

This checklist has been created to help businesses consider the changes that Brexit may bring to your firm, and to help business planning at both operational and Board levels.

The UK's impending departure from the European Union will bring change for businesses of every size and sector.

While some companies are already planning for the challenges and opportunities ahead, Chambers of Commerce believe that all firms not just those directly and immediately affected - should be undertaking a Brexit 'health check', and a broader test of existing business plans. Time spent thinking through the changes that Brexit may bring to your firm could yield real dividends in future.

While the final settlement between the UK and the European Union is still to be negotiated, there are steps that businesses of all sizes can take now to start planning ahead. Recent Chamber surveys have asked:

- businesses?
- them?

This checklist has been prepared in response to the findings, which suggest that a significant number of firms are either watching and waiting - or taking no action at all. We hope you find it useful as a basis for business planning at both operational and Board level.

Your firm doesn't have to navigate Brexit alone. Contact your local accredited Chamber of Commerce to find out how your Chamber can support you.

BUSINESS BREXIT CHECKLIST

• Have you / your management team devoted time to considering the potential consequences of Brexit - direct or indirect - on your

• If you have one, have you consulted with your Board of Directors on Brexit – or scheduled an opportunity to do so? • Have you mapped your supplier and customer base - and considered how changes in the UK-EU trade relationship could affect





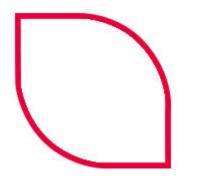
WORKFORCE

AREA

Immigration status of EU employees If EU citizens (excluding Republic of Ireland) want to stay in the UK beyon December 2020, they and their close family members will need to apply to EU Settlement Scheme. This will oper fully by the end of March 2019.

CONTEXT

Future staffing requirements Further ahead, there will be changes a the UK's immigration regime. The Brit Chambers of Commerce is advising the Home Office on this, using feedback from across the UK Chamber Network



CROSS - BORDER TRADE Your Local Accredited Chamber can give you access to detailed advice on goods trade

AREA

CONTEXT

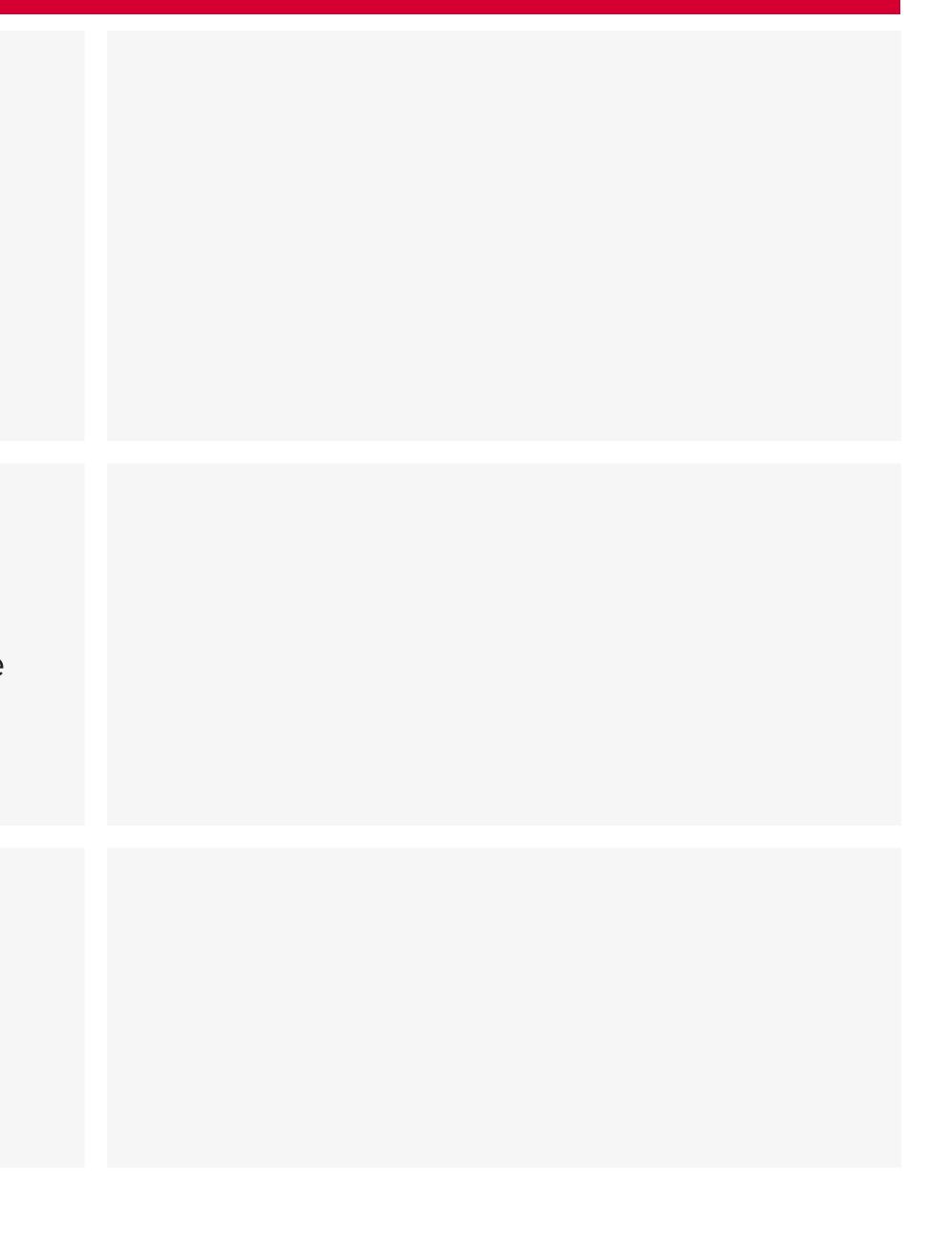
UK/EU customs checks As a 'third country', UK exporters to the EU after Brexit may in future be required to make customs declarations.

	TO CONSIDER/TAKE ACTION
nd 31 o the n	The Home Office has published an Employer Toolkit which covers the key details of the EU Settlement Scheme, information and materials with which to support affected staff and their families. You can download it here: https://www.gov.uk/government/publications/eu- settlement-scheme-employer-toolkit
	What can you do to support staff applying for the EU Settlement Scheme? Key materials are included in the Employer Toolkit and you can signpost them to further information and regular email updates available from the Home Office: https://www.gov.uk/guidance/status-of- eu-nationals-in-the-uk-what-you-need-to-know
to tish he k.	What will be your skills and labour needs over the next few years? Will you need to hire someone from outside the UK? What steps will you need to take to hire them? Could different arrangements (remote working) be feasible for your business?

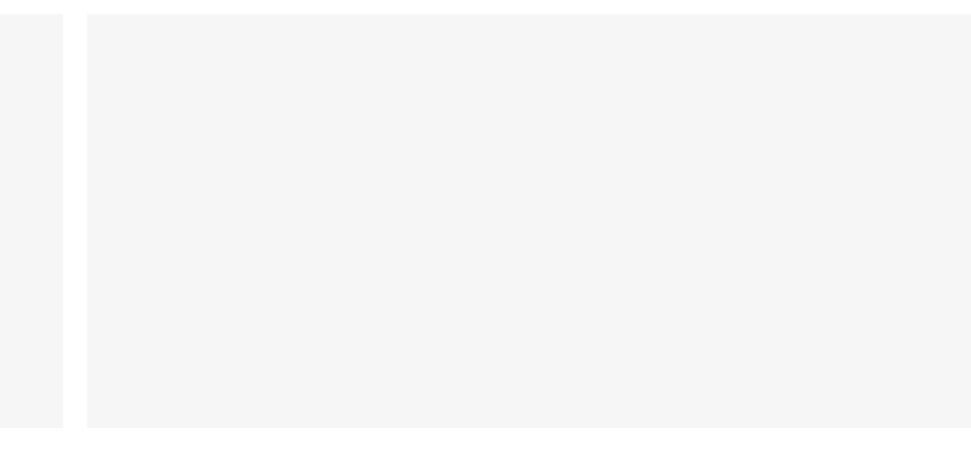
TO CONSIDER/TAKE ACTION

What customs procedures do you comply with for trade with non-EU markets? Are you ready, if the need arises, to apply these to imports from or exports to the EU?

YOUR NOTES



YOUR NOTES



Potential delays at UK/EU border

With potential customs checks between the UK and the EU, there may be delays at the border.

Tariffs on UK-EU trade

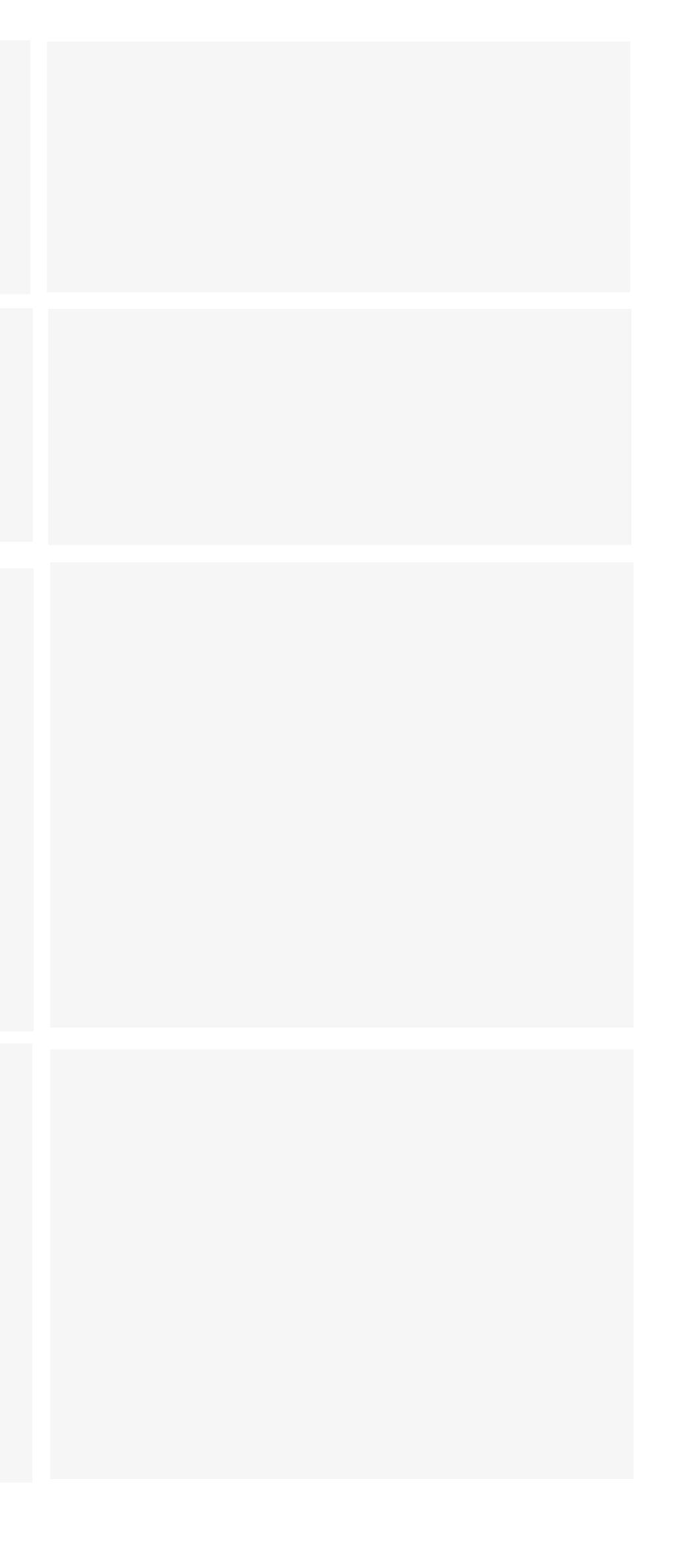
Do you know the HS codes (international classification system) for your products? Do you know the EU MFN tariff that is applicable for your product? If the UK and the EU do not reach an agreement that removes all tariffs, what would the impact of the MFN tariff be on your cost base? If you are a supplier, has your customer asked you to provide proof of where you source your content? Would you be able to provide it if asked? If you buy your components from local suppliers, have you thought about conducting an audit of where they source their materials?

The British Chambers of Commerce has been advocating for zero tariffs on trade between the UK and the EU after Brexit. However, businesses should consider the potential impact of a situation where there are tariffs between the UK and the EU – based on the Most Favoured Nation (MFN) tariff (which applies to countries that do not have a special agreement with the EU). Even if the UK has a zero-tariff trade agreement with the EU, companies will need to prove that their product is of UK origin to benefit from this (usually, this means that 50-55% of the product has to be locally sourced). The exact terms of these rules between the UK and the EU are yet to be negotiated.

Rules of Origin in UK-EU trade

How resilient is your supply chain to potential border delays? Do any contracts you have include penalties for late delivery? You may want to discuss with your logistics provider whether you would require new arrangements.

Do you need to increase your inventory and/or buy additional storage space?

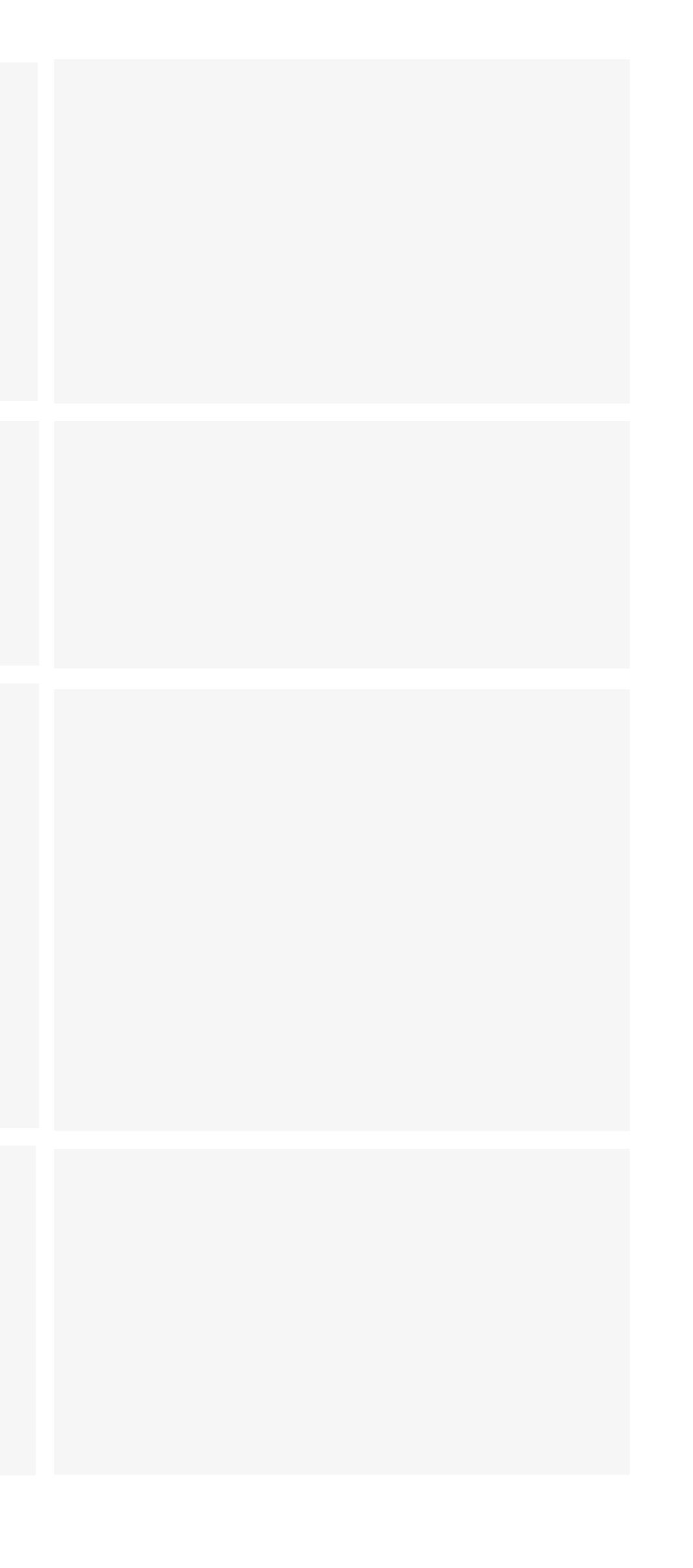


EU trade agreements with third countries The UK Government has indicated its intention to secure the benefits of existing EU trade agreements with oth countries. However, businesses may n to consider a scenario where the term were to change and preferential trade terms are no longer available.

Customs facilitations, reliefs etc There are a number of duty relief schemes available to UK businesses. It may be worthwhile for your business to consider applying for these. There is a a trusted trader scheme – Authorised Economic Operator (AEO) – that may relevant to you if your supply chain als takes part in it. Please speak to your lo Chamber to learn more about these.

Customs/ export training

her heed hs e	Do you import or export using lower duty rates ('preferences') provided by the EU's existing trade agreements? How might changes to, or the ending of, these preferential rates impact you?
	Which markets (where the EU has a trade agreement) are particularly critical for you? Please let your local Chamber know.
lt to also	Do you plan to apply for additional customs relief or trusted trader schemes from HMRC? Read more about them here:
/ be Iso	https://www.gov.uk/duty-relief-for-imports-and- exports
local	https://www.gov.uk/guidance/authorised-economic- operator-certification
	Do you have a member of staff knowledgeable in
	customs and export? Would it be valuable to train a member of staff in this area? Chambers are able to



TAXATION

AREA

Import VAT

With the UK's exit from the EU, it is assumed that the UK will also leave t EU VAT area. This means that import VAT may be payable, at the border, goods imports from the EU.

CONTEXT

Deferment accounts (allowing for du be deferred for up to 1 month) are available to companies with 3 years' record.

VAT registration in the EU (services sector)

If you trade in services, post Brexit, t working assumption is that after Brex you may need to register for VAT / appoint a fiscal agent in every EU member state where you supply customers.

CURRENCY/INTELLECTUAL PROPERTY/CONTRACTS

AREA

CONTEXT

Currency risk

The months following the EU referendum saw significant currency volatility – this may occur in future.

	TO CONSIDER/TAKE ACTION
t on	Do you have enough working capital to pay VAT on import of goods from the EU? Have you considered ways to mitigate the potential cash flow impacts of the need to pay import VAT?
vat	If you wish to open a deferment account (to postpone the payment of VAT on goods imports by 1 month), are you able to get a guarantee from your bank?
he xit	If you are a services company, in how many EU member states do you supply services? In how many do you have VAT registration? How would getting VAT registration in every relevant state impact your cost base?

TO CONSIDER/TAKE ACTION

What currency are you being paid in? Have you considered the possibility of further currency movements, and how this might affect existing and future contracts? Your local Chamber can give you recommendations for mitigating these risks.

YOUR NOTES

YOUR NOTES

EUregulatoryregime	It is unclear whether UK regulators w be able to provide licenses for the EU market after Brexit; it is also unclear notified bodies in the UK can conduc conformity assessment checks on go destined for the EU market.
<section-header></section-header>	It is unclear whether trademarks registered in the EU would be applied to the UK in the future.
<section-header></section-header>	Some of the terms in existing contract may no longer be relevant post Brext may raise legal or practical questions future.

J steps might you need to take to comply with separate if UK and EU regulators in the future? it bods able Do you own any Intellectual Property rights? Have you contacted trademark bodies / solicitors / IP advisors on how to protect your intellectual property after March 2019? cts Do your contracts refer to any terms that should be reviewed in light of the UK leaving the EU? Do they		
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