No deal Brexit preparations

What is the Government doing to get ready for no deal?

Preparations for a no deal exit have been taking place since the referendum in 2016. The Government ramped up its preparations in summer 2018, when it started publishing a series of "technical notices" on how public bodies, businesses and individuals needed to prepare for no deal.

A key part of preparing for no deal is ensuring that the UK’s laws are up to date after we leave the EU.

Will there be any legal gaps in the event of no deal?

The Government passed the EU Withdrawal Act in 2018 to copy EU law into UK law after Brexit. However, the Government also needs to pass several more bills ahead of a no deal exit:

- The Trade Bill, giving the Government powers to “roll over” existing EU trade deals and establish the Trade Remedies Authority.
- The Agriculture Bill, to create a domestic agricultural regime.
- The Fisheries Bill, to create a domestic fisheries regime.
- The Immigration Bill, establishing the “settled status” regime for EU citizens living in the UK.
- The Healthcare (International Arrangements) Bill, to implement reciprocal healthcare agreements that the Government negotiates with other countries.
- The Financial Services Bill, to give the Government powers to implement future EU financial services regulations in the UK, in order to provide certainty for financial institutions.

The Government must also pass hundreds of statutory instruments. Many of these are uncontroversial, as they are simply removing references to EU institutions and other aspects of membership.

How much progress has the Government made on no deal preparation?

The Government has been reluctant to provide updates on how far it has got on preparing for no deal. A Government paper published in February 2019 said it was “on track for just over two-thirds of the most critical projects”. However, the report did not explain what those critical projects are, which ones are not on track, or what the Government is doing to get them back on track.

In February 2019, the National Audit Office (NAO) published an updated assessment of the Government’s preparations for the UK border in the case of a no deal exit. This found that the successful deliver of certain new IT systems needed for no deal is “in doubt”. It also found that Border Force has made significant progress on recruiting new staff needed to manage the border in the case of a no deal exit.

The Government also needs to put in place the new systems, staff and agreements with other countries that will be needed once the UK is no longer part of the EU framework. The table below gives more detail on each area of government business:

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<td>The UK has made a unilateral offer to EU citizens. Those in the UK on or before 29 March 2019 can gain settled status as they would if there was a deal - but there will be fewer rights for them in areas such as family reunification. The Home Office is putting in place a registration scheme for EU citizens who arrive after March 2019, which would in effect see EU citizens able to come to the UK as now for a period. The rights of UK citizens in EU countries are the responsibility of each individual member state.</td>
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There is no clarity over the UK’s approach to fishing quotas after Brexit.

**Health**

Maintaining medical supply chains

The Government will continue to accept EU-approved medicines and medical products. The EU has said that UK companies will need to re-register their medical products in the EU to continue to sell them in the Single Market.

The Government has asked pharmaceutical companies to build “buffer stocks” of key items to deal with any interruption to supply. It has also bought warehouse space and secured additional freight capacity for shipping medical goods to the UK. The Government believes that “if everyone... does what they need to do, the supply of medicines and medical products should be uninterrupted”.

**Transport**

Creating new databases, new infrastructure and ensuring cross-border travel continues uninterrupted

Increased border checks at EU ports will potentially cause traffic delays in Kent. Flights to the EU and many other countries around the world are governed by EU agreements, which the UK is working to renegotiate on its own behalf. UK hauliers and coach companies will no longer be able to serve the EU market.

The EU has said it will unilaterally allow some UK-EU flights to continue for 12 months after a no deal exit, subject to the UK reciprocating. It will also allow UK hauliers to serve the EU market until the end of 2019. If there is no deal by then, hauliers will fall back on a limited number of permits.

**Services**

Preparing for changes to regulatory regimes and terms of access to the EU market

The UK Government has committed to unilateral actions to minimise financial disruption in a no deal scenario, including a temporary permissions regime allowing EU financial services firms to continue operating in the UK for a limited period while seeking UK authorisation.

The EU has committed to a similar temporary permissions regime for some key financial services sectors, for a very short time, on a unilateral basis. For non-financial services like telecoms and broadcasting, firms may need to re-register their services in an EEA country.

**Energy and environment**

Creating a new nuclear safeguards regime, replacing other functions currently carried out by EU agencies

The UK will no longer be bound by EU regulations in these areas, making trade more complicated. It will also lose access to EU regulators and systems governing these areas. The Office for Nuclear Regulation will take over some EU functions and is in the process of procuring a new IT system, training new inspectors and has secured funding for its increased role.

The UK has promised a new environmental watchdog to replace EU functions. However, this will not be in place until 2021 at the earliest – so any complaints cannot be dealt with until then.

**Competition and data**

Securing an “adequacy” decision to allow data flows to continue, beefing up the Competition and Markets Authority

It will not be possible for organisations inside the EU to send personal data to the UK after a no deal Brexit, until its data protection regime has been found “adequate” by the European Commission. This process takes several months and cannot start until after the UK has left.

The Competition and Markets Authority is expanding to handle an increase in the volume and complexity of its cases, as it takes on the responsibilities of the European Commission in monitoring state aid and other competition policy in the UK.

**Law and justice**

Finding replacements for EU tools allowing cooperation in law enforcement

The UK cannot recreate the EU’s existing cooperation mechanisms on its own: it will have to rely on outdated or less secure methods to work with EU counterparts, as the EU’s tools are only for member states or countries with special agreements.

Sajid Javid, Home Secretary, wrote to his counterparts asking for contingencies to be in place – there has been no move from the EU to agree these.

**EU programmes and funds**

Replacing EU funding for research, infrastructure and agricultural subsidies, among other areas

The Government has guaranteed that UK beneficiaries of EU funds will continue to receive funding until the end of 2020 – this will be funded by HM Treasury. Many of the payment mechanisms exist already; it will just be the source of funding that changes.

**International agreements**

Replacing the UK’s access to the EU’s agreements with countries around the world
The Government has ‘rolled over’ trade agreements with a number of countries, including Switzerland, Chile and Israel, as well as agreements on aviation services with a number of key countries, including the US, Canada and Brazil, and nuclear agreements with partners including Australia and Canada.

However, we do not know how many agreements the Government is seeking to roll over and what, if any, concessions it is having to make to other countries to secure these rolled over agreements.

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**What are the devolved governments doing to prepare for no deal?**

The Scottish and Welsh governments have also been preparing for a no deal Brexit. The Scottish Government has warned of the impact of leaving with no deal and has made funds available for firms to adapt to post-Brexit trading circumstances. The Welsh Government has also produced a website setting out its preparations and providing advice to businesses on how they can prepare for no deal.

**How is the Government helping business prepare?**

Given all the new processes and systems that the Government will be setting up in the UK, there will be a lot of new British bureaucracy for businesses to deal with, including filling out customs declarations, changing labels on food products and getting export health checks for exports containing animal products. The Government has launched a communications campaign to alert businesses to actions they need to take ahead of a no deal exit. This includes letters from HMRC to businesses that will face new customs procedures and a website with information for businesses.

The Government’s February 2019 paper assessing the impact of no deal stated that “there is little evidence that businesses are preparing in earnest for a no deal scenario”.

For their part, businesses have criticised the Government for a lack of information about what they need to do to prepare for no deal. Key issues include the lack of warning of the UK tariff regime after a no deal exit and the Government’s plans for the border with Ireland. The Government has committed to provide further information on both of these issues.

**Update date:**

Friday, March 8, 2019

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Links

[2] http://twitter.com/intent/tweet?text=What%20are%20the%20world%20of%20%20%20%20%20%20%20%20%20%20%20%20%20%20%20%20%20%20%20%20%20%20%20%20%20%20%20%20%20%20%20%20%20%20%20%20%20%20%20%20%20%20%20%20%20%20%20%20%20%20%20%20%20%20%20%20%20%20%20%20%20%20%20%20%20%20%20%20%20%20%20%20%20%20%20%20%20%20%20%20%20%20%20%20%20%20%20%20%20%20%20%20%20%20%20%20%20%20%20%20%20%20%20%20%20%20%20%20%20%20%20%20%20%20%20%20%20%20%20%20%20%20%20%20%20%20%20%20%20%20%20%20%20%20%20%20%20%20%20%20%20%20%20%20%20%20%20%20%20%20%20%20%20%20%20%20%20%20%20%20%20%20%20%20%20%20%20%20%20%20%20%20%20%20%20%20%20%20%20%20%20%20%20%20%20%20%20%20%20%20%20%20%20%20%20%20%20%20%20%20%20%20%20%20%20%20%20%20%20%20%20%20%20%20%20%20%20%20%20%20%20%20%20%20%20%20%20%20%20%20%20%20%20%20%20%20%20%20%20%20%20%20%20%20%20%20%20%20%20%20%20%20%20%20%20%20%20%20%20%20%20%20%20%20%20%20%20%20%20%20%20%20%20%20%20%20%20%20%20%20%20%20%20%20%20%20%20%20%20%20%20%20%20%20%20%20%20%20%20%20%20%20%20%20%20%20%20%20%20%20%20%20%20%20%20%20%20%20%20%20%20%20%20%20%20%20%20%20%20%20%20%20%20%20%20%20%20%20%20%20%20%20%20%20%20%20%20%20%20%20%20%20%20%20%20%20%20%20%20%20%20%20%20%20%20%20%20%20%20%20%20%20%20%20%20%20%20%20%20%20%20%20%20%20%20%20%20%20%20%20%20%20%20%20%20%20%20%20%20%20%20%20%20%20%20%20%20%20%20%20%20%20%20%20%20%20%20%20%20%20%20%20%20%20%20%20%20%20%20%20%20%20%20%20%20%20%20%20%20%20%20%20%20%20%20%20%20%20%20%20%20%20%20%20%20%20%20%20%20%20%20%20%20%20%20%20%20%20%20%20%20%20%20%20%20%20%20%20%20%20%20%20%20%20%20%20%20%20%20%20%20%20%20%20%20%20%20%20%20%20%20%20%20%20%20%20%20%...