Department for
Business, Energy
& Industrial Strategy

EU Exit Business Readiness Forum: Summary of Questions & Answers

14th March 2019

Delivering the deal negotiated with the EU is the government's top priority. However, a responsible government must prepare for every eventuality, including a no deal scenario.

The purpose of the forum was to provide information to trade and representative bodies, and other business intermediaries in order that their members and businesses in their networks may prepare.

For further information please visit euexit.campaign.gov.uk

Question: Will you talk us through how products would be able to move from Ireland to NI to GB and how this looks different to the tariff arrangements you outlined?

Answer: The Government has been clear that the unique social, political and economic circumstances of Northern Ireland must be reflected in any arrangements that apply in a no deal scenario. We would do everything possible to avoid a hard border between Northern Ireland and Ireland, and to uphold the Good Friday Agreement. In a no deal scenario, the UK Government would be committed to entering into discussions urgently with the European Commission and the Irish Government to jointly agree long-term measures to avoid a hard border and to limit the impact of a no deal exit on life on the island of Ireland.

On Wednesday last week the Government confirmed a unilateral approach to checks, processes and tariffs in Northern Ireland in a no deal scenario. This approach would be strictly temporary. Under this approach, the UK Government would not introduce any new checks or controls on goods crossing from Ireland to Northern Ireland, including any new customs declarations for goods. The UK temporary tariff regime would therefore not apply to goods crossing from Ireland into Northern Ireland.

Question: What would happen to exports to the EU and elsewhere?

Answer: We expect that the EU's most favoured nation (MFN) tariff regime will apply to UK exports in the event of the UK leaving the EU without a deal, and there is no indication that the EU will modify its tariff regime as a result of our exit. This would result in the introduction of tariffs on 60% of current UK exports to the EU.

Question: Can you confirm that goods imported from Ireland at 0% don't break WTO MFN rates. Where is legal advice?

Answer: We are confident the policy is in line with our WTO obligations, taking into account the unique set of social, political and economic circumstances of Northern Ireland.

Question: What was the decision-making process for what goods to charge tariffs on and what was the consultation process? Assuming that the withdrawal agreement gets agreed, will trade agreements roll over?

Answer: The Government informally consulted with businesses and business representatives during the development of this policy. However the market sensitivities around the policy and interaction with ongoing EU negotiations have meant it was not possible to engage with business through a formal consultation. This would be a temporary policy. At the end of the temporary period, the Government would introduce a long-term tariff regime. This would be developed over the course of the coming months following a full public consultation process.

If the Withdrawal Agreement is agreed then the UK would continue to benefit from the EU's trade agreements over the period of the Implementation Period.

Question: Who do we write to for comments on this?

Answer: DIT are keen to engage and can be contacted at: https://www.great.gov.uk/eu-exit-news/contact/.

Question: The EU Regulations for Accreditation and Market Surveillance are currently being revised in the EU. Will these revisions be adopted within the UK?

Answer: The RAMS revision is a new compliance and enforcement proposal in the EU, which the UK as a Member State is actively involved in shaping. This is unlikely to be passed as an EU provision before 29th March, so there is no provision in the SI for this. The outcome of any discussion with the EU on the UK's Future Economic Partnership will dictate how the UK takes into account any new or evolving EU legislation. When revisions to RAMS are finalised in the EU, UK ministers will then need to decide whether they adopt similar changes.

Question: Some manufacturers may not be prepared for no deal and may not have complied with the relevant labelling requirements. How lenient will market surveillance authorities be?

Answer: Our time-limited continuity approach is designed to minimise disruption, so that as few changes are required as possible. CE marked goods will still be accepted on the UK market for those who self-declare and, where testing is necessary, the UKCA mark will only be required where a certificate of conformity cannot or has not been transferred to an EU notified body.

Market surveillance and associated checks are currently risk-based and proportionate and will continue to be so in the event of no deal: EU and UK product safety legislation will be aligned and we do not anticipate changes in risk. However, the Office of Product Safety and Standards will keep a close track of changing risks.

Should a UK-based company wish to place products on the EU market (in a no deal scenario) they will need to seek conformity assessment in the EU and their goods will need to be CE marked.

Question: Why are medical devices not also subject to the new UKCA marking?

Answer: Due to the additional complexities of medical devices regulation – and the fact the industry is already having to adapt to changes resulting from the new 2016 EU regulations – medical devices are subject to a different approach. MHRA are conducting further work to consider the future approach, but immediately after no deal devices would still need to carry the CE marking.

Question: How do the requirements for importing work for a multinational manufacturer based in the EU with a sales office in the UK? Are they still importers if they bring goods into the UK?

Answer: If the UK leaves the EU without a deal we will no longer be part of the EU single market. Instead we will be a new and separate UK only market. Therefore, should a multi-national company move goods from the EU market into the UK market in a no deal scenario then the part of that company that receives the goods in the UK will become an importer of those goods rather than a distributor.

Question: If CE mark testing is done in UK, can this be passed to a notified body in the EU to issue a certificate of conformity?

Answer: In principal yes - however, the EU Notified body issuing the certificate must satisfy themselves that the product meets the relevant requirements and that their issuing of certificates is in line with the EU rules relating to Notified Bodies. Whether they are willing to do this on the basis of tests carried out in the UK is therefore a decision for them.