

NEWS BRIEF

Presented by Robison & Co Ltd

Government Releases Guidance for Possible 'No-deal' Brexit

As Brexit approaches on 29 March 2019, only seven months remain for the UK government and the EU to sign a withdrawal agreement, ratified by both the UK Parliament and European Parliament. Without a concrete agreement established under [Article 50](#) of the Lisbon Treaty, Brexit would result in a no-deal scenario, forcing the UK to leave the EU and become a third country without the proper framework in place for a future relationship between the separated entities.

Although the government [remains](#) confident that a deal will take place, it recently announced that the shrinking time frame calls for proper preparation for a no-deal scenario, publishing a series of articles and 25 technical notices containing industry-specific guidance. The publications highlighted several broad areas in which significant changes could result from a no-deal scenario, including the following:

- **Credit card crisis**—Last year, online shoppers suffered from hefty surcharges for purchasing goods with a credit card, debit card or through a digital service, such as PayPal. As a result, the government adopted EU rules to make these 'rip-off fees' illegal. However, the government stated that a no-deal scenario could cause such surcharges to return for UK consumers purchasing goods and services from the EU, which is a common practice. In addition, these transactions may take longer to process.
- **Medicinal hurdles**—Although the government stated that it would continue to accept new medicines that are tested in the EU, it also instructed pharmaceutical companies to stockpile an extra six weeks' worth of medicine, suggesting the potential for disrupted medicinal supply lines in the event

of a no-deal. This could result in the delay of vital drug distribution, such as insulin.

- **Produce problems**—An 'Armageddon' in agricultural trade is possible in the event of a no-deal, according to the National Farmers Union. Indeed, the government stated that such a scenario would call for organic foods to be certified by UK bodies prior to trade, which themselves have to be recognised by the EU. This process can take up to nine months, which would significantly hinder trade opportunities for Britain's organic farmers.
- **Business barriers**—The government stated that a no-deal scenario would make it more difficult for Britons travelling to EU countries, placing an extra inconvenience on business travellers. In addition, British businesses trading with the EU would need to plan for new customs checks and probably acquire new software or logistical aid. The Association of British Insurers also warned that Britons working in the EU could potentially lose access to their pensions.
- **Stopping scientific research**—In the event of a no-deal scenario, the government stated that the UK would no longer receive grants from the European Research Council, a vital programme for scientific discovery. This would prevent Britons from accessing the necessary funding to participate in crucial experimentation, including exploring vaccines against cancer and nuclear research.

More than anything, the government's recent publications emphasise its commitment to prioritise stability for citizens, consumers and businesses, as well as minimise disruptions to the economy as much as possible. For detailed, industry-specific guidance from the government on preparing for the no-deal scenario, click [here](#).

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