



Department for  
Business, Energy  
& Industrial Strategy

# Brexit Business Readiness Forum: 8<sup>th</sup> August 2019

Thursday 8th August 2019

These slides reflect government policy as of 8th August 2019



Department for  
Business, Energy  
& Industrial Strategy

# Objectives for these forums



Share the key information businesses need to prepare for Exit



Provide you with materials to cascade to your network of members



Respond to your questions and gather your feedback

# Agenda for today

1	Welcome and Introductions	Donna Leong, BEIS	5 mins
2	Brexit Update	Syma Cullasy, DExEU	15 mins
3	Trade Agreements Continuity	Lucy Messom, DIT	20 mins
4	HMRC Customs and Border Design	David Vallely, HMRC	30 mins
5	Data Flows and Data Protection after Brexit	Ursula Ritz and Charlotte Luks, DCMS	20 mins
6	Q&A/AOB	Donna Leong, BEIS	10 mins

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Department for  
International Trade

# Trade Agreements Continuity



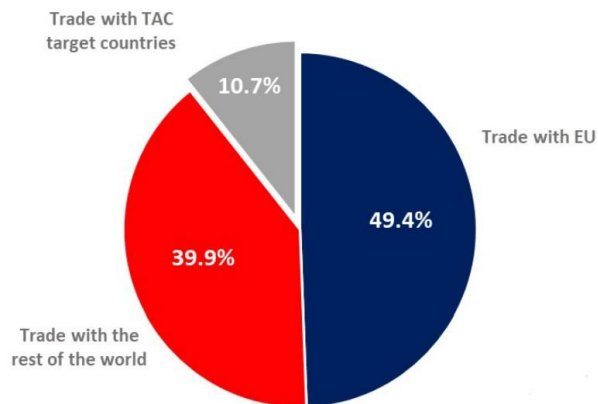


## Overview of the TAC programme

### What we are doing

The government is seeking continuity of existing EU trade agreements, which the UK participates in as a member of the EU.

Transitioning 35 agreements with 65 countries in the event of a no-deal EU



### Entry into force

- TAC agreements will come into effect if the UK leaves the EU without a deal, or at the end of an implementation period. (Except Iceland and Norway).
- We are working with our trading partners to have bilateral agreements ready in place for when we need them. The UK will also implement a temporary tariff policy. This has been designed with the aim of minimising disruption. Information on the tariff rates under the temporary tariff can be found on [gov.uk](https://www.gov.uk).



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## Progress made on TAC agreements

Signed or agreed in principle with 13 agreements covering 38 countries.

**Signed agreements:** Andean countries, CARIFORUM trade bloc, Central America, Chile, Eastern and Southern Africa trade bloc, Faroe Islands, Iceland/Norway, Israel, Liechtenstein, Pacific states, Palestinian Authority, Switzerland.

Progress is being made at pace. Secured continuity on £89 billion of UK trade. This has moved from £39 billion in the past 3 months

**Agreed in principle:** On June 10, the UK and South Korea signed a statement noting their agreement for an FTA that will allow business to keep trading freely after Brexit. This will agreement will be signed shortly, following necessary domestic procedures.

In total this means we would have agreements with countries which account for 64% of trade with countries we are seeking continuity for in the event of a potential no deal. Increased from 28% since March.

**Remaining agreements** - many at an advanced stage; the Government will announce on [GOV.UK](https://www.gov.uk) when agreements have been concluded.



## TAC agreements - impact on businesses

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The TAC agreements replicates the effects of the existing EU agreement in a bilateral context, as far as possible.

In some cases, bespoke solutions for individual agreements has been necessary to ensure continuity of effect. These can be found in the parliamentary reports

### Key areas:

- **TRQs:** In many cases, TRQs have been adjusted to reflect that the UK will no longer be a member of the EU.
- **Rules of Origin:** TAC agreements will allow for EU components and materials to be recognized in the exports between the countries in the agreement. However, it does not provide for any party's direct trade with the EU.



What	Description	Link
TAC landing page	Includes information on: <ul style="list-style-type: none"><li>- Changes if the UK leaves the EU with no deal</li><li>- List of remaining agreements and their status</li><li>- Steps businesses need to take to prepare</li></ul>	<a href="https://www.gov.uk/government/publications/existing-trade-agreements-if-the-uk-leaves-the-eu-without-a-deal/existing-trade-agreements-if-the-uk-leaves-the-eu-without-a-deal">https://www.gov.uk/government/publications/existing-trade-agreements-if-the-uk-leaves-the-eu-without-a-deal/existing-trade-agreements-if-the-uk-leaves-the-eu-without-a-deal</a>
List of signed agreements	A list of the trade and mutual recognition agreements the UK has signed with non-EU countries	<a href="https://www.gov.uk/guidance/signed-uk-trade-agreements-transitioned-from-the-eu">https://www.gov.uk/guidance/signed-uk-trade-agreements-transitioned-from-the-eu</a>
Parliamentary Report	Reports published for each signed agreement explaining significant changes from existing EU agreements	Example: Chile <a href="https://www.gov.uk/government/publications/continuing-the-uks-trade-relationship-with-chile-parliamentary-report">https://www.gov.uk/government/publications/continuing-the-uks-trade-relationship-with-chile-parliamentary-report</a>
Export country guides	Changes to exporting goods and services from the UK if we leave the EU with no deal	<a href="https://www.gov.uk/government/collections/exporting-after-eu-exit-country-by-country">https://www.gov.uk/government/collections/exporting-after-eu-exit-country-by-country</a>
EU Exit enquiry form	For businesses to ask questions (via DIT homepage)	<a href="https://www.great.gov.uk/eu-exit-news/contact/">https://www.great.gov.uk/eu-exit-news/contact/</a>

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HM Revenue  
& Customs

HMRC

HMRC Customs and Border Design  
Stakeholder Engagement

# Overview

Currently, businesses can move goods freely between the UK and the EU

In the event that the UK leaves the EU without a deal, businesses importing and exporting goods with the EU will have to comply with new rules

HMRC is committed to helping businesses understand these changes and the actions they need to take to ensure that they remain compliant and can continue trading in the event of a no deal EU exit

# Approach to No Deal

## HMG objectives for the border

- Maintaining security
- Facilitating the flow of goods (including animals, food and plants) and people
- Protection of revenue and compliance with standards

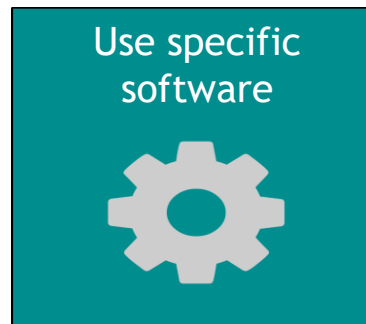
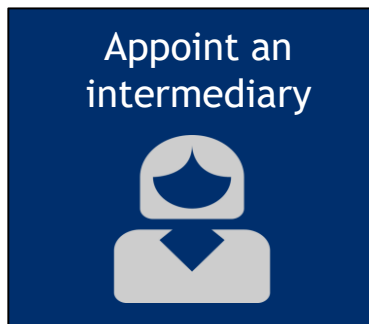
## Day one easements include

- Transitional Simplified Procedures
- Intermediaries' liability
- Guarantee relaxations
- Entry Summary Declarations for imports

# Customs Declarations

Customs declarations will be needed on UK-EU trade in a no deal scenario

Businesses will need to decide how they want to manage the declarations process:



HMRC is working to ensure that as many businesses as possible have the capability to make customs declarations on day 1

# Economic Operator Registration Identification

To interact with UK Customs systems you will need an Economic Operator Registration Identification (EORI) number. This applies whether you are importing goods into the UK or exporting them from the UK.

You can apply through GOV.UK - it should only take a few minutes

If you already have a UK EORI number due to trade with RoW you do not need to apply again

If you also act as importer into or exporter from EU you will also need an EU EORI number. If you don't already have one you should request one from the EU country where you make your first declaration.

# RoRo Model - key principle

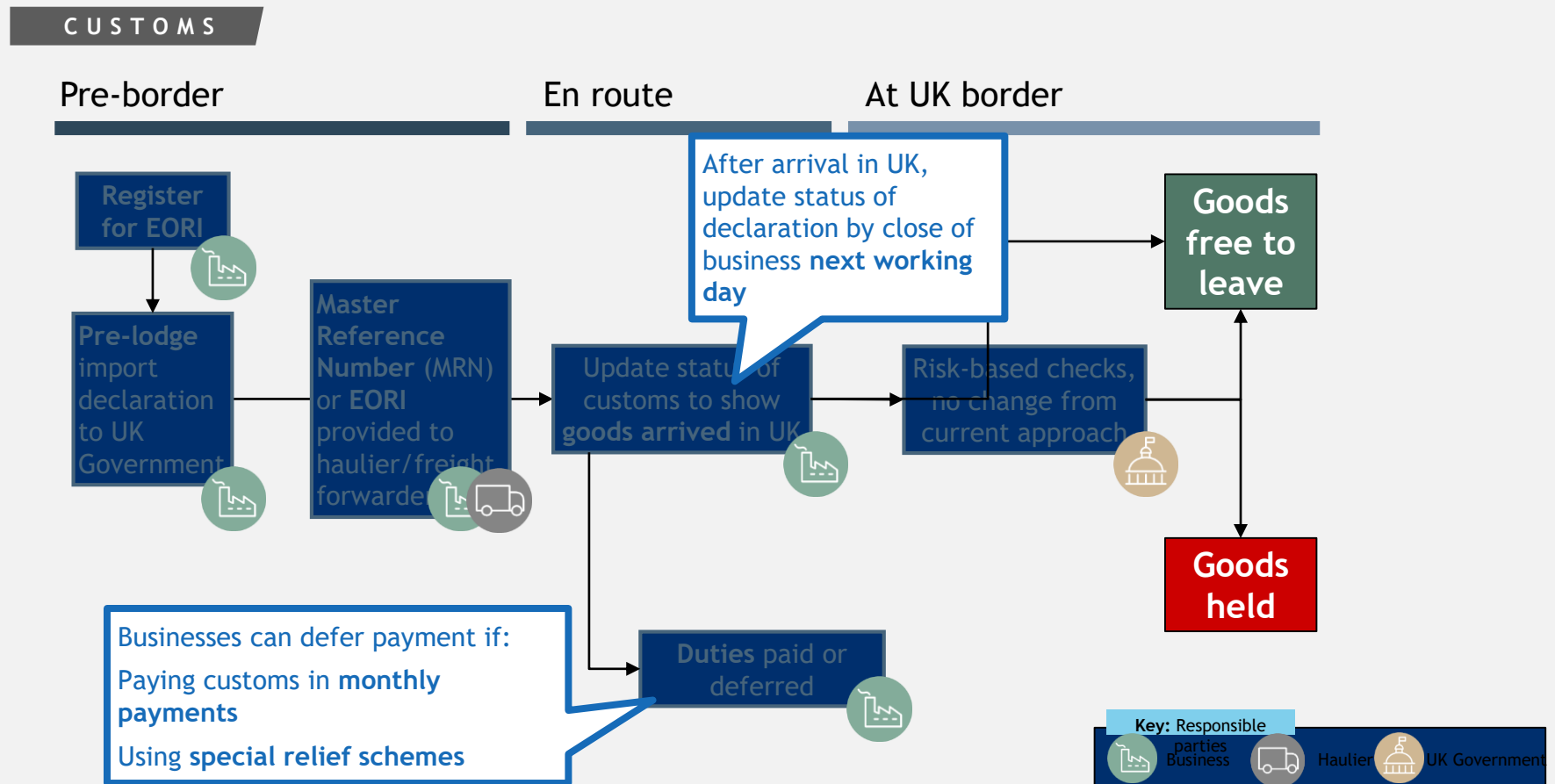
## Day 1

- Declarations should be lodged electronically in advance
- Routine fiscal and other controls and checks undertaken away from the flow of traffic

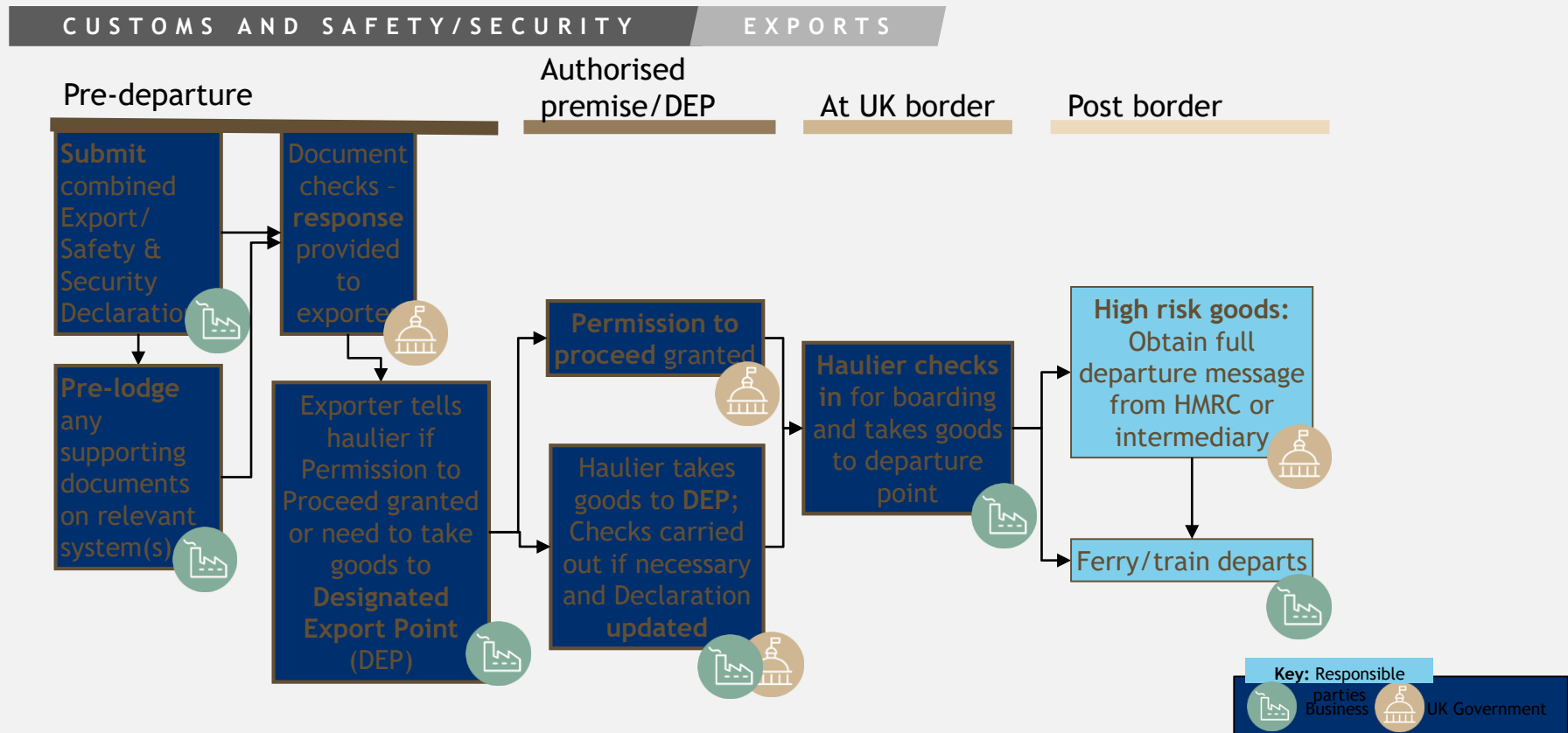
## Longer-term

- Longer term, UK government is working on automated solutions, use of technology for smarter borders and sharing more data

# Importing goods through RoRo borders on 'Day 1'



# Exporting goods through RoRo borders on 'Day 1'



# Transitional Simplified Procedures (TSP)

Transitional Simplified Procedures will make importing goods easier for the initial period after the UK leaves the EU

Traders [registered for TSP](#) will not need to make full customs declarations at the border and will be able to defer paying their customs duties

**To be eligible**, traders must:

- Be established in the UK
- Have the intention to import goods into the UK from the EU
- Have an [Economic Operator Registration Identification \(EORI\)](#) number

# TSP Declaration

## Controlled Goods

The trader submits a simplified frontier declaration and ensures all necessary certificates and licences are available

- This is followed by a supplementary declaration by the 4<sup>th</sup> working day of the month following the arrival of the goods in the UK

## Standard Goods

- The trader makes a declaration directly in their commercial records
- This is followed by a supplementary declaration by the 4<sup>th</sup> working day of the month following the arrival of the goods in the UK

# Entry Summary Declarations

Safety & Security information on exports will continue to be required as part of the export customs declaration.

We expect that the EU will require an ENS for UK to EU imports

In a no deal scenario, the UK will phase in the requirement for entry summary declarations (ENS) on all goods arriving from the EU over 6 months.

We are taking this approach to give carriers and hauliers more time to prepare for their obligations.

# Duty Deferment

## Current rules

Traders must have a duty deferment account to use TSP or an agent's CFSP authorisation:

- in practice, this is a direct debit mandate
- it allows HMRC to take a monthly payment of duties 15 days after the supplementary declaration is made
- guarantees are required in order to defer duty to make monthly payments

## Day 1 easements:

- traders will not be required to meet the CCG criteria when obtaining guarantees
- traders can still choose to apply for a CCG, as those with AEO C status can seek a reduction in the level of guarantee required to defer duty

# Special procedures - Day 1

**Current rules:** EU rules require a customs comprehensive guarantee (CCG) to obtain a full authorisation for a special procedure

## Day 1 easements

- traders will not be required to meet the CCG criteria or provide a financial guarantee for:
  - Inward processing
  - Outward processing
  - Temporary admission
  - Authorised use (a.k.a. end use)
  - Customs warehousing
- still need to meet criteria for the special procedure
- this policy will be monitored, and traders will be given 12 months' notice of changes

# How does the Common Transit Convention (CTC) work?



The **CTC allows movement of goods - under duty suspense** - between the 28 EU Member States and the European Free Trade Association countries (Iceland, Norway, Switzerland and Liechtenstein) plus Turkey, Republic of North Macedonia and Serbia.

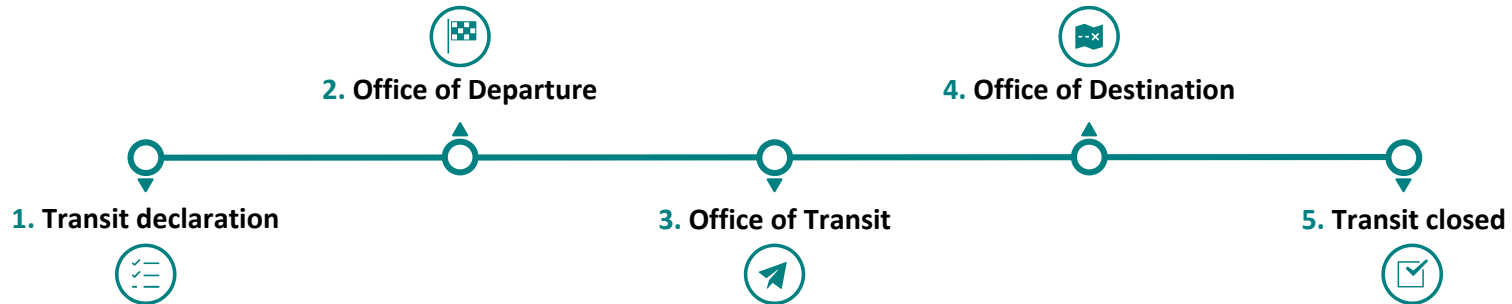


**UK has been invited to accede to CTC** as a separate contracting party when EU laws cease to apply to the UK (letter of invitation was December 2018).



The requirements to use CTC will remain unchanged. However, as the UK will be outside the EU Customs territory, **traders will need to have a Transit Accompanying Document (TAD) scanned** at the point of entry into the UK or other new customs territory.

# Transit and the Common Transit Convention (CTC)



1. The transit declaration is completed (including guarantee) using NCTS (the New Customs Transit System)
2. The goods are presented at the Office of Departure (or Authorised Consignor) and the Transit Accompanying Document (TAD) is printed off presented to the haulier and then the goods are released into transit.
3. At every border crossing into a new customs territory, the TAD and goods are presented at the Office of Transit (OoT functions can only be performed by Customs Officials).
4. At the final destination the goods and TAD are presented at the Office of Destination (or Authorised Consignee).
5. The transit movement is closed, the goods must be declared to another customs regime eg free circulation, temporary storage and the guarantee is released.

**The goods are tracked and messages are sent from the various offices using NCTS during the journey.**

# Transit guarantees

- To make transit movements a trader needs to provide a guarantee for the customs duties suspended during the movement. This can be an individual guarantee for a single movement or a Customs Comprehensive Guarantee (CCG) for multiple movements. To hold a CCG, a business needs to:
  - Satisfy HMRC's customs/compliance checks; and
  - Obtain a guarantee from an approved financial institution.
- An individual guarantee can include a guarantor undertaking from a bank or financial institution and a cash deposit.
- Guarantees can take several weeks to set up, so traders should contact their bank or insurer about this as soon as possible.
- The guarantee requirements are set by the Common Transit Convention.

# Simplified transit procedures

- Under the CTC, traders can apply for authorisation to use simplified transit procedures. The main types of authorisation are:

**Authorised Consignor Status** allows traders to declare goods to transit at their premises rather than an Office of Departure. Traders applying for this need to have a CCG.

**Authorised Consignee Status** allows traders to end transit movements at their premises rather than an Office of Destination. Traders applying for this generally need a temporary storage facility.

**HMRC is working to enable traders to be authorised as quickly as possible.**

# Key Actions for Businesses

Businesses who only trade with the EU need to act now to ensure that they are prepared in the event of a No Deal EU exit



Apply for an [EORI number](#)  
Consider registering for **TSP**



Confirm you can complete each **data field** in the Declaration



Agree responsibilities with your **customs agent and logistics provider** for each part of the process and update your contracts to reflect this



Identify **software** for submitting documents, if you do not use a customs agent

# Thank you

Contact details for HMRC Stakeholder team:  
[externalstakeholders.customs@hmrc.gov.uk](mailto:externalstakeholders.customs@hmrc.gov.uk)

Technical questions:  
[negotiationstechnical.customs@hmrc.gov.uk](mailto:negotiationstechnical.customs@hmrc.gov.uk)

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HM Government

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# Data flows and data protection after Brexit

Domestic Data Protection team - DCMS  
August 2019

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# The Basics: How data is protected today



UK data protection laws are aligned with the EU via the General Data Protection Regulation (GDPR).



GDPR and the Data Protection Act 2018 provide a framework for data protection.



GDPR sets out safeguards for the protection of personal data and gives data subjects rights.



The GDPR specifies when and how personal data can be transferred abroad.

# The UK's approach post-Brexit

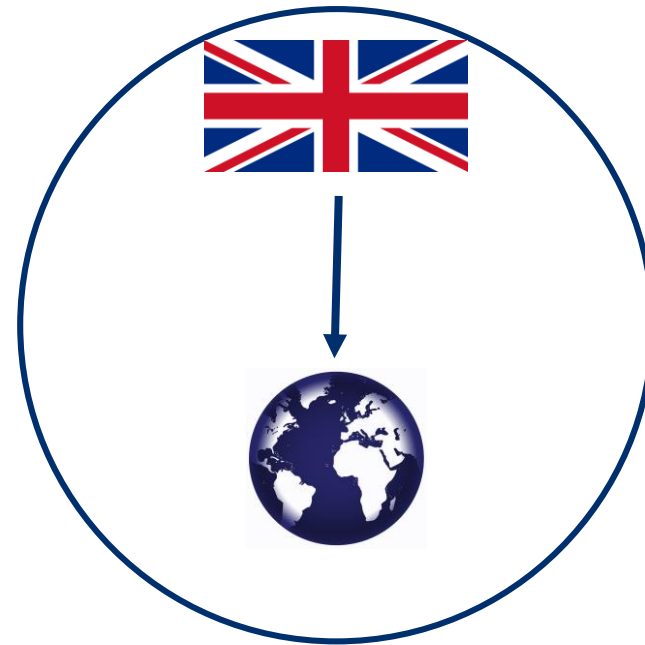
- **Continuity** - the UK is a global leader in strong data protection standards and protecting the privacy of individuals will continue to be a priority
- GDPR has been implemented into UK law: we will be fully aligned with the EU at the point of exit
- Our shared high standards of data protection will **underpin all areas of the future EU-UK relationship**

# Data transfers **from the UK** - *business as usual*



## **Transfers to EEA**

Personal data can continue to flow freely out from the UK without restrictions



## **Transfers to non-EEA, non- 'adequate' states**

Alternative mechanisms needed

# Transfers to the UK

## From the EEA:

- Without a deal, the UK becomes a *Third Country* under EU GDPR;
- The UK will seek 'adequacy decisions' from the EU, but we do not expect these to be concluded before we leave;
- Transfers from the EEA will become restricted and require additional safeguards;
- EU organisations will need to ensure their transfers are lawful and take additional steps.

## From existing (non-EEA) 'adequate' states:

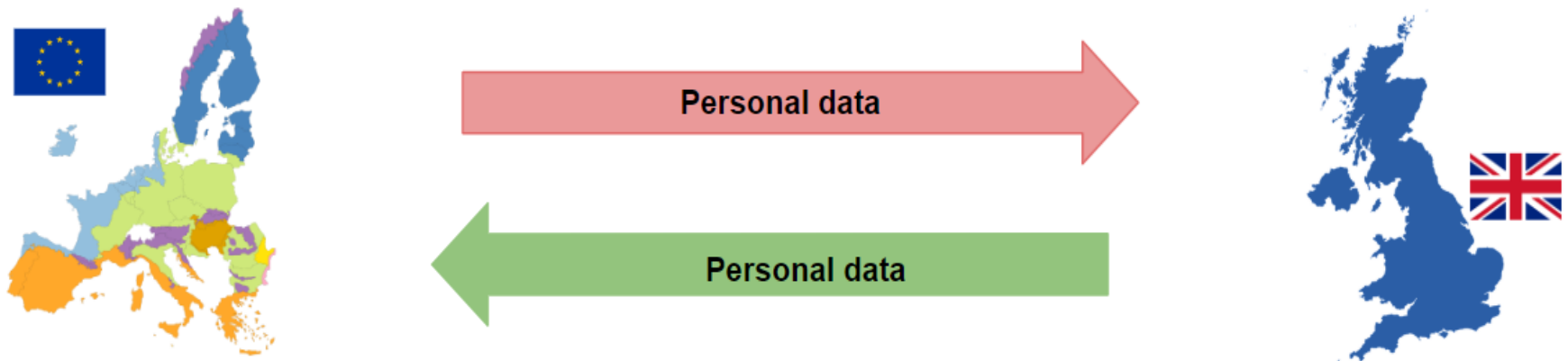
- 12 of the 13 relevant countries/territories have publicly announced that transfers will continue as before;
- You should contact their domestic data protection authorities for further guidance.

# Alternative mechanisms

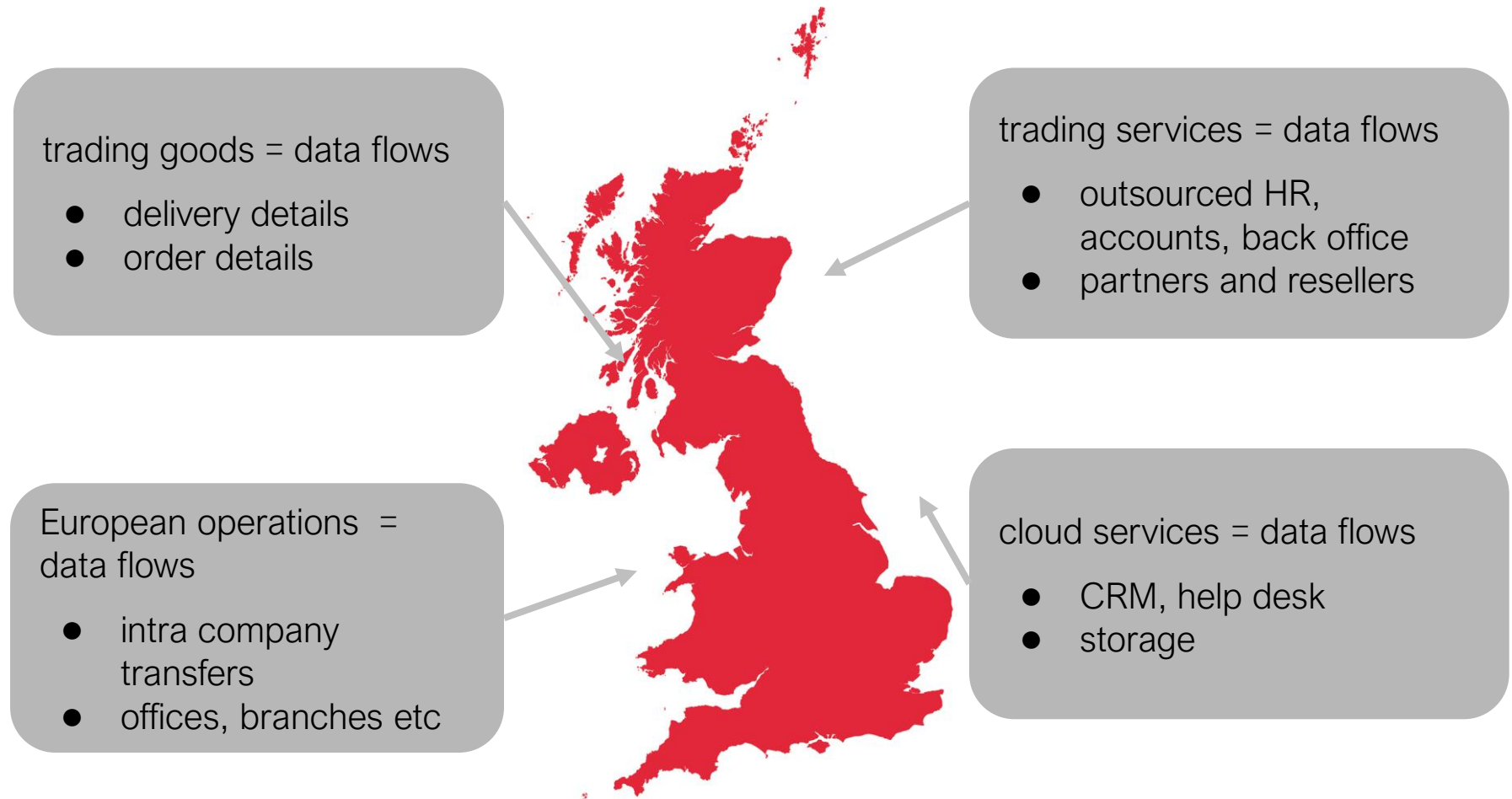
GDPR Chapter 5 contains provisions for the transfer of personal data to third countries or international organisations.

Provisions to allow for transfer of personal data include:

- Standard Contractual Clauses
- Binding Corporate Rules



# Identify your international personal data flows



# How to be data ready



1. Consult the Information Commissioner's guidance, particularly the '6 steps' checklist on what leaving the EU may mean for your organisation
1. Check [gov.uk/euexit](https://gov.uk/euexit) and European Data Protection Board guidance for further information
1. Where necessary seek advice specific to your organisation

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You may have further questions on these and other issues. Please visit [gov.uk/euexit](https://gov.uk/euexit) for more information

If you have questions about the Brexit Business Readiness forum, please contact [sed@beis.gov.uk](mailto:sed@beis.gov.uk)