



Brexit No-Deal Preparedness: DExEU Technical Notes

Summary report

30 August 2018

Full DExEU report and technical notices available here:

<https://www.gov.uk/government/collections/how-to-prepare-if-the-uk-leaves-the-eu-with-no-deal>

1. Overview

1.1 On 24 August, the government published 25 technical notices setting out information to allow businesses and citizens to understand what they would need to do in a 'no deal' scenario, so they can make informed plans and preparations. Further technical notices were published on 13 September.

1.2 The first set of published technical notices are summarized in this report on pages 1-12 with the second set following on pages 13-21.

1.3 A 'no deal' scenario is one where the UK leaves the EU and becomes a third country at 11pm GMT on 29 March 2019 without a Withdrawal Agreement and framework for a future relationship in place between the UK and the EU.

1.4 The government has made clear that a scenario in which the UK leaves the EU without agreement (a 'no deal' scenario) remains unlikely given the mutual interests of the UK and the EU in securing a negotiated outcome.

1.5 For two years government has been implementing a significant programme of work to prepare for all scenarios, including a potential 'no deal' scenario in March 2019.

Budget

1.6 At the 2017 Autumn Budget, HM Treasury made £3 billion of funding available (£1.5 billion in 17/18 and £1.5 billion in 18/19) so that departments and the devolved administrations could prepare effectively for Brexit. This was in addition to £700 million previously made available for preparations over the course of the last two years.

Legislation

1.7 The European Union (Withdrawal) Act 2018 is a historic piece of legislation, ensuring the UK will have a functioning statute book whatever the outcome of negotiations.



1.8 The Nuclear Safeguards Act 2018 establishes a UK nuclear safeguards regime as the UK leaves Euratom

1.9 The Sanctions and Anti-Money Laundering Act 2018 ensures the UK can continue to impose, update, and lift sanctions and Anti-Money Laundering (AML) regimes

1.10 The Haulage Permits and Trailer Registration Act 2018, which recently received Royal Assent (19 July 2018) gives the UK the powers it needs to support British hauliers to continue operating internationally after exiting the EU. While the government's overall aim in its negotiations with the EU is to retain reciprocal access for road hauliers, this legislation provides the UK with the flexibility to have systems in place if a permit system is required, and provides reassurance for hauliers to continue planning for a smooth EU exit

1.11 Parliament is scrutinising the Taxation (Cross-border Trade) Bill and the Trade Bill, which will ensure the UK has functioning customs and trade regimes regardless of the outcomes of the negotiations

1.12 The government has also started laying statutory instruments to prepare the statute book for exit

Staffing, Infrastructure, and Policy

1.13 Government has ensured there are over 7,000 civil servants currently working on exit, and Treasury has approved funding for around 9,000 more - including nearly 6,500 operational staff, allowing us to accelerate our preparations as necessary

1.14 Government has confirmed that existing organisations will grow and take on new responsibilities. For instance, the Competition and Markets Authority will take on an additional role as the UK state aid regulator and the Information Commissioner's Office will support businesses on new data sharing arrangements

1.15 Government has procured or developed a number of new systems to build everything from a new market surveillance system to improving the capabilities of our Export Health Certificates system

1.16 Government has signed international safeguards agreements with the International Atomic Energy Agency, as well as bilateral Nuclear Co-operation Agreements with the US and Australia. The UK will continue to work with third countries and international partners to seek continuity of the effects of international agreements which the government participates in as a result of, or relevant to, its membership of the EU

1.17 Government has set out its approach to bringing EU financial services legislation into domestic law in time for a March 2019 exit



1.18 Government has guaranteed certain EU-funded projects in a 'no deal' scenario, including 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 until the end of 2020; any Rural Development Programme projects contracted before the end of 2020 for their full lifetime

2. Applying for EU-funded Programmes

2.1 Until the UK's departure from the EU, the UK will 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 it remains 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.

2.2 In the 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.

2.3 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. 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.

2.4 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.

2.5 For awards where UK organisations successfully bid directly to the European Commission on a competitive basis, the government will work with the Commission to ensure that UK organisations will be able to continue to participate.

2.6 Further details are set out in section 12 below.



3. Civil nuclear and nuclear research

3.1 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.

3.2 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.

3.3 On exit from the EU, a new domestic nuclear safeguards regime will come into force. 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.

4. Farming

4.1 Currently, financial support for the agricultural sector comes from our participation in the EU's Common Agricultural Policy (CAP). 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.

4.2 Defra and the devolved administrations are preparing domestic legislation (under the Withdrawal Act) to ensure the UK has 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 the UK has left the EU.

4.3 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.

4.4 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.

4.5 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.

4.6 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.



5. Importing and exporting

Trade remedies

5.1 The government intends 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.

5.2 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.

Trading with the EU

5.3 If the UK left the EU on 29 March 2019 without a deal there would be immediate changes to the procedures that apply to businesses trading with the EU. It would mean that the free circulation of goods between the UK and EU would cease.

5.4 For businesses trading with the EU, the impacts would include:

- businesses having to apply the same customs and excise rules to goods moving between the UK and the EU as currently apply in cases where goods move between the UK and a country outside of the EU (customs duty may also become due on imports from the EU). This means customs declarations would be needed when goods enter the UK (an import declaration), or when they leave the UK (an export declaration). Separate safety and security declarations would also need to be made by the carrier of the goods (this is usually the haulier, airline or shipping line, depending on the mode of transport used to import or export goods)
- the EU applying customs and excise rules to goods it receives from the UK, in the same way it does for goods it receives from outside of the EU. This means that the EU would require customs declarations on goods coming from, or going to, the UK, as well as requiring safety and security declarations
- for movements of excise goods, the Excise Movement Control System (EMCS) would no longer be used to control suspended movements between the EU and the UK. However, EMCS would continue to be used to control the movement of duty suspended excise goods within the UK, including movements to and from UK ports, airports and the Channel tunnel. This will mean that immediately on importation to the UK, businesses moving excise goods within the EU, including in duty suspension, will have to place those goods into UK excise duty suspension, otherwise duty will become payable

5.5 More detailed advice for businesses on how to prepare for a 'no deal' scenario is provided in the technical notice:

<https://www.gov.uk/government/publications/trading-with-the-eu-if-theres-no-brexite-deal/trading-with-the-eu-if-theres-no-brexite-deal>



Classifying goods in the UK Trade Tariff

5.6 In the event of 'no deal' scenario, goods traded between the UK and the EU after 11pm GMT 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.

5.7 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.

5.8 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

Exporting controlled goods

5.9 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.

6. Labelling products and making them safe

Labelling tobacco products and e-cigarettes

6.1 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.

6.2 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.

6.3 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.

Developing genetically modified organisms (GMOs)

6.4 Under a ‘no deal scenario’, there would be no significant implications for UK stakeholders with regards to developing GMOs. 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.

Producing and processing organic food

6.5 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.
- The government anticipates continuing to accept EU organic products in a 'no deal' scenario, but this will be at the UK's discretion

6.6 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
- 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 the government is exploring alternative approaches that should speed up this process. As the UK is retaining EU regulation in UK law, the government expects to negotiate an equivalency arrangement with the EU which will allow the free movement of organic goods between the EU and the UK.

7. Money and tax

VAT for businesses

7.1 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.

7.2 Although no changes will be made before the UK leaves the EU on 29 March 2019, the technical notice highlights that businesses may need to prepare for VAT changes 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).

Banking, insurance and other financial services

7.3 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.



7.4 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 it diverges 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.

7.5 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.

7.6 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
- Depositories for authorised funds

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

7.8 Along with these unilateral actions, the government is committed to working with our European partners to identify risks arising from a no deal scenario.

8. Regulating medicines and medical equipment

Batch testing medicines

8.1 In the event of a 'no deal' scenario, the UK would no longer be part of the European medicines Agency (EMA).

8.2 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 Medicines and Healthcare products Regulatory Agency (MHRA). On exit day, this list would include EU countries, other EEA countries and those third countries with which the EU has an MRA.

8.3 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.



Ensuring blood and blood products are safe

8.4 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.

8.5 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.

8.6 To export blood or blood components to the EU, establishments may need to certify that any products comply with EU standards.

8.7 If there's no deal, the current blood safety and quality standards for blood and blood components would not change.

How medicines, medical devices and clinical trials would be regulated

-Medicines

8.8 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.

-Medical Devices

8.9 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.

8.10 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.

8.11 Formal UK presence at EU committees in respect of devices will cease.

-Clinical Trials

8.12 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.



8.13 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.

8.14 However, the government will align where possible with the CTR without delay when it does come into force in the EU, subject to usual parliamentary approvals.

Submitting regulatory information on medical products

8.15 In the event of a 'no deal' scenario, 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.

8.16 The UK would have its 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.

8.17 MHRA stakeholders would need to submit regulatory information relating to human medicines and devices directly to the government via a national portal(s). For applications that stakeholders plan to submit to both the EU and the UK (for example, a MA for both EU and UK markets), stakeholders would need to submit the information separately through EU systems and UK portals.

8.18 UK organisations should be able to continue interacting with the EU regulatory network as per EMA guidance and EU guidance.

Quality and safety of organs, tissues and cells

8.19 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.

8.20 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.

9. State Aid

9.1 The government will create a UK-wide subsidy control framework to ensure the continuing control of anti-competitive subsidies.



9.2 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.

9.3 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.

9.4 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.

10. Studying in the UK or EU

10.1 In the event that the UK leaves the EU with no agreement in place, the government's 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.

10.2 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.

10.3 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.

10.4 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.

11. Workplace Rights

11.1 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. Domestic legislation already exceeds EU-required levels of employment protections in a number of ways.



11.2 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.

11.3 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.

Summary report

14 August 2018

Full DExEU report and technical notices available here:

<https://www.gov.uk/government/collections/how-to-prepare-if-the-uk-leaves-the-eu-with-no-deal>

12. Applying for EU-funded Programmes - UPDATE

Connecting Europe Facility (CEF) Energy Funding

12.1 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.

12.2 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.

Delivering Humanitarian Aid Programmes

12.3 If the UK leaves the EU in March 2019 with no agreement in place, European Civil Protection and Humanitarian Aid Operations (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.

12.4 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.



European Regional Development Funding & European Social Fund (ESF) Grants

12.5 In the 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 or European Social Fund projects after exit day.

12.6 The government is 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 the UK leaves the EU in order to provide more certainty for UK organisations over the course of EU exit. This guarantee included European Regional Development Fund and European Social Fund projects.

12.7 In July 2018 the government extended the guarantee so that it would cover all projects, including European Regional Development Fund and European Social 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.

12.8 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 and European Social Fund programmes period, in the event that the UK leaves the EU without a negotiated agreement.

Funding for UK LIFE Projects

12.9 In the 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.

12.10 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.

12.11 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.



12.12 The guarantee does not cover funding for organisations from countries in consortia with UK participants – only the funding for UK participants is in scope. The government is 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.

Horizon 2020 funding

12.13 In the 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.

12.14 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.

12.15 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.

12.16 In the event of a ‘no deal’ scenario, the government therefore intends 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. The government is seeking discussions with the European Commission to agree the details of our continued participation as a third country.

12.17 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.

12.18 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.

12.19 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.



12.20 The government is also working in partnership with UK Research and Innovation to develop a new International Research and Innovation Strategy.

The Government's Guarantee for EU-funded Programmes

12.21 In the 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.

12.22 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.

12.23 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.

12.24 For awards where UK organisations successfully bid directly to the European Commission on a competitive basis, the government will work with the Commission to ensure that UK organisations will be able to continue to participate.

12.25 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.

13. Driving

13.1 A UK driving license may no longer be valid by itself when driving in the EU. If a UK citizen moves to another EU country to live, they may not be able to exchange their license after the UK has left the EU.



14. Handling Civil Legal Cases

14.1 In the 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.

14.2 Because of this loss of reciprocity, in the event of a no deal scenario, the UK 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, the UK would retain elements of the current EU rules.

14.3 The UK would also continue to apply existing international agreements, such as the Hague Conventions.

15. Meeting Business Regulations

Accessing Public Sector Contracts

15.1 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.

15.2 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.

Broadcasting and Video on Demand

15.3 If there's no deal, the Audiovisual Media Services Directive (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.

15.4 Recital 54 of the AVMSD sets out that EU countries are free to take whatever measures they deem appropriate with regard to audiovisual media services that come from third countries, provided the measures comply with Union law and the international obligations of the Union.

15.5 However, in the absence of the AVMSD regulatory framework, the Council of Europe Convention on Transfrontier Television (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. 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.



Merger Review and Anti-Competitive Activity

15.6 In the 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.

15.7 The Competition and Markets Authority will continue in its investigatory role for mergers and anti-competitive conduct with effects on UK markets.

15.8 The government will make necessary changes to UK law through Statutory Instruments made under the EU Withdrawal Act 2018.

15.9 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.

What Telecoms Businesses Should Do

15.10 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. The government would correct references within the UK's regulatory framework to EU bodies, processes and legislation, to ensure that the regulatory framework remains operable.

15.11 After March 2019, irrespective of the outcome of the negotiations between the UK and the EU, the does not expect there to be significant impacts on how businesses operate under the telecoms regulatory framework and how consumers of telecoms services are protected.

15.12 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).

16. Personal Data and Consumer Rights

16.1 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.



17. Protecting the Environment

Industrial Emissions Standards

17.1 The UK is committed to maintaining environmental standards after it leaves 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.

Reporting CO2 Emissions for New Cars and Vans

17.2 In a no deal scenario, new vehicle registrations in the UK would cease to fall under the scope of EU regulations; these EU regulations 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.

Upholding Environmental Standards

17.3 The UK government is committed to maintaining environmental standards after it leaves the EU, and will continue to uphold international obligations through multilateral environmental agreements.

17.4 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.

17.5 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.

17.6 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.

17.7 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.

17.8 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.



17.9 The government is currently 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.

17.10 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.

Using and Trading in Fluorinated Gases and Ozone Depleting Substances

17.11 In the event of a 'no deal', 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 event of no deal.

17.12 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.

17.13 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.

17.14 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.

18. Regulating Energy

Running an oil or gas business

Hydrocarbons licensing and environmental protection

18.1 The established regime for hydrocarbon licensing and environmental issues will continue to operate; UK and EU businesses will not be required to take any action.

Oil stocking obligations

18.2 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.



19. Satellites and Space

19.1 In the event of the UK leaving the EU without a negotiated agreement, the majority of position, navigation and timing services provided by Galileo – Global Navigation Satellite System (GNSS) that is being created by the European Union (EU) through the European Space Agency (ESA) – 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.

19.2 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.

19.3 To prepare for this scenario the UK is exploring alternatives to fulfil its needs for secure and resilient position, navigation and timing information.

20. Seafaring

Getting an Exemption from Maritime Security Notifications

20.1 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.

Recognition of Seafarer Certificates of Competency

20.2 In the event of no deal it is the intention of the UK government to continue recognising all certificates that it currently recognises, including those issued by EU and EEA countries after exit, and to seek third country recognition of UK certificates by the EU under the STCW convention.

21. Travelling Between the UK and the EU

Mobile Roaming

21.1 In the event that the UK leaves 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 people travel to the EU could no longer be guaranteed.

21.2 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.



Travelling in the Common Travel Area

21.3 The Common Travel Area (CTA) is a long-standing arrangement between the UK, the Crown Dependencies (Jersey; Guernsey; Isle of Man) and Ireland

21.4 Irish citizens would continue to have the right to enter and remain in the UK, as now. They are not required to do anything to protect their status. In addition, Irish citizens 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.

21.5 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.

21.6 Non-Irish or British citizens 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.

Travelling to the EU with a UK Passport

21.7 After 29 March 2019, British passport holders (including passports issued by the Crown Dependencies and Gibraltar) will be considered a third country national under the Schengen Border Code and will therefore need to comply with different rules to enter and travel around the Schengen area.

21.8 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.