

Brexit business readiness – Top 10 Actions

New rules for businesses take effect following the end of the EU Transition Period on 1st January 2021. Is your business prepared? This checklist summarises the key actions businesses should take now.

The changes are significant and Scottish businesses must ensure they are ready for the new operating environment. They may affect most businesses in Scotland, whether or not they trade with the EU. Further information, advice and support is available on www.PrepareforBrexit.scot, the go-to site for Scotland's business readiness.

1. EU Exit planning

Use [GOV.UK's Brexit checker](https://www.gov.uk/brexit-checker) to identify the key changes affecting your business. Consider both the strategic and tactical implications of Brexit for your operations, now and in the future. Involve relevant staff to review the potential changes needed across all areas of the business. How can you access the right skills and talent? Are there new competitive opportunities you can explore e.g. new markets, strategic alliances, distributors or suppliers?

2. Trading with the EU

[Get support, including recruitment and training grants, to help you to submit the necessary customs declarations.](#) The process for [importing and exporting goods from the EU](#) has changed and traders now need to make arrangements to [submit customs declarations](#). Most businesses choose to hire a person or business to help with importing and exporting, such as a customs agent, freight forwarder or authorised Chamber of Commerce.

Check your goods meet the [rules of origin](#) to benefit from zero-tariff trade with the EU. To benefit from the zero tariffs and quotas you will need to demonstrate that your goods meet a minimum requirement for content coming from Scotland, the UK or the EU. If your goods don't qualify they may be subject to rates of duty set out in the EU Common External Tariff (for exports to the EU) and the UK Global Tariff (for imports). [Note that the requirement to provide a supplier's declaration when you claim preferential tariffs on EU trade is waived until 31 December 2021, but you will need to obtain it retrospectively].

Register with the free [Trader Support Service](#) if you trade with Northern Ireland, and the [Movement Assistance Scheme](#) for certain trade in agrifood products to Northern Ireland. The Trader Support Service will guide you through the changes for goods movements between Northern Ireland and Great Britain and can also complete declarations on your behalf.

3. Trading with third countries

Check if the UK has negotiated a trade agreement with the non-EU countries you will be trading with. Find out about [trade continuity agreements](#) the UK has signed and agreements that are still under discussion. Be aware that the terms of trade covered by certain EU trade agreements adopted by the UK (such as with Norway, Iceland and Switzerland) may have changed.

4. Supply chain and customers

Speak to your customers, distributors and suppliers to check that they are ready to comply with new rules. Identify if changes to supply chains are needed to meet [new EU-UK rules of origin requirements](#) and [consider identifying alternative suppliers](#) to help reduce risks to your business. Your customers may also have to make changes, such as taking on the formal role of importer or distributor for goods that require CE markings. Showing that you are actively managing any risks and opportunities will increase confidence among your customers and suppliers.

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5. Financial management

Stress-test your business so you can anticipate and adapt to changing costs. From staff recruitment to customs documentation and new rules on regulatory compliance, additional Brexit-related costs could affect businesses across supply chains. **Carry out cashflow projections and speak to your bank initially should you need flexibility for existing borrowing and any new borrowing requirements.**

6. People, workforce and skills

Consider registering as a licensed sponsor if you are likely to recruit staff from outside the UK. The right of free movement for UK and EU citizens to live, work and study in respective territories has ended and [the UK has introduced a points-based immigration system](#). Businesses recruiting staff from outside the UK, excluding Irish citizens, now need to seek permission and then [register as a licensed sponsor](#). This normally takes eight weeks and fees apply. Any EU/EEA/Swiss citizens you already employ can continue to live and work in the UK by [applying to the EU Settlement Scheme by 30 June 2021](#).

7. Sector-related regulatory changes

Identify regulatory changes for your products or service. These include [export health certificates for the food sector](#), [REACH for the chemicals and other manufacturing sectors](#) and [regulations for medical devices and clinical trials for the life science sector](#). Speak to your trade body for specialist advice.

[Get your qualifications recognised now by EU regulators so that you can practise or service clients in the EU.](#) **Businesses or professionals providing services in the EU or EFTA region will need to have UK professional qualifications officially recognised by the appropriate regulator for their profession in each country where they intend to work.** This applies even for providing short-term or occasional professional services. If you do not do this, you may be unable to continue to practice or service clients in the EU from 1 January 2020. There are different rules if you are a [lawyer](#) or an [auditor](#).

8. Product and other operational regulations

Make sure you take steps to change product labelling. The CE mark is being replaced by the [new UKCA \(UK Conformity Assessed\) mark](#) for goods being placed on the market in Great Britain. There is a grace period for most products when the CE mark can still be used until 1 January 2022. [Goods sold in the Northern Irish market](#) will also require the CE marking or UK(NI) mark. Products currently requiring a CE mark [will still need a CE mark](#) for sale in the EU. The UKCA mark will be not recognised on the EU market. Arrangements for [labelling food-related products](#) will change following the transition period.

Make sure you comply with new rules around product conformity assessment. Exporters to the EU will either need to apply for a new certificate, issued by an EU Notified Body, or arrange for the transfer of the file and certificate to an EU Notified Body. If businesses self-declare the conformity of their goods against the regulations they can continue to do so, but their EU based distributor will become an 'importer' from 1 January 2021. The importer will need to make sure:

- that the Declaration of Conformity (DoC) is signed by an EU authorised representative and their details are marked or supplied where this is required by the directives
- the correct conformity assessment procedures have been carried out and that goods have the correct conformity markings.

9. Data, IP and legal contracts

Businesses and organisations that [receive personal or customer data from the EU/EEA](#) should be aware that the UK and EU have agreed a time-limited bridging mechanism for up to six months which will allow personal data to continue to flow while the EU continues to assess whether the UK will be granted data adequacy. This will be relevant to customer information from an EU/EEA company, such as names and addresses of customers, suppliers and partners. As a sensible precaution businesses and other

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organisations should consider putting in place alternative transfer mechanisms (such as inserting [new standard contractual clauses](#)) to safeguard against any interruption to the free flow of personal information. Transfers of personal data from the UK to EU/EEA will not be affected.

10. Business travel in the EU

Know the rules for working in EU countries after 1 January 2021. If you travel to the EU for work purposes you may need a [visa or work permit](#), or additional documents depending on your business activities. You should also [check your passport remains valid](#) for at least six months. This applies to anyone travelling to the EU for work purposes, for example, professional and business services, manufacturing, charities or the arts.

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