely event of 'no deal', there would be no agreed EU framework for ongoing civil judicial cooperation between the UK and EU countries. Most of the EU rules operate on the basis of reciprocity between EU countries. If the UK continued to apply the rules unilaterally after exit, the UK's status as a third country would mean that EU countries would not consider the UK to be covered by these rules. As a result, UK citizens, businesses and families would not benefit from these rules.

Because of this loss of reciprocity, in the event of a no deal scenario, we would repeal most of the existing civil judicial cooperation rules and instead use the domestic rules which each UK legal system currently applies in relation to non-EU countries. In some specific areas, detailed below, we would retain elements of the current EU rules, where they either do not rely on reciprocity to operate or where they currently form the basis for our existing domestic or international rules.

We would also continue to apply existing international agreements, such as the [Hague Conventions](#), which in many areas provide alternative rules covering the same areas as the EU-specific instruments, although they are not always as comprehensive. Where the UK currently participates in Hague Conventions because of our EU membership (namely the 2005 Hague Convention on Choice of Court Agreements and the 2007 Hague Convention on Maintenance), we would make the necessary arrangements to continue to participate in these international agreements in our own right.

Any party to a cross-border legal dispute, including businesses, consumers and families, would need to consider the effect that these changes would have on any existing or future cases involving parties in EU countries. Where appropriate you may wish to seek professional legal advice on the implications of these changes for your individual circumstances.

### Civil and commercial judicial cooperation

In the absence of a deal with the EU, the following rules would be repealed for all parts of the UK:

- Brussels law: which provides rules to decide where a case should be heard when it raises cross-border issues between the UK and other EU countries, and the recognition and enforcement of civil and commercial judgments between EU countries
- The Enforcement Order, Order for Payment and Small Claims Regulations: which establish EU procedures for dealing with, respectively, uncontested debts and claims worth less than EUR5,000
- The EU/Denmark Agreement: which provides rules to decide where a case would be heard when it raises cross-border issues between Denmark and EU countries, and the recognition and enforcement of civil and commercial judgments between the EU and Denmark
- The Lugano Convention: which is the basis of our civil judicial relationship with Norway, Iceland and Switzerland: This would not prevent us applying to re-join the Lugano Convention in our own right at a later date

For rules in these areas, we would instead revert to the existing domestic common law and statutory rules, which currently apply in cross border cases concerning the rest of the world, to govern our relationship with the remaining EU countries (and Iceland, Norway and Switzerland).

Businesses, individuals and legal practitioners would need to consider how these rules interact with the domestic rules of relevant EU countries to determine how jurisdiction in cross-border disputes should be established and whether any judgments should be recognised and enforced.

In certain cases, the interaction between these rules may not be clear and certain countries may not recognise judgments from UK courts. Businesses and individuals may wish to take legal advice about how these changes may affect your individual circumstances.

All parts of the UK would retain the Rome I and Rome II rules on applicable law in contractual and non-contractual matters, which generally do not rely on reciprocity to operate. This would ensure that businesses and individuals could generally continue to use the same rules as at present to determine which law would apply in cross-border disputes.

In the event of no deal, we would take the necessary steps to formally re-join the 2005 Hague Convention on Choice of Court Agreements in our own right (we currently participate because of our EU membership). It is anticipated that the convention would come in to force across the UK by 1 April 2019. Where appropriate, individuals and businesses would need to consider what this would mean for any existing choice of court agreements made under either the Brussels regime or the 2005 Hague Convention, including the implications of any gap in coverage by the 2005 Hague Convention between 29 March and 1 April 2019.

### **Cross-border insolvency cooperation**

The majority of the Insolvency Regulation, which covers the jurisdictional rules, applicable law and recognition of cross-border insolvency proceedings, would be repealed in all parts of the UK. We would retain the EU rules that provide for the UK courts to have jurisdiction where a company or individual is based in the UK, and the law will ensure that insolvency proceedings can continue to be opened in those circumstances. But after exit, the EU Insolvency Regulation tests would no longer restrict the opening of proceedings, and so it would also be possible to open insolvency proceedings under any of the tests set out in our domestic UK law, regardless of whether (or where) the debtor is based elsewhere in Europe.

UK insolvency practitioners would need to make applications under an EU country's domestic law in order to have UK orders recognised there. In certain circumstances, some EU countries may not recognise UK insolvency proceedings, for example if that would prevent creditors from taking action against the assets held in that country. Where appropriate, insolvency practitioners may wish to take professional advice on the prospects of successfully obtaining recognition for a UK insolvency order in an EU country. EU insolvency proceedings and judgments would no longer be recognisable in the UK under the EU Insolvency Regulation, but may be recognised under the UNCITRAL Model Law on Cross-Border Insolvency, which already forms part of the UK's domestic rules on recognising foreign insolvencies.

### **Family law cooperation**

In family law cooperation, the key EU regulations are Brussels IIa (which covers jurisdictional rules in matrimonial and parental responsibility matters, the recognition and enforcement of related judgments and supplementary rules on child abduction) and the Maintenance Regulation (which covers jurisdictional rules for maintenance decisions and the recognition and enforcement of related judgments).

We are a contracting state in our own right to a number of Hague Conventions on family law, which cover many of the same areas as the Brussels IIa and Maintenance Regulations. Where this is the case, we would repeal the existing EU rules and switch to the relevant Hague Conventions. The relevant rules covered by the Hague Conventions are:

- parental responsibility matters, including jurisdiction, recognition and enforcement
- rules for the return of abducted or wrongfully retained children
- maintenance recognition and enforcement
- central authority cooperation

There is also a Hague Convention on divorce recognition, which has been implemented by provisions in the Family Law Act 1986. We would continue to use these wide recognition rules in the UK to recognise overseas divorces.

In child abduction cases, our participation in the 1980 Hague Convention means that most of the measures we currently operate with EU countries would not change. We will however repeal the child abduction override provisions contained within Brussels IIa. These rules (which, in certain circumstances, allow an order from a court of an EU Member State to override an order made by another court not to return a child) are based on reciprocity and would no longer operate effectively if the UK leaves the EU with 'no deal'.

We would take the necessary steps to formally re-join the 2007 Hague Maintenance Convention (in which we currently participate because of our EU membership). It is anticipated that it would come into force by 1 April 2019. Parties would need to consider the implications for any new maintenance applications made during the gap in coverage between 29 March and 1 April 2019.

While there are some differences between the EU and Hague rules in these areas, the Hague Conventions provide an effective alternative to the EU rules. Families and individuals may wish to take legal advice as to how these changes may relate to your circumstances.

### **Family law cooperation without corresponding Hague Conventions**

In some areas of family cooperation there are no relevant Hague Conventions to fall back on. In most of these cases, we would repeal the EU rules and proceed as follows. Currently divorce jurisdiction in UK is primarily based on the Brussels IIa rules for all cases. An additional basis for jurisdiction, the sole domicile of either party to the marriage, is only available as a basis of jurisdiction if no other EU court has jurisdiction.

In England, Wales and Northern Ireland we would repeal the Brussels IIa rules. The different bases for divorce jurisdiction set out in Article 3 of Brussels IIa (save for joint application which is not applicable) would be replicated in English, Welsh and Northern Irish domestic law so that these bases apply for England, Wales and Northern Ireland for all cases. The additional basis of sole domicile of either party, would be available for all cases. The Scottish Government is considering the best approach for Scotland in the area of divorce jurisdiction.

The EU 'lis pendens' rules which require courts to halt divorce proceedings if an EU court has already begun to consider the case, would be repealed for all parts of the UK as they would not be reciprocated by the EU courts. Instead the courts in each UK jurisdiction would decide which is the most appropriate court to hear a case, as they currently do for cases outside the scope of Brussels IIa.

These changes in divorce jurisdiction and recognition provisions would be replicated for same sex marriages and civil partners in all applicable parts of the UK. We would also retain domestic rules that allow for the UK to provide a divorce or dissolution jurisdiction of last resort for cases where the couple formed their relationship under the law here and other states do not recognise their same sex marriage or civil partnership.

For decisions in relation to the jurisdiction for maintenance cases, we would intend broadly to adopt the position prior to the introduction of the Maintenance Regulation and other EU rules. The jurisdiction grounds of this would vary depending on the type of maintenance sought and in which part of the UK the case is brought.

All parts of the UK would unilaterally recognise incoming Civil Protection Measures from EU countries, to ensure that vulnerable individuals would continue to be protected. The impact of these changes on individual families would vary dependent on their circumstances and, if appropriate, you may wish to seek legal advice on what steps to take.

### **EU instruments covering both civil and family matters**

We would also repeal the EU Service Regulation and the Taking of Evidence Regulation, which both rely on reciprocity to operate. However, we would apply the equivalent Hague Conventions in this area, to which the vast majority of EU countries are party. Finally, we would repeal the legislation implementing the Mediation Directive and the Legal Aid Directive.

### **The effect on ongoing civil and family cases**

We will seek to provide legal certainty for businesses, families and individuals who are involved in ongoing cases on exit day. Broadly speaking, cases ongoing on exit day will continue to proceed under the current rules. However, we cannot guarantee that EU courts will follow the same principle, nor that EU courts will accept or recognise any judgments stemming from these cases. Individuals with cases in progress on 29 March are encouraged to seek legal advice on how this may affect them.

### **EU civil judicial instruments and international agreements**

The UK applies a number of different EU instruments which make up our current civil judicial system. These cover rules for civil and commercial disputes, including insolvency, and for family law matters.

- Brussels Ia Regulation (1215/2012): rules which determine which EU country's courts hear cases in civil and commercial matters (jurisdiction); and rules which enable judgments to be recognised and enforced across borders
- Brussels IIa Regulation (2201/2003): rules about which EU country's courts should decide matrimonial and parental responsibility matters; the recognition and enforcement of judgments; administrative cooperation; and cooperation in child abduction cases
- Maintenance Regulation (4/2009): rules about which EU country's courts should make decisions in maintenance matters; recognition and enforcement of child, spousal and other forms of family maintenance decisions; and administrative cooperation and assistance
- Insolvency Regulation (2015/848): rules about jurisdiction, applicable law and recognition of insolvency proceedings in cross-border insolvencies
- Service of Documents Regulation (1393/2007) and Taking of Evidence Regulation (1206/2001): rules to facilitate the service of legal documents in civil and family judicial proceedings involving parties in more than one EU country and rules about cooperation between the courts of EU countries in taking of evidence in civil and commercial judicial proceedings

- Rome I Regulation (593/2008) and Rome II Regulation (864/2007): rules which determine the law which is applicable to cross-border contractual and non-contractual disputes
- Civil Protection Measures Regulation (606/2013): rules ensuring the cross-border recognition and enforcement of civil protection measures
- Small Claims Procedure Regulation (861/2007), European Enforcement Order Regulation (805/2004) and European Order for Payment Procedure Regulation (1896/2006): rules which establish streamlined procedures for determining small claims and enforcing uncontested judgments and debts
- Cross-border Mediation Directive (2008/52): rules aimed at promoting the amicable settlement of cross-border disputes through mediation and Legal Aid Directive (2002/8): rules to cover the grant of legal aid in cross-border disputes

We also apply the following international agreements because of our EU membership:

- EU/Denmark 2005 Agreement: this extends the Brussels Ia rules to Denmark
- Lugano Convention 2007: this deals with jurisdiction and the recognition and enforcement of judgments in civil and commercial matters; it applies between EU countries and Switzerland, Norway and Iceland (European Free Trade Association Member States)
- 2005 Hague Convention on Choice of Court Agreements: provides rules to ensure the effectiveness of exclusive choice of court agreements between parties to international commercial transactions
- 2007 Hague Maintenance Convention: provides rules for the recognition and enforcement of child support and other forms of family maintenance and for administrative cooperation between contracting states

The latter three international agreements do not currently cover our relationship with the EU, but rather enable elements of international cooperation with non-EU countries.

## Business: Product Tariffs Classification

### Purpose

This technical notice is one of a series which covers the movement of goods between the UK and the EU following EU exit. It should be read alongside Trading with the EU if there's no Brexit deal and Trade Agreement Continuity.

In the unlikely event that the UK leaves the EU on 29 March 2019 with no agreement in place, EU goods will be treated as goods from elsewhere in the world are treated now, until such a time as a preferential trading agreement can be established.

The purpose of this notice is to set out the way in which businesses will identify their goods in the correct way, in order to establish what duties and specific rules apply, as a requirement of the declaration process (see the Trading with the EU if there's no Brexit deal technical notice).

This notice is particularly relevant to firms that currently trade predominantly with the EU, where the declaration process does not apply, and there are currently no tariffs on UK exports or imports to or from the EU.

### Before 29 March 2019

The UK is currently a member of the European Union, its Single Market and Customs Union, and so applies the EU's Common Customs Tariff (CCT) at the external EU border.

- For goods moving between EU countries, there are no customs duties, and no routine intervention during the movement of goods.
- For goods entering the EU's Customs Territory from the rest of the world ("third country goods"), an import declaration is required, customs formalities and checks are carried out – for example for compliance with EU regulations – and any customs duties must be paid. Imports from a country with which the EU has a free trade agreement may qualify for preferential rates of duty and rules of origin. Imports from a country with which the EU does not have a free trade agreement will be subject to the EU's Most Favoured Nation (MFN) rates of duty and non-preferential rules of origin.

This note does not describe transit, any other way in which goods are held under duty suspense, or where duty is paid in a member state other than that to which the good is imported (for example Single Authorisation for Special Procedures). See other notes on import procedures/special procedures.

Customs processes centre on the provision of information to a customs authority by way of a declaration (see Trading with the EU if there's no Brexit deal technical notice). This captures information necessary to collect the import duty due on a good, and to affect any controls necessary to ensure public safety, security, and health. The required data identifies the good itself, where it is from, and what it is worth, in addition to, for example, information about the importer and exporter.

Once any duties have been paid on third country goods, and any other formalities complied with, those goods can move freely between member states (they are in "free circulation") and are no longer subject to routine controls.

### After March 2019 if there's no deal

The government has made it clear that when the UK leaves the EU it is going to leave the EU's single market and Customs Union. It is negotiating to secure an ambitious and comprehensive future economic partnership with the EU, which will allow frictionless movement of goods between the UK and the EU.

However, in the event of "no deal", goods traded between the UK and the EU after 23h on 29 March 2019 will be subject to the same requirements as third country goods, including the payment of duty. Under World Trade Organisation (WTO) rules, the principle of most-favoured-nation (MFN) treatment means that, unless a preferential agreement is in place, the same rate of duty, on the same good, must be charged to all WTO members equally.

For UK exports to the EU, the EU will require payment of customs duty at the rate under the EU's CCT. For goods imported to the UK from the EU, the UK will require payment of customs duty at the rate set by the UK Government.

In preparing for "no deal" businesses will want to be aware of the following:

- the Taxation (Cross-Border Trade) Bill will provide the necessary powers for the UK to set its own tariff once it leaves the EU
- in a 'no deal' scenario, trade with the EU will be on non-preferential, WTO terms. This means that MFN tariffs and non-preferential rules of origin would apply to consignments between the UK and EU
- the EU will apply its MFN rates to goods imported into the EU from the UK. The EU MFN rates are set out in the CCT, where they are listed as "erga omnes" (which translates as "towards all"), rather than stating a specific country. The EU may change these rates between now and March 2019, but this provides an indication
- the UK will apply its MFN rates to goods imported into the UK from the EU. The government will determine and publish these new UK duty rates before we leave the EU. They may be different from the rates in the EU's CCT

- the UK intends to continue offering unilateral preferences to developing countries, and to seek to transition all EU Free Trade Agreements for day 1 in order to ensure continuity for both goods imported to the UK, and for UK exports. Maintaining these benefits is of clear importance to businesses, consumers and investors, and will ensure a smooth transition for users of these provisions as we leave the EU. Further information on preferential trade under the UK's existing trade agreements will be captured in the Trade Agreement Continuity technical notice
- the UK Trade Tariff, detailing the import duty rates and rules that will be applicable to each good, will be made available free on GOV.UK in the same way as now. Importers of goods into the UK will no longer use EU Tariff information published by the EU
- the UK does not intend to immediately change the classification of goods in a "no deal" scenario. The UK does not plan any immediate deviation from the current commodity code list published in the UK Trade Tariff, which is currently applied by the EU, except where necessary to maintain alignment with international standards, or for trade remedies purposes.

### **What you would need to do**

Anyone importing goods into the UK from the EU, or exporting goods to the EU from the UK, will have to comply with customs procedures, where these were not previously necessary. As set out above, this includes the potential payment of duty on UK-EU trade.

### **Establishing A UK Trade Tariff**

The Taxation (Cross-Border Trade) Bill provides the powers for HM Treasury to establish a new UK trade tariff. The importer (or their agent) must use the guidance in the tariff to help decide the correct classification of their goods (although it should be noted that the guidance is not the legal text of the tariff). This will require knowledge of the item being classified, as well as its constituent parts: what it is made of, and the purpose for which it will be used. It will also be necessary to know where it originates from. The process of classification will result in a numeric commodity code. The commodity codes will be listed in the Tariff with the rate of import duty applicable to the goods falling within those codes (duty rates are shown either by formula or percentage of the customs value of the goods). The Tariff will contain rules for determining the amount of import duty applicable to those goods based on their description (the commodity code) and country of origin.

The Tariff will also set out import procedures such as how the value of a good is calculated, and which forms, codes, and procedures are to be used.

The UK Trade Tariff will replace the EU CCT for imports to the UK. HMRC already publishes [tariff data online for use by UK traders with third countries](#). Those currently importing goods from third countries into the UK will be familiar with this system.

### **UK Commodity Codes**

Commodity codes in the EU are 10 digits long for imports, and 8 digits long for exports. Commodity codes are standardised under the World Customs Organisation's Harmonised System for the first 6 digits of the code. The UK is, and will remain, a participating country in this system. The Harmonised System allows additional digits to be set by Customs authorities. Tariff codes beyond 10 digits are used for some food products, to identify sugar, starch, and fat content, and for trade defence measures. The UK does not intend to immediately change any commodity codes, but the rules will be set out in new UK regulations rather than EU ones.

### **Classification - an example**

I am seeking the commodity code for a grand piano. Searching for "grand piano" on the UK Trade tariff identifies the commodity code 9201200000 for imports (92012000 for exports). The tariff has a hierarchical structure. The first two digits (92) are the "chapter", and refers to Musical instruments; parts and accessories of such articles. The next two digits (01) are the "heading", and identify pianos, including automatic pianos; harpsichords and other keyboard stringed instruments. The following two digits (20) are the "sub-heading", and identify a grand piano. Up to this level, the same digits are used internationally as part of the Harmonised System. Because no further distinction is required, the next two pairs of digits are each 00. For a more detailed worked example, please see the [classification section](#) on the uk trade info website.

### **Northern Irish businesses importing and exporting to Ireland**

The UK government is clear that in this scenario we must respect our unique relationship with Ireland, with whom we share a land border and who are co-signatories of the Belfast Agreement. The UK government has consistently placed upholding the Agreement and its successors at the heart of our approach. It enshrines the consent principle on which Northern Ireland's constitutional status rests. We recognise the basis it has provided for the deep economic and social cooperation on the island of Ireland. This includes North-South cooperation between Northern Ireland and Ireland, which we're committed to protecting in line with the letter and spirit of Strand two of the Agreement. The Irish government have indicated they would need to discuss arrangements in the event of no deal with the European Commission and EU member states. The UK would stand ready in this scenario to engage constructively to meet our commitments and act in the best interests of the people of Northern Ireland, recognising the very significant challenges that the lack of a UK-EU legal agreement would pose in this unique and highly sensitive context. It remains, though, the responsibility of the UK government, as the sovereign government in Northern Ireland, to continue preparations for the full range of potential outcomes, including no deal. As we do, and as decisions are made, we'll take full account of the unique circumstances of Northern Ireland.

# Business: Exporting: Controlled Goods

## Purpose

The [Export Control Joint Unit](#) (ECJU) is responsible for the UK's system of export controls on military items, dual-use items (items with both civil and military uses), civilian firearms, and items usable for torture. These items are regulated through a system of export licensing.

The export of many controlled items within the EU does not require a licence. If the UK leaves the EU without a deal, licences would be required for export of these items from the UK to EU countries.

## Before March 2019

### Military items

You currently need a licence to export items on the UK Military List to any destination, including EU countries.

Controls on military items (goods and technology) are currently implemented by UK law (Export Control Act 2002, Export Control Order 2008).

### Firearms

You need a licence to export firearms from the UK, except if you are an individual with a European Firearms Pass taking personal firearms from one EU member state to another. This is outlined under Council Directive 91/477/EEC.

The export of firearms to countries outside the EU is regulated by Council Regulation 258/2012. The Export Control Order 2008 also contains an exemption for the temporary export of firearms as personal effects from the UK to countries outside the EU.

### Dual-use items

Other than for a small number of sensitive items, no licence is required to move dual-use items between the UK and other EU countries. These sensitive items are listed in Annex IV of the dual-use regulation, Council Regulation 428/2009.

Dual-use items are items which can be used for both civil and military applications. They are:

- goods
- software
- technology
- documents
- diagrams

Dual-use items include:

- raw materials – for example, chemicals
- components – for example, bearings
- complete systems – for example, lasers

Dual-use items could also be items used in the production or development of military goods, such as machine tools, civil nuclear equipment, chemical manufacturing equipment or computers.

### Goods usable for torture or capital punishment

You should be aware of strict controls on the export of goods which could be used for the following:

- capital punishment
- torture
- other cruel, inhuman or degrading treatment or punishment.

These controls are implemented in the UK through Council Regulation 1236/2015. The UK was instrumental in achieving agreement in the EU on these controls and remains firmly committed to their implementation.

There are only limited circumstances in which trading this type of good is legitimate. The regulation therefore prohibits the export of these items outside the EU without a licence. You cannot export goods which have no practical use other than torture (Annex II items), except if they are destined for museum display.

## After March 2019

In the unlikely event the UK were to leave the EU in March 2019 without a deal, find out how this would affect you.

### EU regulations

Current regulations would continue to apply in the same way as they do now, except that they would apply to exports from the UK rather than to exports from the EU Customs Territory. EU regulations on the export of civilian firearms, dual-use items and goods that may be used for torture or capital punishment would become UK regulations as retained EU law under the EU (Withdrawal) Act 2018.

### Military items

There would be no changes to controls on the export of military items from the UK other than minor legislative fixes, as EU regulations do not apply in this area.

### Firearms

The European Firearms Pass would no longer be available for UK persons taking their personal firearms to the EU. The exemption that currently applies to the temporary export of firearms as personal effects to the rest of the world would be extended to exports to the EU. If you were seeking to take firearms as personal effects to an EU country, you would need to ensure that the destination country would also permit the re-export of the firearm. Dealers and other exporters of firearms would need to continue to apply for licences as they do now.

### Dual-use items

The overall framework of controls of dual-use exports would not change, but there would be changes to some licensing requirements:

- The movement of dual-use items from the UK to the EU would require an export licence. This is not currently the case and these movements would, therefore, need to be licensed in the same way as for non-EU destinations.
- Extant export licences issued in the UK would no longer be valid for exporting dual-use items from EU member states. A new licence, issued by an EU member state, would be required.
- Extant export licences issued by the 27 EU countries would no longer be valid for exporting dual-use items from the UK. A new licence, issued by the UK, would be required. If you are exporting civil nuclear material, you should refer to these BEIS technical notices to see what other conditions would apply besides export controls:
- [Civil nuclear regulation if there's no Brexit deal](#)
- [Nuclear research if there's no Brexit deal](#)

### Goods usable for torture or capital punishment

The overall framework of controls on these goods would not change, except that exports to EU countries would be treated in the same way as exports to non-EU destinations are treated now. This entails the following changes: the export of items in Annex II to Council Regulation 2016/2134 to EU member states would be prohibited. 2) providing brokering, training or advertising services relating to items in Annex II to Regulation 2016/2134 to any person or entity in an EU member state would be prohibited. 3) licences would be required to export to EU member states the items in Annexes III & IIIA to Regulation 2016/2134.

### Implications

Exporters to EU countries should check whether the items they export may be subject to control. [Check if you need an export licence](#).

To understand what controls would apply, licensing provisions in current legislation for a “third country” (a non-EU country) can be taken as a guide to the licensing provisions for exports to EU countries in the case of a ‘no deal’ scenario.

### Obtaining a licence

The ECJU provides information on controls and licensing. In addition to currently available licences, most exporters of dual-use items would be able to register to use an Open General Export Licence designed specifically for exports to EU countries. This licence would remove the need for you to apply for individual licences and could be used immediately following a straightforward registration process. In a ‘no deal’ scenario, the ECJU would publish the new Open General Export Licence in advance of the UK leaving the EU, along with further information on how to register to use it. Exporters requiring individual licences would also be able to apply for these licences in advance of the exit date. Further guidance on this would be issued in advance of the UK leaving the EU. If you are exporting controlled items, then you should plan to put in place internal processes to ensure compliance. You should guidance from the ECJU about how to apply for a licence.

## Environment: Industrial Emission Standards

### Purpose

This notice sets out how the Industrial Emissions Best Available Technique (BAT) regime would be affected if the UK leaves the EU in March 2019 without a deal. The UK government is developing systems and processes that would make the transition as straightforward as possible.

### Before 29 March 2019

There is a large body of existing EU industrial emissions law which aims to protect the environment and human health. The Industrial Emissions Directive (IED) recasts seven earlier pieces of industrial emissions legislation into one integrated framework.

The seven earlier pieces of legislation are:

- the Integrated Pollution Prevention and Control Directive
- the Large Combustion Plants Directive
- the Waste Incineration Directive
- the Solvents Emissions Directive
- three Directives on titanium dioxide

It takes an integrated approach to controlling pollution to air, water and land, and sets challenging industry standards for the most polluting industries. The IED aims to prevent and reduce harmful industrial emissions, while promoting the use of techniques that reduce pollutant emissions and that are energy and resource efficient.

Larger industrial facilities undertaking specific types of activity are required to use Best Available Techniques (BAT) to reduce emissions to air, water and land. BAT means the available techniques which are the best for preventing or minimising emissions and impacts on the environment. 'Techniques' include both the technology used and the way the installation is designed, built, maintained, operated and decommissioned.

The European Commission produces public BAT reference documents (BREFs). BREFs include BAT Conclusions that contain emission limits associated with BAT, which must not be exceeded unless agreed by the relevant competent authority.

### After March 2019 if there's no deal

The UK is committed to maintaining environmental standards after we leave the EU and will continue to apply the existing successful model of integrated pollution control. The EU Withdrawal Act 2018 maintains established environmental principles and ensures that existing EU environmental law will continue to have effect in UK law, including the IED and BAT Conclusion Implementing Decision made under it. This provides businesses and stakeholders with maximum certainty as we leave the EU.

We are introducing secondary legislation under the EU Withdrawal Act 2018, and further legislation in the devolved administrations where required, to ensure the domestic legislation that implements the IED (including the Transitional National Plan) can continue to operate after exit. This will amend current legislation to correct references to EU legislation, transfer powers from EU institutions to UK institutions and ensure we meet international agreement obligations.

The European Commission holds a power to establish BAT Conclusions for the purpose of environmental permitting for activities within the scope of the IED, which are based on BREFs developed through the EU-level Sevilla process. In a 'no-deal' scenario, the UK would no longer be part of the Sevilla process.

The UK government would make secondary legislation to ensure the existing BAT Conclusions continue to have effect in UK law after we leave the EU, to provide powers to adopt future BAT Conclusions in the UK and ensure the devolved administrations maintain powers to determine BAT through their regulatory regimes.

The UK government will put in place a process for determining future UK BAT Conclusions for industrial emissions. This would be developed with the devolved administrations and competent authorities across the UK. The UK government's Clean Air Strategy consultation for England also seeks views from interested parties on what the UK BAT regime might look like in the future.

Feedback we receive via this consultation will influence options which will be consulted on, through which industry and interested parties will have a further opportunity to help shape how BAT is determined once the UK leaves the EU.

It is the government's aim to ensure that the future UK BAT regime continues to endorse the collaborative approach of the current system and industry will be a part of that approach.

The UK BAT system would also consider the impacts of the EU approach.

# Environment: Reporting Co2 emissions

## Purpose

This notice provides manufacturers with information about regulating and reporting CO2 emissions of new cars and vans registered in the UK if we leave the EU in March 2019 with no agreement in place.

## Before 29 March 2019

Emissions of CO2 from new passenger cars and light commercial vehicles registered in Europe each year (registrations) are governed by Regulation (EC) 443/2009 and Regulation (EU) 510/2011 respectively.

These set:

- mandatory annual fleet CO2 emissions targets for new cars and vans registered in the EU, Iceland, Liechtenstein and Norway
- specific CO2 emissions targets for each manufacturer's fleet

EU countries are required to record information about new vehicle registrations within their territories and report it to the European Environment Agency by 28 February each year.

By 30 June each year, the European Commission publishes provisional data on the previous year's EU-wide registrations for each manufacturer, who then have 3 months to report any mistakes to the Commission.

By 31 October, the European Commission publishes the final data and imposes fines on manufacturers if they have not met their targets. Known as 'excess emissions premiums', these fines payable by manufacturers are considered part of the general budget of the EU.

Manufacturers currently liaise directly with the European Commission on matters concerning the administration of regulations. This includes working with European Commission officials when:

- finalising annual data
- applying for flexibility mechanisms within the regulations, such as the pooling of registrations, applying for derogations from the EU-wide CO2 target, or applying for eco-innovation credits
- 'excess emissions premiums' have been levied

## After 29 March 2019 if there's no deal

In a no deal scenario, new vehicle registrations in the UK would cease to fall under the scope of EU regulations 443/2009 and 510/2011.

EU regulations 443/2009 and 510/2011 would be brought into UK legislation. The Department for Transport (DfT) would lay a statutory instrument to correct for 'deficiencies' (areas that no longer work as originally intended) within a revised text of both regulations. Deficiencies may include, but are not limited to:

- formulae that set specific CO2 targets in order to account for UK-only regulations
- derogation thresholds to account for the size of the UK market rather than the EU
- detailing how fines would be levied and the change from euros to pounds sterling

The UK would ensure continuity to minimise the additional requirements placed on industry and would ensure that the UK's commitment to maintaining regulations that are at least as ambitious as current arrangements is met. Detail on the arrangements to maintain current environmental protections would be subject to stakeholder engagement and Parliamentary approval.

## What you would need to do

DfT would take over the functions that the European Commission previously exercised regarding the application and enforcement of CO2 standards for UK-registered cars and vans. This would include the following.

## Data / targets

The UK would no longer report its new vehicle registrations data to the European Environment Agency. Manufacturers will be set UK-specific targets which will aim to keep pace with EU targets, on the basis of their UK vehicle registrations only.

Compliance would be monitored and enforced by the Secretary of State for Transport. The Secretary of State for Transport would record and verify new UK registrations and notify manufacturers of their provisional compliance data.

As is the situation now, manufacturers would then have 3 months to inform the DfT about any anomalies within the data. After this period, the DfT would then notify manufacturers of the final data and issue any 'excess emissions premiums' that are applicable at the same rate as currently issued.

### **Pooling**

As is the situation now, manufacturers would have the ability to group together and pool their UK registrations. Whilst the mechanism would be available to all vehicle manufacturers, it is most often used by manufacturing groups that are composed of multiple manufacturers in order to bring all or some of the group's registrations under one target. Manufacturers would have to provide the DfT with certain information if they wished to pool their UK registrations.

### **Derogations**

As is the situation now, vehicle manufacturers making less than a certain level of new vehicle registrations per calendar year would have the ability to apply for a derogation from the overall target. This allows smaller manufacturers, which may not have the same ability to reduce carbon emissions as quickly as major manufacturers, to receive a target from DfT that allows them to reduce carbon emissions in a more proportional manner. Manufacturers wishing to apply for a derogation would need to apply to DfT in advance.

### **Eco-innovations**

As is the situation now, manufacturers or suppliers would be able to apply for CO2 'credits' for innovative vehicle technologies that contribute towards CO2 reductions but that are not part of CO2 test procedures. Technologies that are currently approved as eco-innovations would continue to be recognised as such by the DfT.

### **Registrations in the EU**

These regulations work on the basis of where the vehicle is registered rather than where it is manufactured. Vehicle registrations in the UK, up to and including the 29th March 2019 will continue to be captured by EU Regulations 443/2009 and 510/2011 as they will have occurred within an EU Member State. Any registrations occurring in the UK after EU exit will instead be covered by the domestic regulations.

New cars and vans that are registered after EU exit within the EU, Norway, Iceland or Liechtenstein would continue to be captured by EU Regulations 443/2009 and 510/2011, provided that they meet and fall under the scope of type-approval requirements.

Similarly, any new cars or vans registered in the UK after EU exit would be subject to the UK-specific regulations regardless of their manufacturing location. Again this would be subject to falling within the scope of new car and van CO2 regulations and meeting [type-approval requirements](#).

## Environment: Upholding Environmental Quality Standards

### Purpose

This notice sets out how the UK government will uphold environmental standards if the UK leaves the EU in March 2019 without a deal. These include standards in areas such as waste, air quality, water, and protection of habitats and species.

### Before 29 March 2019

Human health and the environment is currently protected by a large body of existing EU environmental law covering areas including air quality, waste and resources, water, wildlife and habitats, chemicals and pesticides.

Some of this legislation also delivers the UK's commitments under international environmental agreements such as the Nagoya Protocol, which aims to ensure benefits derived by users of genetic resources (of plant, animal, microbial or other origin) are shared with those providing them.

There is also a large body of domestic environmental legislation covering the UK, England, Scotland, Wales and Northern Ireland. This is monitored or enforced by bodies such as the Environment Agency or equivalents in devolved administrations, such as the Scottish Environment Protection Agency, Natural Resources Wales and the Northern Ireland Environment Agency, or by judicial systems within the UK.

### After March 2019 if there's no deal

The UK government is committed to maintaining environmental standards after we leave the EU, and will continue to uphold international obligations through multilateral environmental agreements.

The EU Withdrawal Act 2018 will ensure all existing EU environmental law continues to operate in UK law, providing businesses and stakeholders with certainty as we leave the EU.

The UK government and devolved administrations will amend current legislation to correct references to EU legislation, transfer powers from EU institutions to domestic institutions and ensure we meet international agreement obligations.

The UK government will then have the opportunity, over time and with parliamentary scrutiny, to ensure the legislative framework for England (and environmental matters that are not devolved) delivers our aim to be the first generation to leave the natural environment in a better state than we inherited it.

On 18 July 2018, the government announced it will bring forward the first Environment Bill in more than 20 years. The Bill will apply to England and reserved matters and will incorporate a range of issues, including clean air. It builds on the vision set out in the 25 Year Environment Plan to achieve a 'Green Brexit' and ensure the environment can be cleaner and greener for future generations.

The UK government will establish a new, independent statutory body to hold government to account on environmental standards in relation to England and reserved matters once we leave the EU, alongside a statutory statement of environmental principles to guide future government policy making.

We are considering what interim measures may be necessary in a no deal scenario after 29 March 2019 and before the Environment Act is passed and comes into effect.

The UK's legal framework for enforcing domestic environmental legislation by UK regulatory bodies or court systems is unaffected by leaving the EU and continues to apply. Environmental targets currently covered by EU legislation are already covered in domestic legislation. Permits and licences issued by UK regulatory bodies will continue to apply as now.

## Environment: Fluorinated gases (F-Gases) and ozone depleting substances (ODS),

### Purpose

This notice sets out how the UK would continue to regulate the trade and use of fluorinated gases (F gases) and Ozone Depleting Substances (ODS) if the UK leaves the EU in March 2019 without a deal.

These gases are used as refrigerants, feedstocks for the manufacture of other chemicals, in medical inhalers, fire extinguishers and in a range of other applications.

### Before 29 March 2019

The EU Ozone Depleting Substances Regulation (1005/2009) restricts the use of chemicals which damage the ozone layer. It implements the Montreal Protocol, an international treaty that aims to phase out Ozone Depleting Substances (ODS) and restrict use to very specific circumstances.

Under the Regulation, the European Commission allocates quotas to companies allowing them to place limited quantities of ODS on the market for certain permitted activities. It also bans certain products containing ODS and requires companies to control leakages, report on their usage and apply for a licence to import or export ODS.

The EU Fluorinated Greenhouse Gases Regulation (517/2014) is phasing down the use of the main group of fluorinated gases (F gas), known as hydrofluorocarbons (HFCs), to help address climate change. It implements international obligations under the Montreal Protocol to phase down HFCs globally by 2036. The EU F Gas Regulation goes further than the Montreal Protocol, requiring a faster rate of phasedown and extending controls to a larger number of F gases.

The European Commission allocates quota to businesses which allows them to place certain quantities of HFCs on the EU market each year. Under the Regulation, this quota will be reduced every few years until a 79% cut against 2009-12 levels is achieved by 2030.

To receive an HFC quota, businesses must have an office or Only Representative - an organisation which acts as a legal representative for another organisation - within the EU. The Regulation also bans certain uses, requires leakage checks and requires handlers of F gas to be trained and certified. F gas training certificates are mutually recognised by EU countries, meaning someone certified in one country can work in another.

The requirements of the ODS and F Gas Regulations are enforced across the whole of the UK. Most enforcement is devolved.

In England most enforcement activity is undertaken by the Environment Agency, while the Scottish Environment Protection Agency enforce the Regulations in Scotland.

In Wales enforcement is undertaken by the Natural Resources Body for Wales, Welsh local authorities, port health authority or Welsh Ministers, and in Northern Ireland by the Department of Agriculture and Rural Affairs (DAERA) and District Councils of Northern Ireland.

For offshore hydrocarbon installations, enforcement is undertaken by BEIS's Offshore Petroleum Regulator for Environment and Decommissioning (OPRED). Controls on imports and exports are enforced across the UK by HMRC and Border Force. The greenhouse gas emissions savings delivered by the F Gas Regulations are counted as a contribution to the savings required to meet UK carbon budgets under the Climate Change Act.

After March 2019 if there's no deal

In the event of a 'no deal', the UK would maintain the same high standards. The majority of the requirements in the EU ODS and F Gas Regulations will continue to apply in the same way after the UK leaves the EU, including in the unlikely event of no deal. This will ensure the UK can continue to phase down the use of F gases and maintain controls on ODS to meet climate change goals and fulfil legal obligations under the Montreal Protocol.

The current quota systems for controlling the quantities of ODS and HFCs operate at EU level, are applied to companies not countries, and are administered by the European Commission. In a 'no deal' scenario, the UK would set up its own quota systems.

The current EU-wide HFC quota which companies receive would be split into two parts: one quota for placing on the UK market issued by the UK Government and another for placing on the EU market, issued by the EU Commission.

New UK IT systems would be established and administered by the Environment Agency (EA). The reporting requirements upon businesses would not change, only the IT systems they use.

Businesses that produce, import, or export HFCs or ODS or products and equipment pre-charged with HFCs or ODS would need to apply for UK quota to place them on the UK market. Businesses would also use the new UK systems to report on their use of ODS and F-gases.

## **Implications**

### **Fluorinated greenhouse gases**

The UK would continue using the same quota method and schedule to phase down HFCs by 79% against 2009-12 levels by 2030, but would administer this through a separate UK system run by the EA. The current EU total HFC quota would be split into UK and EU portions. Companies would be notified by the EA before the end of 2018 of their UK reference value (the baseline for calculating annual UK quota values) and UK HFC quota for the period from 30 March 2019 to 31 December 2019.

To determine these quantities for each company, the EA and Defra have already written to each EU quota holder asking for evidence of the quantity of HFCs they placed on the UK market in 2015, 2016 and 2017. Updates on this process will be published in due course.

The European Commission is running a parallel exercise to determine the allocation of EU quota for UK companies that currently place HFCs on the EU market. This would enable these companies to continue to get a quota from the European Commission in the unlikely event of no deal, but their quota would be adjusted to deduct their UK market share.

UK companies would need to set up an office in the EU or appoint an Only Representative there to remain eligible for EU quota. UK companies can set up an Only Representative in the EU before March 29 if they wish.

Businesses not based in the UK would need to appoint an Only Representative in the UK in order to be eligible for a UK quota.

A new UK quota system would also require a new UK HFC registry and reporting system, to capture the same type of information as is currently recorded on the EU HFC registry and F gas reporting tool. The development of a tool is underway and further information about the mechanics of a UK quota system, and how to use the new IT systems, will be communicated later this year.

### **Ozone Depleting Substances**

The UK would continue to use a quota system to restrict the use of Ozone Depleting Substances. Where companies currently apply to the European Commission for an ODS quota, they would instead apply to the EA. Businesses would also need to use new UK systems to report to the EA on their use of ODS and apply to the EA for import and export licences on a new electronic licensing system.

The requirements to receive an ODS licence will not change, only the IT system used to apply for a licence. Further information on how to use the new IT systems will be communicated later this year. From 29 March, businesses would need to hold a licence to import or export ODS between the UK and EU.

### **Certification**

Certificates issued by EU bodies will continue to be valid in the UK, enabling technicians holding those certificates to continue working here. Technicians certified by UK bodies to service F gas equipment may need to be re-certified by a body in an EU country if they wished to work in the EU, unless the EU decides to continue recognising such certificates. A [complete list of UK certification, evaluation and attestation bodies](#) is available on GOV.UK.

# Business: Energy: Civil Nuclear Regulation

## Purpose

This notice explains to the civil nuclear industry and stakeholders how the sector will be affected in the UK in the unlikely event that the UK leaves the EU and the European Atomic Energy Community (Euratom) in March 2019 with no agreement in place.

This notice covers:

- nuclear safeguards
- ownership and movement of nuclear material, equipment and technology
- management of spent fuel and radioactive waste
- reporting and notifications to the European Commission.

## Nuclear safeguards

### Before 29 March 2019

The European Commission currently implements nuclear safeguards in respect of nuclear material for all EU countries, including the UK. The UK has already passed new legislation so that the Office for Nuclear Regulation (ONR) can oversee domestic safeguards instead of Euratom and signed new international agreements with the International Atomic Energy Agency (IAEA) to replace the existing trilateral agreements between the IAEA, Euratom and the UK.

### After 29 March 2019 if there's no deal

On exit from the EU, a new domestic nuclear safeguards regime will come into force.

## Implications

The new regime will be run by the ONR, which already has regulatory oversight of nuclear safety and nuclear security. The new regime is not dependent on there being a deal with the EU and Euratom.

The ONR will publish guidance on the new inspection arrangements on its website.

## Actions for businesses and other stakeholders

All operators in the UK civil nuclear sector will need to comply with the new domestic safeguards regime as it applies to them. This will be underpinned by regulations and administered by the ONR. The regime will include new domestic arrangements for nuclear material accountancy. Operators are encouraged to submit their views on [the draft Nuclear Safeguards Regulations](#), which are open to public consultation until 14 September 2018.

## Further information

Norway, Iceland and Liechtenstein are party to the Agreement on the European Economic Area and participate in other EU arrangements. As such, in many areas, these countries adopt EU rules. Where this is the case, these technical notices may also apply to them, and EEA businesses and citizens should consider whether they need to take any steps to prepare for a 'no deal' scenario.

## Ownership of special fissile material

### Before 29 March 2019

Under Euratom Treaty arrangements, all special fissile material in any EU country is legally "owned" by Euratom. Operators that hold the legal title to the material have the unlimited right to use and consume the material as long as they comply with obligations in the Euratom Treaty.

### After 29 March 2019 if there's no deal

On exit from the EU, Euratom ownership of special fissile material in the UK will end.

## Implications

Operators that hold the legal title to special fissile material in the UK will have full ownership from this date, and their associated rights will remain unaffected.

For special fissile material on Euratom territory, Euratom rules will continue to apply until the material is exported from Euratom territory.

### **Actions for businesses and other stakeholders**

Operators with special fissile material on UK or Euratom territory will not need to take any action in relation to the ownership of special fissile material. Operators' legal title to this material and any associated rights will be unaffected by the UK's withdrawal.

### **Further information**

Norway, Iceland and Liechtenstein are party to the Agreement on the European Economic Area and participate in other EU arrangements. As such, in many areas, these countries adopt EU rules. Where this is the case, these technical notices may also apply to them, and EEA businesses and citizens should consider whether they need to take any steps to prepare for a 'no deal' scenario.

### **Supply contracts for nuclear material**

#### **Before 29 March 2019**

Under current arrangements operators in the EU, including the UK, are required to obtain approval from the Euratom Supply Agency and, depending on the nature of the contract, the European Commission, before they conclude a supply contract for nuclear material.

#### **After 29 March 2019 if there's no deal**

On exit from the EU, Euratom Supply Agency approval will no longer be required for contracts agreed by UK-established operators, except where these involve an EU27-established operator. For EU27-established operators, Euratom Supply Agency procedures will continue to apply as currently.

### **Implications**

The EU has set out its view that some existing contracts will need to be re-approved. Further details of the actions to be taken are set out below.

### **Actions for businesses and other stakeholders**

The steps that UK and EU27 operators may wish to consider taking will depend on when their contract was, or is due to be, concluded.

On exit from the EU, some existing supply contracts will need to be re-approved as a result of the UK's withdrawal. This will apply only to supply contracts that:

- involve both a UK-established operator and an EU27-established operator
- have been co-signed by the Euratom Supply Agency prior to the UK's withdrawal
- have a supply period which extends beyond the date of the UK's withdrawal.

For existing supply contracts of this type, UK and EU27 operators affected should engage with the Euratom Supply Agency on the process for re-approval and agree with their counterparts on any steps that will need to be taken to manage the period during which this process takes place. We will continue to work with the UK operators concerned to ensure that appropriate contingency supply arrangements are in place. For UK-established operators, Euratom Supply Agency approval will only be required after the day of withdrawal if the contract involves an EU27-established operator. Operators will need to comply with standard Euratom Supply Agency processes. For EU27-established operators, Euratom Supply Agency procedures will continue to apply as currently.

### **Further information**

Further details on the Euratom Supply Agency's standard procedures can be found on the [Euratom Supply Agency's website](#). Norway, Iceland and Liechtenstein are party to the Agreement on the European Economic Area and participate in other EU arrangements. As such, in many areas, these countries adopt EU rules. Where this is the case, these technical notices may also apply to them, and EEA businesses and citizens should consider whether they need to take any steps to prepare for a 'no deal' scenario.

### **Export licence arrangements**

#### **Before 29 March 2019**

The controls that apply to the export and transfer of dual-use goods and technology are implemented by the [EU Dual-Use Regulation \(428/2009\)](#). At present, an export licence is required to move certain sensitive nuclear materials, facilities and equipment between the UK and other EU countries.

#### **After 29 March 2019 if there's no deal**

On exit from the EU, there will be a continued requirement for operators to obtain export licences for certain sensitive nuclear materials, facilities and equipment.

### **Implications**

Further details of the export licence arrangements that will apply are set out in the [Exporting Controlled Goods technical notice](#).

### **Actions for businesses and other stakeholders**

Operators can find further detail on export licensing and information on the steps they will need to take in the [Exporting Controlled Goods technical notice](#).

### **Further information**

Further information on how to apply for export licences is available from the [Export Control Joint Unit](#). Norway, Iceland and Liechtenstein are party to the Agreement on the European Economic Area and participate in other EU arrangements. As such, in many areas, these countries adopt EU rules. Where this is the case, these technical notices may also apply to them, and EEA businesses and citizens should consider whether they need to take any steps to prepare for a 'no deal' scenario.

### **Import licence arrangements**

#### **Before 29 March 2019**

The current import licensing regime set out in the [Notice to Importers 2867](#) means that the import of relevant nuclear materials from EU countries does not require operators to obtain an import licence.

#### **After 29 March 2019 if there's no deal**

The Notice to Importers 2867 will be updated in time for Exit Day to set out the arrangements that will apply following the UK's withdrawal from the EU.

### **Implications**

Under the updated arrangements, importers may need to obtain an import licence for imports of relevant nuclear materials from the EU. The UK will engage with importers on any new arrangements that will apply from this date and provide further guidance on these.

### **Actions for businesses and other stakeholders**

Importers should check the updated Notice to Importers for details of the import licence arrangements that will apply after the date of the UK's exit from the EU. Further guidance will also be published on the website below.

### **Further information**

Further information can be found on the import control arrangements [GOV.UK page](#). Norway, Iceland and Liechtenstein are party to the Agreement on the European Economic Area and participate in other EU arrangements. As such, in many areas, these countries adopt EU rules. Where this is the case, these technical notices may also apply to them, and EEA businesses and citizens should consider whether they need to take any steps to prepare for a 'no deal' scenario.

### **Nuclear Cooperation Agreements**

#### **Before 29 March 2019**

Euratom is currently party to a number of Nuclear Cooperation Agreements (NCAs) with third countries which provide the framework for the UK's civil nuclear trade with these countries.

#### **After 29 March 2019 if there's 'no deal'**

Discussions to agree bilateral NCA arrangements with priority countries are on track to be completed before the UK leaves the EU, and the UK has already signed new bilateral NCAs with a number of third countries. This will ensure that civil nuclear trade can continue unimpeded.

### **Implications**

Civil nuclear trade and cooperation will continue under the UK's bilateral agreements.

### **Actions for businesses and other stakeholders**

Operators do not need to take any action in relation to NCAs.

### **Further information**

Further information is available from the [Nuclear Cooperation Agreement Factsheet](#).

Norway, Iceland and Liechtenstein are party to the Agreement on the European Economic Area and participate in other EU arrangements. As such, in many areas, these countries adopt EU rules. Where this is the case, these technical notices may also apply to them, and EEA businesses and citizens should consider whether they need to take any steps to prepare for a 'no deal' scenario.

## **Management of spent fuel and radioactive waste**

### **Before 29 March 2019**

The current Euratom arrangements provide the framework for the movement of spent fuel and radioactive waste between countries. This includes authorisations for shipments under the Supervision and Control of [Shipments of Radioactive Waste and Spent Fuel Directive 2006 \(Directive 2006/117/Euratom – “the 2006 Directive”\)](#).

Under these arrangements, a number of EU countries have contracts in place for the reprocessing of spent fuel and the treatment and processing of radioactive waste in the UK. The UK government’s policy is not to accept overseas origin radioactive waste for disposal in the UK except in specific circumstances which are set out in the relevant UK government policy documents.

### **After 29 March 2019 if there’s no deal**

The UK’s current arrangements for the reprocessing of spent fuel and treatment of radioactive waste will continue after the UK’s withdrawal from Euratom. On exit from the EU, the process for authorising new shipments of spent fuel and radioactive waste from the UK to EU27 will change to reflect the fact that the UK will no longer be within the EU. The UK will engage with operators on any new arrangements that will apply for the authorisation of new shipments of spent fuel and radioactive waste from the EU27 to the UK, and will provide further guidance on these. Beyond this, arrangements for new shipments of spent fuel and radioactive waste from EU27 countries to the UK for the purposes of management will not be affected. Under EU rules, there will be some small changes applicable to shipments of radioactive waste for the purposes of disposal, but the UK government’s policy on accepting such shipments will remain unaffected.

### **Implications**

The management of EU27 spent fuel and radioactive waste in the UK will continue in line with existing contractual arrangements. For new shipments of spent fuel and radioactive waste between the UK and EU27, all operators will need to comply with the arrangements that apply to third countries when shipping spent fuel and radioactive waste from the UK to EU27 countries. Further guidance will be provided on the arrangements that will apply for authorisations of spent fuel and radioactive waste from the EU27 to the UK. The government will continue working with the Scottish government, Welsh government and Northern Ireland Civil Service to ensure that these arrangements work for the whole of the UK. The current arrangements that determine which state has ultimate responsibility for the safe and responsible disposal of any spent fuel and radioactive waste generated will not be affected by the UK’s exit for either the UK or EU27 countries.

### **Actions for businesses and other stakeholders**

The management of spent fuel and radioactive waste in the UK and EU27 will continue as now. UK and EU27 operators will not need to take any action. Please note that if the existing contract is considered to be a supply contract under Euratom Supply Agency arrangements, operators should check the section of this technical notice on ‘Supply Contracts for Nuclear Material’. For new shipments, all operators wishing to ship radioactive waste or spent fuel from the UK to an EU27 country will need to comply with the arrangements for third countries as set out in the 2006 directive. This means that shipments from the UK to EU27 countries will require authorisation from competent authorities in both the originating and destination states, and that EU27 competent authorities will no longer be subject to the current two-month deadline to grant authorisations. Operators wishing to secure new authorisations to ship radioactive waste or spent fuel from EU27 countries to the UK should check the website below for further guidance of the arrangements that will apply after this date. EU27 operators will be able to continue to enter into management contracts for spent fuel and radioactive waste in the UK. Under the [Community Framework for the Responsible and Safe Management of Spent Fuel and Radioactive Waste Directive \(Directive 2011/70/EURATOM\)](#), EU27 operators will need to comply with the arrangements that apply to third countries prior to any shipment of radioactive waste for the purposes of disposal in the UK. This will not affect new shipments of spent fuel and radioactive waste in the UK for the purposes of processing, treatment or reprocessing.

### **Further information**

Further guidance on authorisations for shipments of radioactive waste and spent fuel will be published on the [radioactive waste and spent fuel GOV.UK page](#).

Norway, Iceland and Liechtenstein are party to the Agreement on the European Economic Area and participate in other EU arrangements. As such, in many areas, these countries adopt EU rules. Where this is the case, these technical notices may also apply to them, and EEA businesses and citizens should consider whether they need to take any steps to prepare for a ‘no deal’ scenario.

### **Reporting and notification obligations under Article 37 of the Euratom Treaty**

#### **Before 29 March 2019**

Under Article 37 of the Euratom Treaty, the UK government (on behalf of operators) submits information to the European Commission on plans to dispose of radioactive waste. Operators must receive a positive opinion from the Commission before obtaining domestic environmental permits or proceeding with a project.

### **After 29 March 2019 if there's no deal**

On exit from the EU, the requirement for the UK to notify the European Commission of plans for the disposal of radioactive waste will no longer apply.

#### **Implications**

Operators will not need to secure the Commission's opinion before obtaining domestic environmental permits or proceeding with their radioactive waste disposal plans. The UK will consult with stakeholders on any future measures to keep neighbouring states informed of these types of activity in the UK that will apply after this date.

#### **Actions for businesses and other stakeholders**

UK operators should continue to follow the requirement to notify the Commission of plans to dispose of radioactive waste until the date of the UK's exit from the EU. This includes continuing to work with the Department for Business, Energy and Industrial Strategy to complete and return submissions and secure Commission opinions.

#### **Further information**

Further details of the application of the current requirements are set out in [Commission Recommendation 2010/635/Euratom](#).

Norway, Iceland and Liechtenstein are party to the Agreement on the European Economic Area and participate in other EU arrangements. As such, in many areas, these countries adopt EU rules. Where this is the case, these technical notices may also apply to them, and EEA businesses and citizens should consider whether they need to take any steps to prepare for a 'no deal' scenario.

#### **Reporting and notification obligations under Article 41 of the Euratom Treaty**

**Before 29 March 2019:** Under Article 41 of the Euratom Treaty operators with plans for certain nuclear investments must report the details of these to the Commission. The type of nuclear investments that require notification are defined in [Council Regulation \(Euratom\) 2587/1999](#), and the required content of the reports is set out in [Commission Regulation \(EC\) 1209/2000](#).

**After 29 March 2019 if there's no deal:** On exit from the EU, the requirement for nuclear operators to inform the Commission of investment projects in the UK civil nuclear sector will no longer apply. The EU Regulations defining the content of Article 41 submissions (Council Regulation 2587/1999 and Commission Regulation 1209/2000) as they apply in the UK will be repealed.

**Implications:** UK and EU operators will no longer need to inform the Commission of planned investments in the UK civil nuclear sector after the date of the UK's exit from the EU.

**Actions for businesses and other stakeholders:** UK and EU operators should continue to follow the requirement to inform the Commission of planned investments in the UK civil nuclear sector until the date of the UK's exit from the EU. This includes continuing to complete and return submissions and discuss the submissions with the Commission. After the date of the UK's exit from the EU, operators will no longer need to comply with this requirement.

Further information Further details of the current requirements are set out in [Council Regulation \(Euratom\) 2587/1999](#) and [Commission Regulation \(EC\) 1209/2000](#).

Norway, Iceland and Liechtenstein are party to the Agreement on the European Economic Area and participate in other EU arrangements. As such, in many areas, these countries adopt EU rules. Where this is the case, these technical notices may also apply to them, and EEA businesses and citizens should consider whether they need to take any steps to prepare for a 'no deal' scenario.

**Notification of radioactive source shipments: Before 29 March 2019:** Before any shipment of radioactive sources between EU countries, radioactive source holders must obtain a prior written declaration from the receiver of the source, noting that they have complied with national requirements for the safe storage, use and disposal of the source being received. These requirements are set out in [Council Regulation 1493/93/Euratom](#).

**After 29 March 2019 if there's no deal:** UK radioactive source holders who plan to send material to other EU states will continue to comply with Regulation 1493/93 by obtaining prior written declarations until the date of withdrawal. The UK will engage with operators on any new arrangements that will apply after this date, and provide further guidance on these.

**Implications:** The UK will provide further guidance on the arrangements that will apply after the date of the UK's exit from the EU. Any changes to these notification procedures will not prevent the shipment of radioactive sources into the UK after exit.

**Actions for businesses and other stakeholders:** Operators should continue to comply with the notification requirements for radioactive source shipments until the date of the UK's exit from the EU. Operators should check the website below for further guidance of the arrangements that will apply after this date.

# Business: Energy: Generating low carbon Electricity

## Purpose

This notice explains to electricity generators and suppliers, installers of certain microgeneration technologies, and renewable electricity suppliers and generators how the following will apply in the unlikely event that the UK leaves the EU in March 2019 with no agreement in place:

- how rules for Guarantees of Origin for electricity generated from high-efficiency cogeneration will apply in the UK
- getting a Renewable Energy Guarantees of Origin certificate from the Gas and Electricity Markets Authority or the Northern Ireland Authority for Utility Regulation, and where certificates will be recognised
- how the UK and European Economic Area states will recognise installer certification for installers of certain microgeneration technologies
- the implications for support for generating low-carbon electricity, including support schemes like Feed-in Tariffs, Contracts for Difference and the Renewables Obligation

## Guarantees of Origin of electricity produced from high-efficiency cogeneration

### Before 29 March 2019

Guarantees of Origin are required to meet international obligations on fuel mix disclosures (a public statement setting out the different types of energy sources contributing to the overall fuel mix). They are certificates that identify the origin of generated electricity from combined heat and power. Combined Heat and Power Guarantees of Origin are issued and recognised across EU countries. If a combined heat and power generator sells electricity to an electricity trader or supplier in any EU country, Guarantees of Origin enable its origin to be identified for electricity suppliers' fuel mix disclosure obligations.

In the UK, regulations provide for combined heat and power Guarantees of Origin to be issued by the Secretary of State for Business, Energy and Industrial Strategy for electricity generated from combined heat and power sources in Great Britain. The Department for the Economy fulfils this function in Northern Ireland.

The powers to issue Guarantees of Origin for electricity generated from combined heat and power are devolved to Northern Ireland. The government will continue working, in the absence of an Executive, with the Northern Ireland Civil Service to ensure the new rules for Guarantees of Origin work for the whole of the UK.

### After March 2019 if there's no deal

In a 'no deal' scenario, the government will ensure that Great Britain will continue to recognise Guarantees of Origin issued in Northern Ireland and EU countries. This will allow electricity suppliers in Great Britain to continue to use EU and Northern Ireland Guarantees of Origin to comply with their fuel mix disclosure obligations and ensure that existing supply contracts are not compromised, in so far as these contracts depend upon Guarantee of Origin. This position will be kept under review.

## Implications

Guarantees of Origin from combined heat and power issued in Great Britain and Northern Ireland will no longer be recognised in the EU. This will mean that existing contracts with EU countries' electricity suppliers or traders may be compromised if the contract terms require the transfer of a Guarantee of Origin recognised by the EU.

## Actions for businesses and other stakeholders

Electricity suppliers will not need to take any specific actions, as Great British, Northern Irish and EU countries' Guarantees of Origin will continue to be recognised for their fuel mix disclosure obligations in Great Britain in a no deal scenario. Generators will not need to take any action where they are selling to suppliers in Great Britain (as Guarantees of Origin will still be issued and recognised in Great Britain). If generators wish to sell to EU suppliers, then they may wish to consider how they market their exports.

## More information

The UK government is working to amend the relevant regulations to ensure that they remain legally operable in Great Britain after the point the UK exits the EU.

Further information will be available in this [guidance on combined heat and power](#).

## Renewable Energy Guarantees of Origin: reporting renewable electricity if there's no Brexit deal

### Before 29 March 2019

In the UK, Renewable Energy Guarantees of Origin are used to track and account for electricity generated by renewable energy sources.

Regulations currently provide for the Gas and Electricity Markets Authority (in Great Britain) and the Northern Ireland Authority for Utility Regulation (in Northern Ireland) to issue Renewable Energy Guarantees of Origin for renewable electricity generated in the UK, when requested to do so by generators. The Regulations also require recognition of Renewable Energy Guarantees of Origin issued in the EU.

The powers to issue Renewable Energy Guarantees of Origin are devolved to Northern Ireland. The government will continue working, in the absence of an Executive, with the Northern Ireland Civil Service to ensure the new rules for Guarantees of Origin work for the whole of the UK.

#### **After March 2019 if there's no deal**

In a 'no deal' scenario, the government will ensure that Renewable Energy Guarantees of Origin issued in EU countries will continue to be recognised. This will allow electricity suppliers to continue to use EU Renewable Energy Guarantees of Origin, and will ensure that existing supply contracts are not compromised, in so far as these contracts depend upon Renewable Energy Guarantees of Origin. This position will be kept under review.

#### **Implications**

Renewable Energy Guarantees of Origin issued in the UK will no longer be recognised in the EU. This will mean that existing contracts with EU countries' electricity suppliers or traders may be compromised if the contract terms require the transfer of a Renewable Energy Guarantee of Origin recognised by the EU.

#### **Actions for businesses and other stakeholders**

Electricity suppliers will not need to take any specific actions, as Great Britain, Northern Ireland and EU countries' Renewable Energy Guarantees of Origin will continue to be recognised in the UK. Electricity generators will not need to take any action where they are selling to suppliers in the UK, but where generators are selling to EU suppliers, they may wish to consider how they market their exports.

#### **More information**

The UK government will amend the relevant regulations to ensure that they remain legally operable after EU exit.

Further information will be provided on the [Ofgem website](#) and [on the relevant GOV.UK page](#).

#### **Certification of installers of certain microgeneration technologies**

##### **Before 29 March 2019**

'Microgeneration technologies' are small-scale installations used to produce electricity and heat from renewable sources, such as heat pumps and biomass stoves. In the UK installers of these technologies are currently required to be certified (for example, to hold certificates) under a quality assurance scheme. This certification is necessary if installers wish to apply for support under one of the low-carbon generation schemes for microgeneration technologies.

Currently, the UK is required to recognise the validity of certifications of installers for certain microgeneration technologies issued by a European Economic Area state in accordance with criteria set out in [Annex 4 of the Renewable Energy Directive 2009/28/EC](#). This applies to installers of the following microgeneration technologies: small scale biomass boilers, biomass stoves, solar photovoltaic systems, solar thermal systems, shallow geothermal systems and heat pumps.

There is a reciprocal obligation on European Economic Area states to recognise UK installer certificates for microgeneration technologies. This is known as the mutual recognition obligation.

##### **After March 2019 if there's no deal**

In a 'no deal' scenario the UK will continue to recognise installer certificates issued by European Economic Area states which meet the criteria in Annex 4 of the Renewable Energy Directive. This position will be kept under review.

#### **Implications**

Installer certification issued to installers of certain microgeneration technologies in the UK will no longer be recognised in European Economic Area states.

There will be no change in the UK to the recognition of installer certificates issued by European Economic Area states to installers of certain microgeneration technologies.

#### **Actions for businesses and other stakeholders**

UK installers may need certification in a European Economic Area state to continue installing microgeneration technologies in the European Economic Area. Requirements are likely to differ between European Economic Area states and UK installers should seek advice on potential requirements in any European Economic Area states in which they are operating.

There will be no change in the UK to the recognition of installer certification issued by European Economic Area states to installers of certain microgeneration technologies.

#### **More information**

The [Microgeneration Certification Scheme](#) currently operates an installer certification scheme for microgeneration technologies in the UK.

#### **Renewable Electricity Support Schemes: receiving support for generating renewable electricity if there's no Brexit deal**

## **Before 29 March 2019**

Renewable Electricity Support Schemes support low-carbon electricity generation in Great Britain under the Feed-in Tariffs and Contracts for Difference schemes, and UK-wide under the Renewables Obligation.

### **Feed-in Tariffs Scheme and Contracts for Difference - green import exemptions**

The Feed-in Tariffs Scheme and the Contracts for Difference scheme are funded by a compulsory levy (that is, fee) on electricity suppliers, calculated in proportion to their market share of the GB electricity supply market.

The relevant legislation sets out that electricity supplied in Great Britain is excluded from the calculation of the levy if it complies with certain criteria (referred to in this note as 'green import exemptions' in the Feed-in Tariffs Order 2012 and the Electricity Supplier Obligations (Amendment & Excluded Electricity) Regulations 2015). One criterion is for the electricity to be generated in an EU country 'other than the United Kingdom' – which generators can demonstrate with Guarantees of Origin certificates.

### **Renewables Obligation – sustainability requirements for bio liquids, and solid and gaseous biomass**

The Renewables Obligation supports the generation of renewable electricity in the UK. To receive support, stations using certain bio liquids as a fuel must demonstrate that the bio liquid complies with [strict sustainability requirements](#) on land use and greenhouse gas savings, in line with the EU's Renewable Energy Directive. UK-driven sustainability requirements apply to solid and gaseous biomass.

### **After March 2019 if there's no deal**

The government will continue to apply all requirements under both the Feed-in Tariffs Scheme and Contracts for Difference schemes and the Renewables Obligation.

### **Implications**

Feed-in Tariffs Scheme and Contracts for Difference – green import exemptions: the government will amend the relevant legislation to remove references to the UK as an EU country. [Draft Regulations](#) were published on 3 July 2018.

The schemes' administrators (Ofgem for the Feed-in Tariffs scheme, and the Low Carbon Contracts Company for the Contracts for Difference scheme) will continue to engage with electricity suppliers to inform them of their ongoing obligations under the levies funding the schemes, as well as the current relief schemes which are available to eligible energy intensive industries.

Renewables Obligation – sustainability requirements: the current sustainability requirements under the Renewables Obligation will continue to apply for bio liquids, solid and gaseous biomass.

### **Actions for businesses and other stakeholders**

Feed-in Tariffs Scheme and Contracts for Difference – green import exemptions: electricity suppliers, consumers or any other interested parties will not need to take any action.

Renewables Obligation – sustainability requirements: EU and UK fuel suppliers, renewable electricity generators or consumers will not need to take any action.

## Business: Energy: Oil and Gas operations

### Purpose

This notice explains to businesses engaged in energy sector activities (e.g. oil and gas exploration and production operations), and companies obligated under the UK's Compulsory Stockholding of Oil regime, how these will apply should the UK leave the EU in March 2019 with no agreement in place.

This notice covers:

- oil and gas licensing
- environmental protection relating to relevant energy sectors
- oil stocking arrangements

### Hydrocarbons licensing and environmental protection

#### Before 29 March 2019

Legislation introduced through Parliament in accordance with various Acts sets out the requirements of the Environmental Impact Assessment Directive, Industrial Emissions Directive, the Hydrocarbons Licensing Directive and Oil Stocking Directive on the UK's energy sector. The relevant legislation and Acts are listed below.

Businesses engaged in the sector are required, for instance, to minimise the environmental impact of the offshore oil and gas industry and BEIS also needs to ensure the continued licensing (by the Oil and Gas Authority) of areas to explore and exploit potential oil and gas reserves offshore in the UK Continental Shelf and onshore in England.

Onshore oil and gas licensing in Scotland and Northern Ireland is devolved; and the devolution of onshore hydrocarbon licensing to Wales commences on 1 October 2018.

#### After March 2019 if there's no deal

The established regime for hydrocarbon licensing and environmental issues will continue to operate.

### Implications

The government will amend the relevant legislation to ensure broad continuity.

The legislative changes will have no impact on energy sector businesses, whose residual obligations under the legislation covered will remain unaltered.

### Actions for businesses and other stakeholders

UK and EU businesses will not be required to take any action.

### Further information

For further information on the government's legislative regimes (administered by the Department for Business, Energy and Industrial Strategy's Energy Development and Resilience Directorate) see the information pages relating to [oil and gas](#) as well as [nationally significant energy infrastructure projects](#).

Relevant legislation and Acts:

- The Hydrocarbons Licensing Directive Regulations 1995 (1995/1434)
- The Offshore Petroleum Production and Pipe-lines (Assessment of Environmental Effects) Regulations 1999 (1999/360) (as amended)
- The Public Gas Transporter Pipe-line Works (Environmental Impact Assessment) Regulations 1999 (1999/1672) (as amended)
- The Pipe-line Works Environmental Impact Assessment Regulations 2000 (2000/1928) (as amended)
- The Electricity Works (Environmental Impact Assessment) (England and Wales) Regulations 2000 (2000/1927) (as amended)
- The Oil Stocking Order 2012
- The Offshore Combustion Installations (Pollution Prevention and Control) Regulations 2013 (2013/971) (as amended)
- The Petroleum Licensing (Applications) Regulations 2015 (2015/766)
- The Electricity Works (Environmental Impact Assessment) (England and Wales) Regulations 2017 (2017/580)
- Section 2(2) of the European Communities Act 1972
- Section 56(1) & (2) of the Finance Act 1973
- Section 6(6)(a) and section 17(2) & (3) of the Energy Act 1976

- The European Communities (Designation) Order 1988
- Section 36C (2) of, and paragraph 1(3) of Schedule 8 to, the Electricity Act 1989
- Section 4(1) & (2) of the Petroleum Act 1998
- Sections 2(1) to 2(4) & 7(9) of, and paragraphs 1 to 19 & 20(1) of Schedule 1 to, the Pollution Prevention and Control Act 1999

### **Oil stocking obligations**

#### **Before 29 March 2019**

The UK has two international obligations to hold emergency oil stocks that can be released in response to disruptions to the oil market, as required by the International Energy Agency (IEA) and by the [EU Oil Stocking Directive 2009/119/EC \('the Directive'\)](#). The Directive requires a higher level of oil stocks to be held than the International Energy Agency. The Directive also requires one third of emergency stocks to be held as finished oil products (such as diesel or motor gasoline).

To meet its obligations, the UK requires suppliers to the UK market to hold oil stocks. Under the Directive, the stocks can be held anywhere within the EU on the UK's behalf (and the UK can also hold oil stocks on behalf of other EU countries). The system is underpinned by reporting requirements to the Department for Business, Energy and Industrial Strategy.

#### **After March 2019 if there's no deal**

In a 'no deal' scenario, the UK will continue to be a member country of the International Energy Agency and will remain bound by International Energy Agency oil stocking obligations for 90 days of net imports of oil (as defined under the International Energy Agency's International Energy Programme). The requirements of the Directive will no longer apply.

The International Energy Agency levels of oil stocking obligation, at 90 days of net imports, apply to 30 member countries, which include the United States, Japan and Australia, among others.

The volume of oil stocks held by those countries is considerable, but it is the collective action capability of all countries along with functioning markets that is most effective in ensuring our oil security and, while UK oil stocks held towards our obligations will reduce by moving from the EU's higher (consumption-based) level, the UK will still be able to take part in collective actions if necessary. Such collective actions are very rare and have only taken place three times since the 1970s.

### **Implications**

The UK will continue to meet its International Energy Agency obligations in a 'no deal' scenario. Therefore, the government will reduce overall obligations on companies as soon as practicable, while maintaining a level of stocks still widely considered to be appropriate to protect against oil disruption.

The UK will continue to run a flexible system for oil stocking. Domestically traded tickets – effectively commitments to hold oil stocks on behalf of another party – will not be affected by EU exit. The UK intends to be able to access international ticketing arrangements, which supports our existing flexible system, but there is a risk that EU traded tickets held by UK obligated companies may no longer operate as they do now, and that companies will lose the ability to access the EU market for tickets. This risk and BEIS' planned mitigation actions are explained further below.

UK-to-EU country tickets will not count towards EU obligations from the point that the UK exits the EU.

International tickets for oil stocking are already available to sell to Australia and New Zealand under existing Memoranda of Understanding (MOUs) and neither arrangement will be affected in a 'no deal' scenario.

### **Actions for businesses and other stakeholders**

There will be changes for companies meeting UK obligations for oil stocking. Levels of obligation will be communicated in the first quarterly direction given to obligated companies following the UK's exit from the EU. Businesses will follow the established processes for meeting and reporting obligations. Companies may want to ensure that they assess the risk of not being able to purchase tickets from EU countries to meet UK obligations. However, government will also look to ensure international (inward) ticketing is still possible by seeking to sign Memoranda of Understanding. There will be changes for companies holding stocks on behalf of other countries. Obligated companies may wish to consider the risk of UK stocks not being eligible to count towards EU obligations in their planning for a 'no deal' scenario (as referenced in the 'Before 29 March 2019' section above). The EU requires that stocks held towards its obligation must be held in EU countries and so EU entities will no longer be able to count UK located stocks. This may mean that buyers of such tickets may wish to purchase fewer tickets ahead of April 2019 or consider cancellation of existing tickets given the risk of a 'no deal'. International tickets for oil stocking are already available to sell to Australia and New Zealand under existing Memoranda of Understanding and neither arrangement will be affected in a 'no deal' scenario. Future Memoranda of Understanding may also be bilateral (in that tickets can be bought and sold), although the immediate ambition is to ensure adequate purchasing potential for UK companies to ensure the UK meets its obligations.

## Medical: Batch Testing Medicines

### Purpose

This notice updates businesses on the arrangements that will come into force in the unlikely event that the UK leaves the EU on 29 March 2019 with no agreement in place for the regulation of human medicines. This notice only covers arrangements with reference to:

- batch testing, by manufacturers, of human medicines
- Qualified Person (QP) certification and release, by manufacturers, of human medicines

The July 2018 white paper on the future relationship between the UK and the EU set out the government's offer to explore the terms on which the UK could remain part of the European Medicines Agency (EMA). The Prime Minister has also set out our desire to ensure that products only need to undergo one series of approvals in one country - this is essential in continuing to get new medicines and devices to patients quickly.

However, we recognise that companies need certainty on the future requirements for batch testing and QP certification and release after the UK leaves the EU and it's important that we put in place appropriate contingency plans for other potential outcomes from the EU exit negotiations.

Batch testing is the process of confirming every batch of medicine has the correct composition through laboratory tests. QP certification and release is the confirmation that the batch meets the requirements of the Marketing Authorisation (MA) and is suitable for sale and supply or export.

The pharmaceutical sector may also wish to consider other relevant notices, including on IT systems, general life sciences, intellectual property, and other manufactured goods. Further guidance on the future regulatory framework for medicines, including biological medicines, IT systems requirements, manufacturing and import licensing will be published later this year.

### Before 29 March 2019

Manufacturers can batch test medicines anywhere in the EU, EEA or other third countries with whom the EU has a 'Mutual Recognition Agreement' (MRA) under Article 51(2) of Directive 2001/83/EC ("the Directive").

For human medicines manufactured in the UK, a UK-based Qualified Person must certify the batch testing and ensure compliance with the MA and Good Manufacturing Practice (GMP) guidelines. These medicines can then be sold or supplied anywhere in the EU or EEA, including the UK, without further certification.

For human medicines manufactured in the EU/EEA, the batch testing and certification or release by an EU or EEA based QP allows a batch of human medicines to be sold in any other EU or EEA country (subject to the requirements of the country), including the UK, without the need for any further certification.

For human medicines manufactured in a third country outside the EU or EEA and imported into the UK through the EU or EEA, batch testing is required within the UK, EU or EEA, unless the medicine has been manufactured in a third country with which the EU has an MRA.

However, a human medicine manufactured in a third country requires a QP based in the UK, EU or EEA to certify that it meets all the required standards and specifications of the Marketing Authorisation, before it can be sold or supplied in the EU or EEA (including the UK).

### After 29 March 2019 if there's no deal

In the unlikely event of no deal, the UK would no longer be part of the EMA.

In order to ensure continuity of supply in medicines however, the UK will continue to accept batch testing of human medicines carried out in countries named on a list set out by the MHRA. On exit day, this list would include EU countries, other EEA countries and those third countries with which the EU has an MRA.

The UK will also continue to accept batch testing of Investigational Medicinal Products (IMPs) – substances being used in medical trials - manufactured in EU and EEA states. There will be no change to the present arrangements for batch testing of IMPs manufactured in third countries.

For human medicines manufactured in the UK, we will continue to require a UK-based QP to certify the batch testing and to ensure compliance with the Marketing Authorisation and GMP guidelines, before these medicines can be sold or supplied in the UK.

For human medicines manufactured in a third country and directly imported into the UK, we will continue to require a UK-based QP to certify the batch testing, as well as to ensure compliance with the MA and with GMP guidelines, before they can be sold or supplied in the UK.

Where human medicines are manufactured in a third country but are imported into the UK from a country on a separate list maintained by MHRA (on exit day, this list will contain EU and EEA countries), we will continue to recognise certification, release and assurance of compliance with the MA and with GMP guidelines, if conducted by a QP based in the listed country, without the need for any further certification.

For human medicines manufactured in a country on the MHRA's QP list, which have the relevant QP certification, we will continue to recognise certification, release and assurance of compliance with the MA and with GMP guidelines, if conducted by a QP based in the listed country, without the need for any further certification.

The approaches to QP certification of licensed medicines set out above will also apply to IMPs.

These arrangements will continue until the government considers any further change is necessary. We are committed to working with industry ahead of any such changes to the arrangements outlined in this technical notice which might impact supply chains and manufacturing processes, and to giving at least two years notice of the introduction of any changes, in order to allow industry to fully prepare for their implementation.

#### **What you would need to do**

In the unlikely event of the UK leaving the EU with no deal, there are different implications for the pharmaceutical sector, depending on whether they are selling human medicines onto the UK, EU or EEA market.

To ensure continuity of supply in medicines, we would continue to accept batch testing of human medicines done in certain countries included on a list which will be set out by the MHRA. We would apply the same approach to QP certification and release as we do now.

The EMA has [published guidance on its website](#) as to the approach EU and EEA countries will take to human medicines that are batch tested and certified and released by a UK based QP if there's no deal.

## Medical: Blood and Blood products

### Purpose

The purpose of this notice is to set out to UK blood establishments, hospital blood banks, manufacturers of blood products and members of the public, the actions they should consider in the unlikely event that the UK leaves the EU in March 2019 with no agreement in place.

Organisations may also wish to consider other relevant notices, including those on [‘Quality and safety of organs, tissues and cells if there’s no EU exit deal’](#), [‘Batch testing medicines if there’s no Brexit deal’](#), [‘How medicines, medical devices and clinical trials would be regulated if there’s no Brexit deal’](#) and [‘Submitting regulatory information on medical products if there’s no Brexit deal’](#).

### Before 29 March 2019

The EU has a common set of quality and safety standards for blood supply – including the collection, testing, processing, storage and distribution of human blood and blood components. The standards are primarily used by blood establishments, hospital blood banks and the Medicines and Healthcare Products Regulatory Agency (MHRA), the regulatory authority. In the UK, these standards are set out in the Blood Safety and Quality Regulations 2005. This transposed [Directive 2002/98/EC](#) of the European Parliament and of the Council of 27 January 2003, its associated amendments and relevant implementing legislation. The UK is largely self-sufficient in the supply of blood and blood components. We occasionally export rare frozen red blood cells (usually fewer than 10 units a year) to EU and non-EU countries. We import from the EU per year around 6.5% of plasma units issued in the UK. As this area is devolved the UK Government is currently engaging and consulting with the devolved administrations to establish a framework for UK-wide this policy area.

### After 29 March 2019 if there’s no deal

If there’s no deal, the EU Blood Directives would no longer apply to the UK. Arrangements for sharing blood, blood components and information with EU partners would be based on the UK’s status as a third country. Blood establishments importing blood or blood components from the EU for transfusion would be required to add a description of activity to cover import to their blood establishment authorisation. To export blood or blood components to the EU, establishments may need to certify that any products comply with EU standards. However, EU countries should be aware of the [EU Commission position](#) for such imports, and should note that these products will need to be tested in conformity with the Union testing requirements. In both cases, it is recommended that the MHRA is consulted prior to importing or exporting blood or blood components to or from the EU. If there’s no deal, the current blood safety and quality standards for blood and blood components would not change. The Blood Safety and Quality Regulations 2005 would be retained in UK law under the EU (Withdrawal) Act powers. The new regulation would maintain the current standard of blood quality and safety on exit day and enable updates to be made to the blood safety and quality standards to respond to emerging threats and changing safety, quality standards and technological advances. We are engaging with blood establishments, the MHRA and devolved administrations to ensure that there is day one operability for blood safety and quality. We are currently, consulting with the devolved administrations to ensure that there is flexibility to update the safety and quality standards to respond to emerging threats and changing safety, quality standards and technological advances.

### Implications

#### Blood establishments, blood banks and manufacturers of blood products

Blood and blood components from the UK would continue to conform to the current EU testing requirements ([Directive 2002/98/EC4](#)). They would also meet with the equivalent standards ([Directive 2004/33/EC5](#)) of quality and safety as implemented by the UK Blood Safety and Quality Regulations 2005.

To import blood or blood components into the UK from any country, including EU/EEA countries, you would need to ensure that each unit of blood and blood component imported continue to be prepared in accordance with standards equivalent to the EU standards (which have been transposed into UK law) and requirements set out in the Annex to Commission Directive [2005/62/EC](#) and meets the standards of quality and safety equivalent to those we currently have implemented. These standards are also set out in Part 5 of the [Blood Safety and Quality Regulations 2005](#).

To export blood or blood components from the UK to any EU/ EEA country, you would also need to ensure that each unit of blood and each blood component exported continues to conform with the EU testing requirements (Annex IV, Directive [2002/98/EC4](#)) and meets the equivalent standards of quality and safety (Annex V to [Directive 2004/33/EC5](#)).

#### Manufacturers of blood products

You should comply with Directive [2002/98/EC](#) for the collection and testing of human blood and human plasma, for use in manufacture of blood products.

#### Members of the public

These changes would not affect the safety, quality or supply of blood and blood components in the UK as the current standards would be maintained.

# Medical: Medical Trial Regulation

## Purpose

The purpose of this notice is to update businesses on the arrangements that will come into force for human medicines regulation currently subject to EU rules if we leave the EU on 29 March 2019 with no deal.

The life sciences sector may also wish to consider other relevant notices, including on [Batch testing medicines if there's no Brexit deal](#), [Submitting regulatory information on medical products if there's no Brexit deal](#). Other relevant notices will be signposted as they are published.

The pharmaceutical sector may also wish to be aware that the Medicines and Healthcare Products Regulatory Agency (MHRA) is planning a consultation in early autumn, covering the regulation of medicines, medical devices and clinical trials. A more comprehensive technical notice covering the life sciences sector will follow after the consultation.

## Before 29 March 2019

### Medicines

Under the current EU membership, the UK is integrated in the EU medicines regulatory network (EMRN), including the European Medicines Agency (EMA).

The EU legal framework for human medicines sets standards to protect public health and ensure medicines are safe and effective. The rules for marketing authorisation and monitoring authorised products are primarily laid down in Directive 2001/83/EC and in Regulation (EC) No 726/2004.

In UK law, the Human Medicines Regulations (2012) (HMRs) set out a comprehensive regime for the authorisation of products, including their manufacture, import, distribution, sale and supply, as well as labelling, advertising and pharmacovigilance (monitoring the effects of medicines).

The Medicines and Healthcare Products Regulatory Agency (MHRA) is our national regulator for human medicines (as well as medical devices, clinical trials and blood products).

The EMRN manages some aspects of regulation including EU licensing procedures, pharmacovigilance and legal presence requirements.

### Medical Devices

In the UK, all medical devices are subject to EU legislation, which use a CE marking to show compliance.

Medical devices are regulated under three EU directives:

- Active Implantable Medical Devices (AIMDD) (1990)
- Medical Devices (MDD) (1993)
- In Vitro Diagnostic Medical Devices (1998).

Higher-risk devices (such as Class IIa, IIb and III medical devices and in vitro diagnostic devices in list A and list B in Annex II of the EU Directive, plus those for self-testing) must be certified by an independent conformity assessment body, called EU Notified Bodies (NB). EU NBs must be designated and overseen by their national authority (the MHRA in the UK), following joint audits by two other national authorities and the European Commission.

### Clinical Trials

Clinical trials are managed nationally - in the UK by the MHRA.

Some aspects of clinical trials are shared across the EMRN. For example, a clinical trial sponsor or legal representative for clinical trials in the EU should be based in the EU/EEA.

The requirements and procedures for clinical trials in the UK are set out in the Medicines for Human Use (Clinical Trials) Regulations 2004 (2004 Regulations). These regulations require all interventional clinical trials to be authorised by the MHRA and ethically approved. They also include requirements for the application and assessment, the supply of investigational medicinal products and safety reporting.

The EU is planning to implement new regulations for clinical trials, which will further integrate clinical trial processes and requirements.

## **After 29 March 2019 if there's no deal**

### **Medicines**

If there's no deal, the UK's participation in the European regulatory network would cease. The MHRA would take on the functions currently undertaken by the EU for medicines on the UK market. This would require changes to UK law, via the Human Medicines Regulations 2012 (HMRs). The MHRA is planning a public consultation in early autumn on some of the key proposed legislative changes. Detailed information on manufacturer batch testing and certification can be found in the separate technical notice on this subject.

### **Medical Devices**

The UK will recognise medical devices approved for the EU market and CE-marked. Should this change in future adequate time will be provided for businesses to implement any changed new requirements. The UK will comply with all key elements of the Medical Devices Regulation (MDR) and the in vitro diagnostic Regulations (IVDR), which will apply in the EU from May 2020 and 2022 respectively. Formal UK presence at EU committees in respect of devices will cease.

### **Clinical Trials**

The 2004 Regulations will remain in force, modified using powers under the EU (Withdrawal) Act (EUWA) to make sure they still work in the UK after exit.

The new EU Clinical Trials Regulation (CTR) 536/2014 will not be in force in the EU at the time that the UK exits the EU and so will not be incorporated into UK law on Exit day under the terms of EUWA. However, we'll align where possible with the CTR without delay when it does come into force in the EU, subject to usual parliamentary approvals. This alignment will happen after 29 March 2019 so it's not addressed in this guidance.

### **Implications**

The EU (Withdrawal) Act will ensure that existing EU rules are converted into UK law at the moment of exit, with changes where necessary to make sure the rules work in the UK. Where this is needed, we'll give adequate time for business to implement any new requirements. Additionally, where possible, we'll be making use of the information we already have to complete administrative tasks for continuity of work and licences. There are a number of changes where a UK approach will be required. Some of these are set out below. Other areas and further detail on some of the areas included here will be covered by consultation in the early autumn.

### **Medicines**

#### **Converting centrally authorised products to UK Marketing Authorisations**

Most medicines on the UK market already have a UK Marketing Authorisation (MA), and this will be unaffected by our exit from the EU. However, most new medicines come to market via a licencing route overseen by the EMA. These are collectively known as Centrally Authorised Products (CAPs). To ensure such medicines will continue to be authorised for use in the UK, all CAP MAs will automatically be converted into UK MAs on 29 March 2019. MHRA will write to all CAP Marketing Authorisation Holders (MAHs) prior to 29 March 2019 to inform them of the conversion process (known as "grandfathering") and to provide them with the opportunity to opt out of receiving a UK MA. MAHs will have a period of time from exit day to provide MHRA with baseline data for CAPs that are converted into UK MAs. The exact requirements will be communicated at a later date as this is subject to consultation.

#### **Initial Marketing Authorisation applications**

After EU Exit, to market a product in the UK, an initial MA application will need to be submitted to the MHRA and will go through a national assessment. MHRA will take a streamlined approach to approving UKMA applications that places no greater burden on industry and ensures that patients can access new and innovative medicines at the same time as EU patients.

The UK will no longer be a part of the EU centralised, mutual recognition and decentralised procedures.

#### **Medicines licensed via Mutual Recognition and Decentralised Procedures**

The mutual recognition and decentralised procedures (MR/DC) are two EU routes to obtaining a MA to market a medicine within multiple EU and EEA countries.

Existing medicines that received a MA for the UK via the MR or DC routes prior to 29 March 2019 will be unaffected as they already hold a national UK MA.

#### **In-progress licensing procedures at time of exit**

If there's 'no deal', the outcome of EU procedures (including mutual recognition, decentralised and centralised procedures) that have not reached the decision phase at the time that the UK exits the EU, will not be valid in the UK. However, the MHRA will take EU decisions into account where possible. For centralised procedures in progress at time of EU exit:

- The application, as submitted to the EMA, will need to be submitted to the MHRA

- If the Committee for Medicinal Products for Human Use (CHMP) has issued an opinion by exit day, MHRA will make its decision taking into account the CHMP opinion
- If not yet at the opinion phase, the MHRA will continue to assess the application as a national procedure. MHRA will take into account any CHMP assessment that had already taken place.

For MR or DC procedures in progress at time of EU Exit it's proposed that a transitional provision will be made for MRP and DCP procedures in progress immediately before Exit day. These procedures currently already result in a national MA. We'll complete the assessment (the transitional process for this will depend on how far the procedure has got immediately before Exit day) but if successful, they will be approved as a national (UK) MA.

#### **Data and market exclusivity for Marketing Authorisations**

We're not proposing any changes to the data and market exclusivity periods for UK MAs. After the UK's exit from the EU, the start of data or market exclusivity will be the date of authorisation in the EU or UK, whichever is earlier.

#### **'Generic' MAs – reference products**

The MHRA will not have access to the data provided in support of EU approved products. Therefore, new generic applications would need to be based on reference products that have been authorised in the UK. Existing MAs for generic products which are based on a reference product authorised in the EU would remain valid.

#### **Legal presence requirements**

At present, the MHRA requires a named individual who can be contacted in the event of a safety issue, and has the ability to require independent re-testing of medicines and also the ability to withdraw a product from the market. This will continue if there's no deal. The requirement for this would include:

- a MAH should be established in the UK by the end of 2020. Until then, the MHRA will require a contact in the UK. A Change of Ownership will need to be submitted to MHRA to change from an EU MAH to a UK MAH for UK MAs
- the Qualified Person for Pharmacovigilance (QPPV) should be established in the UK on day one, although those without a current UK presence will have until the end of 2020 at the latest to do so, but would nevertheless be required to make arrangements for providing the MHRA with access to the relevant safety data related to UK Marketing Authorisations (MAs) at any time. Companies may choose to have the EU QPPV take on responsibility for UK MAs until the UK QPPV can be established. A variation should be submitted to the MHRA to change QPPV. Exact details of this will be consulted upon
- a Qualified Person (QP) for products manufactured in the UK or directly imported into the UK from outside a country on a designated country list (whitelist) must reside and operate in the UK. A QP for products manufactured in a country on a whitelist or manufactured in a third country and imported into the UK from a country on a whitelist can reside in a country on the whitelist.

#### **Paediatric medicines**

Human medicines for children are known as paediatric medicines. In a 'no deal', there will be a UK system for regulation of paediatric medicines in which the UK will ensure incentives remain to encourage such medicines onto the UK market. We will make provisions for a UK Paediatric Investigation Plan (PIP), including the deferral and/or waiver of the requirement for studies where appropriate as currently provided for in EU legislation. Details of this will be subject to consultation.

#### **Orphan medicines**

Medicines that have been developed to treat rare diseases are known as orphan medicines. We will be consulting on the proposed UK approach to the regulation of orphan medicines post-exit, including on incentives to encourage such medicines onto the UK market.

#### **Packaging and leaflets**

The MHRA would continue to accept proposals for packaging and leaflets in the English language that include information from other jurisdictions (such as Ireland), as long as information complies with UK requirements. The MHRA would be pragmatic in changing UK requirements and would provide time for companies to comply with any changed requirements, including updates to packaging and leaflets. Any changes will be subject to consultation.

#### **Advanced Therapy Medicinal Products (ATMPs)**

An ATMP is a medicinal product which is either: a gene therapy medicinal product, a somatic cell therapy medicinal product or a tissue engineered product.

MA applications for ATMPs to be marketed in the UK, whether for an initial, variation or in progress application, or a conversion from a CAP, would be treated as set out above.

## **Pharmacovigilance**

Currently pharmacovigilance, which is the monitoring of the safety of medicines on the market, is co-ordinated at EU level. If there's 'no deal', the MHRA will have primary responsibility for the conduct and oversight of all pharmacovigilance activities in relation to UK MAs, certificates of registration and traditional herbal registrations. The details of our approach will be subject to consultation.

Sharing of common systems, and formal exchange and recognition of data submitted for regulatory activities between the UK and EU countries would cease.

The MHRA already holds its own database of Individual Case Safety Reports (ICSRs), so will not require historical information from MAHs.

In future, for medicines sold in the UK, MAHs will be required to submit pharmacovigilance data (UK and non-UK ICSRs and PSURs (Periodic Safety Update Report)) directly to the MHRA. An Individual Case Safety Report (ICSR) is an adverse event report for an individual patient and is a source of data in pharmacovigilance. A Periodic Safety Update Report (PSUR) is a pharmacovigilance document intended to provide an evaluation of the risk-benefit balance of a medicinal product at defined points in time post-authorisation.

## **Online sellers**

The EU common logo for online sellers currently allows sale of medicines throughout EU countries and can be issued by the MHRA and other EU competent authorities.

In order to sell into the EU, EU-based online sellers have to register, comply with relevant requirements and display an EU common logo linked to the competent authority in which they are based. As they would be outside of the EU, UK-based online sellers would no longer be required to do this. For the UK market, we propose to explore requiring the use of new 'UK logo' for UK-based online sellers from 2021.

## **Good X Practice (GxP) Guidelines**

GxP refers to guidelines established to ensure that businesses working in regulated industries, such as pharmaceuticals, make products that are safe, fit for use, and which have met strict quality standards throughout the entire process of production. The "x" stands for the particular field, for example manufacturing (GMP) or distribution (GDP) and so on.

In the event of a no deal scenario the UK proposes to continue using, until further notice, the EU Good Manufacturing Practice and Good Distribution Practice guidelines, as issued under Article 47 and 84 of the 2001 Directive.

## **Parallel Distribution and Parallel Imports**

Parallel imports are goods produced genuinely under protection of a trademark, patent, or copyright, placed into circulation in one market, and then imported into a second market without the authorisation of the local owner of the intellectual property right.

EU exit does not mean that parallel imports of medicines will cease. Under the TRIPS agreement - the Agreement on Trade-Related Aspects of Intellectual Property Rights, an international legal agreement which governs international rules around intellectual property and trade - countries may choose their own exhaustion regime (for products that have been sold by an intellectual property owner) which means they can determine whether or not to allow parallel imports.

If there's 'no deal', the UK will unilaterally align to the EU/EEA exhaustion regime from Exit day to provide continuity in the immediate term for businesses and consumers and ensure that parallel imports of goods, such as pharmaceuticals, can continue from the EU/EEA.

We're currently considering all options for how the exhaustion regime should operate after this temporary fix. Any substantial changes to the exhaustion regime will occur only after a full research programme and consultation.

Our intention is to convert all currently approved Parallel Distribution Authorisations of CAPs into parallel import licences. In order to grant parallel import licences after exit day the MHRA would also require full product information from the source country competent authority in order to verify the safety of the medicine and that the product is essentially the same as the reference product on the UK market.

## **Devices**

### **Medical devices on the UK market**

For a time-limited period, we would continue to recognise the CE Mark on medical devices, which demonstrates their conformity with EU regulatory requirements. During this period, devices would be accepted on the UK market if they meet all EU requirements, which for all but the lowest-risk devices would include certification by EU Notified Bodies.

Further detail on the future process after this temporary situation of bringing a medical device onto the UK market will be subject to consultation in due course.

### **Notified Bodies**

UK-based Notified Bodies would, in a 'no-deal' scenario, no longer be able to assess the conformity of medical devices for devices to receive the CE mark and enter the EU market.

Therefore, the MHRA will no longer be able to oversee Notified Bodies in the way that it does now.

#### **Post market surveillance of devices**

Currently, post-market safety data is shared across all members of the European regulatory network for devices (EU, EEA, Turkey and Switzerland), and any disagreement over the marketing of a device can be escalated through regulator forums such as the Medical Devices Coordination Group, and potentially through the European Commission and Court of Justice of the European Union.

If there's 'no deal', the MHRA would continue to perform national post-market surveillance of medical devices on the UK market, and able to take a national decision over the marketing of a device in the UK, regardless of the position of the European regulatory network, or any decision of the CJEU.

#### **Clinical Trials**

##### **Clinical Trial applications**

As clinical trials are currently managed nationally, UK clinical trial applications will continue to be authorised by the MHRA and ethics committees as they are now. The UK ability to participate in multinational trials will also not change.

MHRA will be improving processes to enable closer working with ethics bodies and allowing a single application and a single national decision in the UK. The initial pilot work has started and would continue to be developed post-exit.

##### **Legal presence**

At present, a sponsor or their 'legal representative' should be based in the EU or EEA; we're seeking to preserve this position if there's 'no deal'. While the legal representative will only need to be based in the EU or EEA we anticipate it will be necessary to have an individual based in the UK who has overall responsibility for the trial and can be contacted to discuss urgent issues arising in connection with a trial, for example urgent safety matters or trial suspensions. We'll provide more information in due course.

##### **Transparency**

Our intention is to align UK transparency provisions with those currently operating in the EU. Information on how a UK system would be developed will be the subject of consultation.

## Medical: Human Organs, Tissues, Cells

### Purpose

The purpose of this notice is to set out to organisations, businesses and members of the public the actions they should consider taking, to ensure continued access to and use of organs, tissues and cells, including reproductive cells, in the unlikely event that the UK leaves the EU in March 2019 with no agreement in place.

Negotiations are progressing well and both we and the EU continue to work hard to seek a positive deal. However, it's our duty as a responsible government to prepare for all eventualities, including 'no deal', until we can be certain of the outcome of those negotiations.

Organisations may also wish to consider other relevant notices, including [Ensuring blood and blood products are safe if there's no Brexit deal](#), [Batch testing medicines if there's no Brexit deal](#), [How medicines, medical devices and clinical trials would be regulated if there's no Brexit deal](#), [Submitting regulatory information on medical products if there's no Brexit deal](#).

### Before March 2019

The EU has a common set of standards to ensure the quality and safety of:

- organs for transplantation, and
- tissues and cells for human use, including reproductive cells

The UK regulatory frameworks set high standards and are taken from a number of EU directives. These regulations cover issues such as obtaining, testing, processing, storing and tracing organs, tissues and cells.

UK organisations such as hospitals, stem cell laboratories, tissue banks and fertility clinics that undertake licensable activities working in this area are regulated by:

- the Human Tissue Authority (HTA) for organs, tissues and cells other than reproductive tissues and cells
- the Human Fertilisation and Embryology Authority (HFEA) for reproductive tissues and cells

At present some organs, tissues and cells move between the UK and EU countries, but also between the UK and non-EU countries (third countries).

Only a small number of organs are shared with EU and non-EU countries:

- 22 organs from deceased donors came into the UK from the EU in 2017/18
- 26 organs left the UK in 2017/18, with 19 going to the EU and 7 to non-EU countries

Tissues and cells (for example bone, heart valves and corneas) are imported from and exported to EEA countries less often than they're imported and exported from and to countries outside the EEA.

The UK imports donated sperm, primarily from commercial sperm banks in the USA and Denmark. Approximately 4,000 samples were imported from the USA and 3,000 samples from Denmark in 2017, as well as a small number from other EU countries. Imports of eggs and embryos are far less common (usually fewer than 500 a year) and come mostly from EU countries.

### After March 2019 if there's no deal

If there's no deal, the EU Organ Directives and EU Tissues and Cells Directives would no longer apply to the UK. UK law already implements the EU directives, so the safety standards would not change. The UK would, however, become a 'third country' and the law would be amended under the EU (Withdrawal) Act to reflect this change.

UK licensed establishments working in this area, such as hospitals, stem cell laboratories, tissue banks and fertility clinics would continue to work to the same quality and safety standards as they did before exit but some would need new written agreements with relevant EU establishments. UK licensed establishments that import or export tissues or cells from EEA establishments would need to make written agreements with those EEA establishments to continue importing or exporting these products post-exit. However, this will for the most part be a minimum burden on industry.

For example, UK licensed establishments that already hold an import licence to import tissues and cells from third countries will be able to use their existing written agreements with third country organisations as a template.

## **What you would need to do**

### **Members of the public**

These changes will not affect the availability of organs or the safety or quality of organs, tissues and cells in the UK as the current standards will be maintained.

### **Organs for transplantation**

NHS Blood and Transplant (NHSBT), which is the organisation responsible for organ donation and transplantation in the UK, is currently working with the UK regulator for organs, the HTA, to ensure that appropriate written agreements are in place with EU organisations to allow organ exchange to continue post-exit. Transplant centres do not need to take any further action.

If there's no deal, on 29 March 2019 the UK would meet the current EU safety and quality standards for organs, and these would be traceable from donor to recipient and from recipient to donor.

After exit day, the UK and EU countries would consider each other as third countries. The EU directive 2010/53/EU allows for organ exchange between EU countries and third countries. Organisations that currently exchange organs can make written arrangements to ensure organs can still move between the UK and EU countries.

### **Tissues and cells for human use, including reproductive cells**

If there's no deal, on 29 March 2019 tissues and cells from the UK would meet the current EU safety and quality standards.

After exit day, the UK and EU countries would consider each other as third countries. The EU directives 2004/23/EC and 2015/566 allow for written agreements to be made to import and export tissues and cells for human use between EU countries and third countries. The details of what these written agreements cover are set out in EU directive 2015/566. Licensed establishments that import or export tissues or cells would need written agreements with the relevant EU licensed establishments to continue importing and exporting. UK licensed establishments that already hold an import licence to import tissues and cells from third countries can use their existing written agreements with third country organisations as a template. Licensed establishments are recommended to consult the HTA and HFEA for more information. Further information on the agreement process will be published in November.

The government continues to plan for all negotiation outcomes, and will make the necessary changes to national regulations to maintain day one operability for the import and export of organs, tissues and cells in the unlikely event there is no agreement between the UK and the EU.

# Medical: Regulations: Information Submission

## Purpose

The purpose of this notice is to inform MHRA (Medicines and Healthcare Products Regulatory Agency) stakeholders of what they'll need to do to continue to submit regulatory information to us in the unlikely event of a no-deal scenario.

Interested parties may wish to consider other relevant notices, including ['Batch testing medicines if there's no Brexit deal'](#) and ['How medicines, medical devices and clinical trials would be regulated if there's no Brexit deal'](#).

## Before 29 March 2019

We're currently a part of the EU regulatory networks for medicines and medical devices. These regulatory networks have shared processes and systems.

You can submit information into one place for it to be shared around all EU and EEA countries.

The shared systems, in the case of human medicinal products, include, but are not limited to:

- CESP (common European submission portal)
- EMA (European Medicines Agency) gateway
- EudraVigilance
- Common repository
- PSUR (periodic safety update report) repository
- PedRA (paediatric record application)
- EudraCT and the new CTR (clinical trial regulation) portal
- Article 57 database
- EudraLink and EudraMail

For medical devices, shared systems include, but are not limited to, the European Databank for medical devices (EUDAMED).

Shared systems also exist for other products, such as the EU common entry gate (EU-CEG) for tobacco products, e-cigarettes and refill containers.

## After 29 March 2019 if there's no deal

If there's no deal, the UK would no longer be part of the EU medicines and medical devices regulatory networks. The sharing of these common systems, and the associated exchanges of data, between the UK and EU/EEA countries would end.

We would have our own processes and systems to manage UK human medicines and devices regulatory activities. To do this, some new systems are being developed for March 2019.

## Implications for MHRA stakeholders

You would need to submit regulatory information relating to human medicines and devices directly to us.

We would have a national portal(s) for you to submit regulatory information into. The following types of information would be submitted via a portal (not an exhaustive list):

- marketing authorisation (MA) applications
- periodic safety update reports (PSURs)
- paediatric investigation plans (PIPs)
- clinical trial applications
- qualified person for pharmacovigilance (QPPV) and pharmacovigilance system master file (PSMF) notifications
- individual case safety reports (ICSRs) and subsequent transmission of anonymised single patient reports (ASPRs)
- device registration
- e-cigarette notifications.

For applications that you plan to submit to both the EU and the UK (for example, a MA for both EU and UK markets), you would need to submit the information separately through EU systems and our portals.

We're following the below principles in developing independent processes and systems for regulatory activities.

- We would minimise impact on stakeholders, where possible. For example, we would continue to accept EU application forms and EU standards for submission, where possible. We would continue to accept the eCTD (electronic common technical document) for submission of regulatory documents relating to an MA.
- We would avoid unnecessary complexity, for example by following existing processes.
- We would have systems up and running for March 2019. They would then be developed further over time.

#### **Development of new systems**

We'll provide communications and guidance on the new processes and systems ahead of March 2019, so that you are able to use them from day one. We'll communicate as soon as possible and intend to do this later this year.

We'll need some of our stakeholders to help us test our systems before March 2019, and where, required, we'll also provide training.

If you need to change your own systems to work with our new portal(s), we plan to provide notice and guidance to help you do this later this year.

#### **If your organisation will continue to be an EU stakeholder**

UK organisations should be able to continue interacting with the EU regulatory network as per [EMA guidance](#) and EU guidance.

## Medical: Trading: Drug Precursors

### Purpose

If the UK leaves the EU in March 2019 without a deal, find out how this would affect you if you are handling and trading in drug precursor chemicals.

Drug precursors are chemicals that can be used in the illicit manufacture of narcotic drugs. They also have legitimate commercial uses and are legally used in a wide variety of industrial processes, such as medicines, flavourings and fragrances.

They are divided into four categories, which are:

- category 1: the most sensitive substances (the 'main' drug precursors)
- category 2: less sensitive substances and pre-precursors
- category 3: bulk chemicals that can have different types of uses in the manufacturing process, for example as feedstock, solvents or impurities removers
- category 4: covers medicinal products for human and veterinary use containing ephedrine or pseudoephedrine

### Before 29 March 2019

If you're trading in drug precursor chemicals outside the EU you must hold a domestic drug precursor chemical licence (for category 1 substances) or registration (for all category 2 and in some cases category 3 substances).

If you're a UK company trading in drug precursor chemicals with another EU country, you don't need an import or export licence and the substance can be shipped immediately.

If you want to trade outside the EU you may need to apply for an import or export licence and you're required to provide a pre-export notification (PEN) for some categories of chemicals. This means that the substance cannot be shipped for 15 days while the importing authority considers the export. The application fee for an individual export or import licence is £24.

### After March 2019 if there's no deal

In the unlikely event the UK leaves the EU with no deal, EU regulations would no longer apply to the UK and the UK would be treated by the EU as a 'third country'. This means that the current rules that apply for trading in drug precursor chemicals with countries outside the EU will apply for UK-EU trade. This is an established regime which derives from the requirements of wider international obligations under the UN International Drug Conventions.

The UK is transposing the relevant EU regulation into UK law, to enable the drug precursor chemicals regulatory system to operate.

If you are handling drug precursor chemicals in the UK, or you are already trading with non-EU countries, there will be no change to the licensing and registration requirements.

### What you need to do

In the unlikely event of a no deal, you would need the same licences and registration to trade with the EU as you currently need to trade with non-EU countries. For category 1 substances you would need a domestic drug precursor chemical licence. For category 2 substances and some category 3 substances, you would need to make an application for a 'registration' with the Home Office.

You will need to apply for an import and/or export licence when trading with EU countries in certain categories of drug precursor chemicals.

You may also need a pre-export notification (PEN) to trade in certain drug precursor chemicals. The PEN requirement will depend on the category of chemical and individual country's requirements i.e. a country may request a PEN for certain drug precursor chemicals if there's an increased risk of diversion in their country. The licensing/registration and PEN requirements are outlined below:

### Domestic Licensing/Registration Requirements

- If you currently trade with the EU in Category 1 drug precursor chemicals – No change to domestic licence requirements – A domestic licence is always required if you are using drug precursors in the UK (end user), trading within the EU and exporting/importing with third countries.
- If you currently trade with the EU in Category 2A drug precursor chemicals – Change in requirements – You will need to register with the Home Office if you want to trade within the EU regardless of volume (currently you are only required to register if more than 100L per annum). If businesses are only handling drug precursors in the UK, then there will be no change to requirements.

- If you trade with the EU in Category 2B drug precursor chemicals – Change in requirements – You will need to register with the Home Office if you want to trade within the EU regardless of volume (currently only required to register if it exceeds certain volumes). If businesses are only handling drug precursors in the UK, then there will be no change to requirements.
- If you trade with the EU in Category 3 drug precursor chemicals – Change in requirements – You will need to register with the Home Office if you want to trade within the EU and are exporting quantities which exceed certain volumes (depending on chemical but between 20kg – 100kg per annum). If you are only handling drug precursors in the UK, then there will be no change to requirements.
- If you are trading with third countries in all categories of drug precursor chemicals – No change in requirements.
- If you only handle drug precursors in the UK – No change in requirements.

Fees are payable for all ‘domestic’ licences/registrations and range from £109 to £3,655, depending on whether an applicant already holds a licence with us.

#### **Import and Export Licensing/Registration Requirements**

- If you are trading within the EU in Category 1 drug precursor chemicals – Change in requirements – You will need to apply for an import and export licence and PEN.
- If you are trading within the EU in Category 2A drug precursor chemicals – Change in requirements – You will need to apply for an export licence and PEN. No change to import licences.
- If you are trading within the EU in Category 2B drug precursor chemicals – Change in requirements – You will need to apply for an export licence and a PEN may be required depending on the importing country’s requirements. No change to import authorisations.
- If you are trading within the EU in Category 3 drug precursor chemicals – Change in requirements – You will need to apply for an export authorisation and a PEN may be required depending on importing country’s requirements. No change to import authorisations.
- If you are trading within the EU in Category 4 drug precursor chemicals – Change in requirements – You may need to apply for an export licence and a PEN may be required depending on importing country’s requirements. No change to import authorisations.

The fee for an individual export or import licence is £24.

#### **More information**

The UK is a signatory to the [United Nations Convention Against Illicit Traffic in Narcotic Drugs and Psychotropic Substances of 1988](#) (“the UN Convention”), which establishes controls on these substances to prevent the illicit manufacturing of drugs while also allowing for legitimate trade.

EU legislation implements the UK’s international obligations under Article 12 of the UN Convention through:

- Council Regulation (EC) No 273/2004 of the European Parliament and of the Council, which controls and monitors trade in drug precursors within the EU
- Council Regulation (EC) No 111/2005, which controls trade in drug precursors between EU and third countries

You can find out more about drug [precursor chemical licensing](#), how to apply for licences and registrations and the associated fees online.

#### **Making an application to the Home Office – Domestic Licences/Registrations**

As part of contingency planning for a no deal scenario, you may apply for a [domestic licence and registrations for drug precursor chemicals](#) online now, although a fee will apply.

If you already hold a domestic licence/registration in order to trade with non-EU countries, you will not be required to apply for a separate licence for trade with the EU. Please note however that an individual licence or registration is required for each site. Please note that import-export licences can only be issued to holders of a valid domestic licence, where one is needed. Domestic licences are valid for a period of one year.

#### **Making an application – Import and Export Licences/Registrations**

Should a deal not be agreed with the EU, the import and exporting licensing requirements will come into place at 23:00 on 29 March 2019. The Home Office will process applications in date order – you should plan on the basis of a 7 working day processing time.

All import licences are normally valid for 3 months and export licences will be valid for 2 months or in line with the importing country’s permit, whichever expires first. Please note that import or export licences cannot be issued until such time as the relevant domestic licence is held, should one be needed.

If you are a UK business, you must register for a [National Drugs Control System](#) (NDS) account to apply for any import or export licences in order to facilitate international trade. The NDS is used to administer the import and export licensing regime of the UK.

Registered NDS users can then [apply for a licence online](#). Individual import and/or export licences are required every time a shipment takes place.

## Medical: Veterinary: Animal Medical IT systems

### Purpose

The purpose of this notice is to inform key stakeholders of the actions they will need to undertake to continue to submit regulatory and notification information to the UK, via the Veterinary Medicines Directorate (VMD), in the event that the UK leaves the EU in March 2019 with no agreement in place.

### Before 29 March 2019

Under the current EU membership, the UK is integrated in European regulatory networks for veterinary medicines. These regulatory networks have, over time, developed shared processes and systems. Several regulatory activities make use of common methods for submitting and exchanging information throughout the Union. These common systems, in the case of veterinary medicinal products, include, but are not limited to:

- Common European Submission Portal (CESP)
- Gateway (Pharmacovigilance)
- EudraLink
- WebTrader (Pharmacovigilance)

### After March 2019 if there's no deal

In the unlikely event that the UK leaves the EU in March 2019 with no agreement in place regarding future arrangements, the UK would no longer be part of EU veterinary medicine regulatory networks. The sharing of common systems, and exchange and recognition of data submitted for regulatory activities, between the UK and EU Member States would cease.

The VMD would have independent processes and systems to manage UK veterinary medicines and regulatory activities end-to-end. To enable this, new systems will be in place ready for March 2019.

### Implications

After exit, regulatory information relating to veterinary medicines would need to be submitted and processed via separate routes for the EU and UK. The VMD would provide a service to allow for the submission and exchange of information for veterinary medicine activities, including, but not limited to, the following types of submissions:

- Marketing Authorisation (MA) Applications
- Periodic Safety Update Reports
- Qualified Person for Pharmacovigilance (QPPV) and Pharmacovigilance System notifications

Applications to both the EU and the UK would require submission of application dossiers through EU channels as well as submitting directly to the UK. In addition, the VMD would ensure suitable solutions are in place to facilitate the submission and sharing of pharmacovigilance reports and data.

The VMD aims to adhere to the following principles in developing independent processes and systems for regulatory activities:

- Minimise impact where possible. For example: VMD would continue to accept EU standards for submission of data; The current electronic format, VNeS, would still be the underlying format required for submission of regulatory documents related to a Marketing Authorisation (MA), with the exception of Active Substance Master Files (ASMFs), which can be in either VNeS or e-CTD format.
- Avoid unnecessary complexity, for example by replicating established processes.
- Ensure systems are available for March 2019, with these then being further developed over time.

### Development of new solutions

In advance of leaving the EU, the VMD will provide suitable communications and guidance to stakeholders to inform them of new processes and systems. We are planning for this to be provided later this year. It is our intention that where these systems are outward facing there will be some stakeholder testing; where required, training will also be provided.

If stakeholders need to modify their own systems to allow direct exchange with new VMD systems, we aim to provide notice and support to enable the implementation of any connections later this year.

### Industry interaction with the EU

UK industry should be able to continue interacting with the EU regulatory network as per [EMA](#) and EU guidance.

# Medical: Veterinary: Registration: veterinary medicines

## Purpose

The purpose of this notice is to outline the arrangements that would come into force to regulate veterinary medicines in the unlikely event the UK leaves the EU on 29 March 2019 with no deal in place, with specific reference to:

- batch testing of veterinary medicines
- Qualified Person (QP) batch certification and release of veterinary medicines
- Wholesale Dealer's Authorisations
- Manufacturing Authorisation requirements for imported medicinal products from the EU/EEA
- centralised veterinary medicine authorisations

## Before 29 March 2019

Under EU law, batch testing by manufacturers that hold a UK manufacturing Authorisation for veterinary medicines can be undertaken anywhere in the EU, EEA, or other countries with whom the EU has made appropriate arrangements (Australia, Canada, New Zealand and Switzerland).

A UK manufacturing authorisation is required for veterinary medicines manufactured in the UK; and a Qualified Person (QP) based in the EU (including the UK) or EEA must certify that each manufactured batch of product complies with its marketing authorisation. The batch testing may be undertaken in the EU (including the UK) or EEA, or a country with appropriate arrangements (for veterinary medicines, Australia, Canada, New Zealand, and Switzerland). These medicines can then be marketed anywhere in the UK/EU/EEA without further certification.

For veterinary medicines manufactured in another EU member state/EEA the batch testing and certification/release must be carried out by a QP based in the EU (including the UK)/EEA, which allows the batch to be marketed (subject to the Marketing Authorisation) in any other EU/EEA country, including the UK, without the need for any further certification. However, a Wholesale Dealer's Authorisation (WDA) is required to supply these veterinary medicines in the UK.

For veterinary medicines manufactured in a non-UK, non-EU, non-EEA country (third country), batch testing is generally required by the importer located within the UK/EU/EEA, except where third countries have made appropriate arrangements with the EU (Australia, Canada, New Zealand, Switzerland). The importer requires a manufacturing (import) authorisation.

However, all veterinary medicines manufactured in a third country require a QP based in the UK/EU/EEA to certify that the veterinary medicine meets all the required standards, and meets the specification of its Marketing Authorisation, before it can be released from the importer to be marketed in the EU and EEA (including the UK).

A centrally authorised veterinary medicine is one that has been assessed on an EU wide level involving all EU and EEA Member States (MS). A centrally authorised medicine has a Pan-European authorisation issued by the European Commission permitting the marketing, distribution and supply of the product in all EU MSs including the UK.

## After March 2019 if there's no deal

In the unlikely event there is no agreement between the UK and EU regarding future arrangements, mutual recognition of batch testing of veterinary medicines between the UK and EU / EEA would cease on the date the UK leaves the EU. The mutual recognition of batch testing of veterinary medicines between the UK and third countries with which the EU has made appropriate arrangements would also cease, as would mutual recognition between the UK and EU/EEA Member States of batch certification of veterinary medicines by a QP.

In this unlikely event, in order to deliver a smooth transition and ensure continuity of supply of veterinary medicines, the UK would for a time limited period continue to accept batch testing of veterinary medicines carried out in EU/EEA or any third countries with whom the EU has made arrangements.

The UK would also accept batch certification of veterinary medicines by a QP based in the UK/EU/EEA. The UK would have the option to change these arrangements in the future.

Any veterinary medicines imported into the UK from any other third country would continue to require batch testing in the UK and certification / release from a QP based in the UK/EU/EEA, except where third countries and the EU have made appropriate arrangements with each other.

For industry, all of the above options would mean no change to their normal operating procedures. Products that meet EU requirements could continue to be placed on the UK market without any need for retesting or re-marking. This would apply for a time-limited period and sufficient notice would be given to businesses before that period ends.

For medicines manufactured in the UK with the view to exporting these to the EU and European Free Trade Association (EFTA), the [EMA has produced guidance which can be found on their website](#).

Although the Veterinary Medicines Directorate (VMD) does not directly issue a marketing authorisation for veterinary medicines authorised by the EU centralised procedure, the product is authorised for use in the UK and would therefore automatically become nationally authorised when the UK leaves the EU. This would prevent the need for re-authorisation at a UK level.

### **Implications**

Implications for the pharmaceutical sector differ depending on whether veterinary medicines are marketed in the UK or EU/EEA market.

#### **Marketing veterinary medicines onto the UK Market**

After March 2019, the UK will continue to accept batch testing of veterinary medicines undertaken in the EU, EEA and the countries the EU has made appropriate arrangements, in the same manner as today.

In addition, the UK will accept batch certification by Qualified Persons of veterinary medicines undertaken in the EU and EEA.

Finally, EU centralised marketing authorisation holders will be required to inform the VMD if they would prefer not to have these European authorisations converted to UK authorisations. We will then confirm UK expiry of the veterinary medicine authorisation.

#### **Marketing veterinary medicines onto the EU Market**

After March 2019, in the unlikely event there is no agreement between the UK and the EU, the European Medicines Agency (EMA) has published guidance on its website as to the approach EU/EEA/EFTA countries would take to human and veterinary medicines certified by a UK-based Qualified Person. Please refer to the [EMA website](#).

# Medical: Veterinary: Regulation: Veterinary medicines

## Purpose

The purpose of this notice is to outline the arrangements that would come into force to regulate veterinary medicines in the unlikely event the UK leaves the EU on 29 March 2019 with no agreement in place, with specific reference to:

- Marketing Authorisation Holder (MAH) - legal presence requirements
- Veterinary 'Generic' Marketing Authorisations – reference products
- Marketing Authorisation for Parallel Import (MAPI)
- Maximum Residue Limits (MRLs)

## Before March 2019

The UK is currently part of the EU regulatory framework for medicines and is a member of the European Medicines Agency (EMA).

The Veterinary Medicines Directorate (VMD) is the UK authorising body for assessing veterinary medicine Marketing Authorisation (MA) applications. Currently, an MAH can be based anywhere in the EU.

There are several different legal bases upon which an application for an MA may be submitted. These reflect the type and content of the data submitted in support of the application. Two of these include:

- Generic: The MA is based on safety and efficacy aspects of data from an existing approved veterinary medicine authorised within the UK, EU or EEA, which is known as the "reference product".
- MAPI: This is when an EU authorised veterinary medicine is imported and marketed in the UK. The veterinary medicine to be imported (known as the "parent product") must be "essentially similar" or identical to a UK authorised veterinary medicine.

UK MAs can be granted for use in food-producing animals. To ensure consumer safety, and facilitate trade in animal food products, maximum residue levels (MRLs) are set by the European Commission. MRLs are scientifically determined highest levels of pharmacologically active substances that are allowed in food derived from farmed animals (including game) following treatment with veterinary medicines. These foods include lean meat, offal, fat, skin (pigs, poultry and fish only), milk, eggs (poultry only), and honey.

## After March 2019 if there's no deal

The UK government is committed to negotiating a future relationship with the EU which, for veterinary medicines, would include the UK exploring the terms on which we could remain part of the EMA.

However, in a 'no deal' scenario, where we are no longer part of the EU regulatory framework for veterinary medicines, the UK would need to carry out functions nationally, which are currently undertaken centrally through the EU.

Sharing of common systems, and exchange and recognition of data submitted for regulatory activities, between the UK and EU countries would cease.

This would require changes to the Veterinary Medicines Regulations with some implications for veterinary medicine pharmaceutical industry stakeholders.

## Implications

### Marketing Authorisation Holder (MAH) legal presence requirements

In order to ensure the VMD could retain full control of UK marketed veterinary medicines and could take swift, appropriate legal action to protect public health, the MAH would need to be established within the UK. This would enable the UK to accept Qualified Person (QP) release and Qualified Person Responsible For Pharmacovigilance (QPPV) to be based elsewhere outside of the UK.

Actions: Pharmaceutical companies would need to ensure they have an established location within the UK. Further details regarding a timescale for this will be published in due course.

### Veterinary 'Generic' Marketing Authorisations – Reference Products

The VMD would not have access to the data packages provided in support of EU approved reference products. Whilst this data would have been assessed by another authorising body, the VMD takes full responsibility for a new generic MA application assessment and would need to have confidence that suitable data are available to support the approval of the new MA. Therefore, new generic applications would need to be restricted to those based on reference products authorised in the UK. However, if

a specific EU product, not authorised in the UK, was required for the treatment of an individual/group of animals, this could be obtained from a veterinary surgeon through the current Special Import Scheme.

Existing generic-based UK MAs, which cite an EU authorised reference product, would still remain authorised after the UK leaves the EU. Any changes to the MA would require the original data to be submitted to the UK for approval.

Actions: For new generic applications, pharmaceutical companies would need to ensure these are based on UK reference products.

For currently authorised generic applications which cite an EU reference product, if future changes were to be made these may need to be supported by proprietary data, as appropriate.

#### **MAPI (Marketing Authorisation for Parallel Import)**

MAPI applications require assessment to confirm the proposed EU authorised parent product is 'essentially similar' or identical to a UK MA. In a 'no deal' scenario, the UK would continue to accept veterinary MAPI applications, but original data from the parent product would not be available from the authorising EU country. The responsibility for obtaining necessary parent product data would pass to the MAPI applicant who would need to contact the regulatory authority for the parent product.

Actions: Pharmaceutical companies wishing to submit MAPI applications would need to ensure they would be able to obtain the parent product data from the regulatory authority for the parent product.

#### **Maximum Residue Limits (MRLs)**

Existing EU MRLs would become UK law via the EU Withdrawal Act. This would ensure the UK can continue to trade animal food products with the EU and the majority of third countries that recognise the EU process. After this, the UK would need to set new MRLs and modify existing MRLs on a UK domestic basis. In order to assess MRL applications, the VMD would need to have access to supporting data. To maximise flexibility, the Secretary of State for Defra would have the power to set MRLs based on data from a range of sources, including other MRL setting bodies. UK exporters of products of animal origin to the EU would need to ensure they comply with EU MRLs, including those which may diverge from UK MRLs.

#### **Marketing veterinary medicines in the EU**

The EMA has published guidance on its website as to the approach EU/EEA/EFTA countries will take on human and veterinary medicines certified by a UK-based Qualified Person. Please refer to the [EMA website](#) for this advice if relevant to your organisation.

Actions: New MRL applications need to be submitted to the UK with the full supporting data, as appropriate.

UK exporters of products of animal origin to the EU would need to ensure they comply with EU MRLs, including those which may diverge from UK MRLs.