



Notwithstanding the continuing fluidity and uncertainty regarding the ongoing negotiations and what the final "deal" between the UK the EU and other global markets will be, businesses can and should be preparing for the core Brexit scenarios as they plan their 2020/21 activity.

The challenges posed by Brexit are fundamental to businesses and until a deal is agreed, companies operating in both the UK and the EU27 need to factor the resulting uncertainty into their decisionmaking processes regarding future investment plans for their UK and EU operations.

Companies in all sectors need to plan for the specific impacts and strategies for taking advantage of the opportunities that will arise for the UK in relation to trade with other countries. We have identified some key areas where careful consideration and due diligence will be required in light of Brexit and where we can provide support.



## Why Choose Us

For more than 100 years, companies have looked to us for creative solutions to their legal challenges. Our expansive global footprint and our integrated approach enable us to support our clients whenever and wherever they need us.

With more than 1,500 lawyers and an industry-leading Public Policy Practice, we have decades of experience to support our clients through this legal and political uncertainty. Our team includes sitting members of the UK Parliament, former Office of the US Trade Representative and World Trade Organization (WTO) officials, members of the European Parliament and senior regulators, as well as European Free Trade Association officials, former ambassadors and national government ministers. They work collaboratively with our legal practitioners who master all relevant areas of law likely to be affected by Brexit, such as international trade, regulated industries (e.g. financial services), immigration, labour and employment, tax and competition.

Specialist sector specific legal teams in virtually every geography that may be affected by Brexit, with a core Brexit team based in the UK, supported by team leaders in key capitals, including Brussels, London, Washington DC, Berlin and Paris.

A dedicated Brexit team that can develop effective strategies to support our clients in managing the uncertainty.

Specialist legal advice in relation to international trade and EU regulation, and lawyers who serve on an advisory committee to the All Party Parliamentary Group (APPG) for International Trade and Investment.

We deliver commercially focussed business solutions by combining our legal and public policy capabilities and invaluable connections on the ground to a diverse mix of clients, from long-established leading corporations to emerging businesses, start-up visionaries and sovereign

# **Key Areas of Consideration Where We Can Provide Support**

There are a number of areas where it is likely that all UK and EU companies will require some level of support as we approach 31 December 2020 and beyond.

### **Cross-border Trade**

Workforce

from 1 January 2021.

The outcome of the negotiations on a trade deal could have a profound effect on cross-border trade, from tariffs and quotas, to border delays, disputes and rules of origin.

We have extensive experience in a full range of traditional customs issues, including tariff classification, valuation, transfer pricing, rules of origin, labelling and marking requirements. Our trade impact assessments advise on the impact of new trade laws depending on various trade regimes and the potential consequences.

We also advise on trade agreements and preference programmes, protests and appeals, specific customs regimes such as inward processing, duty remission and special (antidumping, countervailing and safeguard) duties. If matters cannot be resolved at the administrative level, we also advocate our clients' interests in the courts with our international dispute resolution specialists.

#### Data

With 31 December 2020 marking the end of EU free movement as The transfer of personal data will only be permitted from the EU we know it, employers face a range of challenges including the EU to a post-Brexit UK where the data controller or processor has Settlement Scheme for EU citizens resident in the UK by the end of provided "appropriate safeguards" in respect of that transfer, or face the transition period, the UK's new points-based immigration system consequential impacts. In the absence of the European Commission (applying to EU and non-EU citizens alike) and new immigration making an adequacy decision in relation to the UK as a third country, restrictions imposed on British citizens travelling to the EU for work any UK business with an EU interest will need to ensure they have appropriate safeguards in place before

31 December 2020 Our experienced immigration lawyers can provide clear, practical Our team can assist with the mapping of data flows from the EU guidance on all aspects of post-Brexit immigration both in relation to the to the UK, whether the exclusions may apply in your particular case UK and, through our trusted network partners, throughout Europe. and whether you need to modify the way in which you process data.

associated risk

## Regulatory

The EU has created a significant amount of legislation that has continued to apply during the transition period. Following transition, there is potential for UK and EU laws to diverge, which may, in turn, affect the obligations that apply to companies that operate in the UK.

Where legislation does diverge, some changes will be minor or may require new UK registrations, changes to EU regulatory entitlement or immediate loss of automatic approvals.

We are advising on potential issues that arise out of changes to the regulatory environment and action that may be required. As UK policies are evolving and developing, we can advise on key differences and indications of possible future divergence, and review all relevant regulatory frameworks and prepare for the immediate suspension of automatic EU regulatory approvals in the event of a no-deal exit.

We are also advising on changes to labelling and marking requirements that will result from the UK becoming a third country outside of the EU.

### Establishing a Presence in the EU or the UK

To ensure frictionless trade post-Brexit, it is imperative companies understand the impact of the withdrawal agreement across the jurisdictions in which they work.

While for some businesses, this will mean suitable arrangements for cross-border trade with third-party partners, such as distributors, or EU representatives, for others, establishing their own operations in the EU27 may be the best way to ensure compliance and access to the EU

Complex rules with regard to labelling of products and the associated implications have seen the firm increasingly supporting businesses looking to transfer parts of their business to the jurisdictions of any of the EU27. In addition to advising on whether these arrangements will satisfy labelling requirements, our team can help you to assess any potential implications for your corporate structure and tax liabilities.

When the UK leaves the EU single market and Customs Union on 31 December 2020, it will also leave the EU Value Added Tax (VAT) and excise duty area. Irrespective of the terms of any agreement for a new partnership negotiated by the UK and the EU, international businesses in the UK and the EU will need to adopt new processes and procedures in order to adapt to new border formalities and controls on their exports and imports. VAT will see material changes in the short to medium term. Special rules will also apply to supplies made in, from or through Northern Ireland. Post-Brexit, there will be other subtle but equally significant tax consequences. As businesses restructure their operations, supply chains and financing arrangements in response to Brexit, the tax impact will be a critical issue demanding careful consideration.

We have a dedicated team of leading tax experts around the globe ready to help you understand and anticipate developments in post-Brexit taxation. We can help you navigate the technical tax challenges presented by Brexit, but also provide strategic advice on how to anticipate tax advantages arising from government policy after 1 January 2021.

# State Aid and Competition

This is an area requiring very specific expertise, where the UK and the EU are still to agree details. We advise companies with respect to the EU rules prohibiting certain forms of direct and indirect state subsidies and the highly complex rules governing governmental tenders throughout the EU.

We have considerable expertise in the market investor principle. quantification of financial advantages and the application of general and specific exemptions for allowable state assistance. In addition, post-Brexit, UK business will lose any right to challenge state aid provided by the EU to companies within the EU. We can assist with the required

## **Contracts, Supply Chain and Technology**

Companies will have a large variety of contracts with other companies in its supply chain. The extent to which each contract will potentially be affected by Brexit will depend upon the extent to which the contracts relate to trade between the UK and the EU27 or, potentially, any other country with whom the EU has a free trade agreement.

Applying a useful model that we have created for documenting potential

risks end-to-end, we can then assist you in evaluating the overall related

We can undertake an initial or detailed assessment of the contracts in your supply chain to mitigate against the key risks of the UK not reaching agreement with the EU on Brexit, or on any deal resulting in the creation of barriers to free and frictionless trade.

In addition, new technology can be implemented by businesses to assist with the whole customs clearance process and to dramatically increase the efficiency of business, manufacturing and supply chain processes which can, in turn, help to offset other Brexit related costs. Our technology experts can guide you through the process of negotiating all of the required contracts.

Finally, our intellectual property (IP) experts can guide you through what to do to ensure that your IP is fully protected for a post-Brexit world and the impact of any changes to IP laws that are introduced under the proposed withdrawal agreement.

#### **Public Policy**

With members of our Public Policy team well connected in both the UK and European parliaments, we provide unrivalled access to expertise and invaluable connections on the ground.

We have deep expertise in providing clients across all industry sectors with Brexit-related legal and policy advisory services, including the indepth monitoring and analysis of relevant developments and proposals. We can advise on planning and preparation for the future EU-UK trade arrangements, and effective engagement in the relevant political decision-making processes in the UK and at the European level.

Trade and Customs Rules of Origin	Robert MacLean Partner, Brussels T +32 2 627 7619 E robert.maclean@squirepb.com	Taxation
Supply Chain – Contracts/Assessments Technology	Simon Jones Partner, Birmingham T +44 121 222 3412 E simon.jones@squirepb.com	
Regulatory	Nicola A. Smith Director, Birmingham T +44 121 222 3230 E nicola.smith@squirepb.com	International [
	Anita Lloyd Director, Birmingham T +44 121 222 3504 E anita.lloyd@squirepb.com  Jonathan Chibafa Director (Barrister), London T +44 20 7655 1622	Public Policy
Immigration & Employment	E jonathan.chibafa@squirepb.com  Annabel Mace Partner, London T +44 20 7655 1487 E annabel.mace@squirepb.com	
Data Protection	Rosa Barcelo Partner, Brussels T +322 627 1107 E rosa.barcelo@squirepb.com  Stuart James Partner, Birmingham T +44 121 222 3645 E stuart.james@squirepb.com	Corporate, Me
Finance	Paul Anderson Partner, Leeds T +44 113 284 7086 E paul.anderson@squirepb.com	
State Aid, Competition & Antitrust	Will Sparks Partner, Brussels T +322 627 76 10 E william.sparks@squirepb.com	
	Francesco Liberatore Partner, London T +44 20 7655 1505 E francesco.liberatore@squirepb.com	
Intellectual Property	Kerry Lee Partner, Manchester T +44 161 830 5350 E kerry.lee@squirepb.com	





squirepattonboggs.com