



Rialtas na hÉireann  
Government of Ireland



**Preparing for the withdrawal of the  
United Kingdom from the  
European Union on 29 March 2019**  
**Contingency Action Plan**

December 2018

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# **GOVERNMENT'S APPROACH ON NO DEAL BREXIT PLANNING: WITHDRAWAL OF THE UNITED KINGDOM FROM THE EUROPEAN UNION ON 29 MARCH 2019**

The Government regrets that as yet the Withdrawal Agreement agreed between the EU, including Ireland, and the United Kingdom (UK) has not been approved by the British Parliament. It continues to believe that it represents the best option for both the UK and the EU.

The Government recognises that, given the proximity of the formal date for UK exit from the EU of 29 March 2019, the prospect of a no deal Brexit is very real.

However the UK can avoid leaving the EU without a deal on 29 March next in a number of ways. This is, of course, ultimately a matter for the British Government and Parliament.

For its part, the Irish Government remains committed to working with our EU partners and institutions in turn and with the British Government to reach an agreed outcome.

In planning for the real possibility of a no deal Brexit, the Government's approach will continue to be guided by the same priorities:

- ensuring the best possible outcome for trade and the economy
- the protection of the peace process and the Good Friday Agreement, including the principle of consent and there being no Hard Border
- the continuation of the Common Travel Area
- our continued commitment to our place at the heart of the European Union

The Withdrawal Agreement and Political Declaration meet those objectives. They represent a balanced outcome for Ireland, North and South, for the UK as a whole, and for the EU as a whole. That is why achieving approval for those agreements between the EU and the UK remains our primary focus.

In the event that there is a no deal Brexit, while the context will be very different, our objectives will remain the same.

### **NO DEAL PLANNING BY THE GOVERNMENT**

Since before the Brexit referendum took place, the Government has been preparing for every eventuality.

At the Government meeting in Derrynane, Co Kerry, in July 2018 it was agreed that a central case scenario be used by all Government Departments and agencies for planning purposes.

The Withdrawal Agreement and Political Declaration, which were subsequently agreed in November, are broadly in line with that scenario. Accordingly, the central case scenario remains a valid basis for future planning and action to deal with Brexit.

At its Derrynane meeting, the Government also decided to step up contingency planning for a no deal Brexit. Since then, the Government has continued to assess and plan for the impact of a no deal Brexit.

The challenges posed by a no deal Brexit require an understanding of the same issues as for an orderly Brexit, although of course they arise in a very different context and in a much shorter timeframe. In many significant ways, a no deal Brexit would pose unique, unprecedented and extremely difficult challenges for the EU, including Ireland, and especially the UK.

### **IN A NO DEAL SCENARIO:**

- the UK would be a third country as of 29 March 2019

- the UK would, therefore, no longer be represented in Union institutions, agencies, bodies and offices, and the terms of the transition period, as provided for in the draft Withdrawal Agreement, would not come into effect
- the UK would be outside the *acquis* (all existing Union regulatory, budgetary, supervisory, judiciary and enforcement instruments and structures would cease to apply, including the competence of the Court of Justice of the European Union)
- contingency actions would be taken by the European Commission in a limited number of areas including citizens' rights, financial services, air transport, road transport, customs and climate policy, among others

A no deal Brexit would require an immediate focus on crisis management and possible temporary solutions (political, economic, administrative, legislative and communication), which would be rapidly implemented until the necessary longer-term adjustments are in place.

For Ireland, a no deal Brexit would potentially involve severe macroeconomic, trade and sectoral impacts. Grappling with the enormous range of impacts both in the immediate short term and in the longer term will involve difficult and significant choices of a practical, strategic and political nature.

#### **THE ECONOMIC AND FISCAL IMPACT OF A NO DEAL BREXIT**

Due to the close economic, highly integrated and concentrated nature of the trading relationship with the UK, amongst all Member States Ireland could be the most adversely affected by the UK's withdrawal from the EU and to the greatest extent in a no deal scenario.

The potential impact has been set out in a number of Government publications, including the National Risk Assessment published by the Taoiseach, the Budget 2019 documentation and other publications from the Minister for Finance and Public Expenditure and Reform, and the Copenhagen

Economics report “Ireland and the Impacts of Brexit” published by the Minister for Business, Enterprise and Innovation.

The primary channel through which Brexit’s economic effects would emerge would be through application of WTO tariffs and regulatory divergence (non-tariff barriers). These could affect supply chains and the cost and/or availability of imports from the UK.

A further fall in the value of Sterling would impact on the competitiveness of Irish businesses, while a deterioration in economic conditions in Britain could impact on exports.

Whilst Brexit’s potential macro-economy impacts dominate headlines, Brexit has the potential to impact every element of economic functionality: trade flows, supply chains, economic and business operations, the labour market and consumer confidence and spending.

There would be particular pressures on certain sectors, such as agri-food, fisheries, aviation and road transport, pharma-chemicals, electrical machinery, retail and wholesale business. The economic impact is also likely to be greater in certain regions – especially the border region – and on smaller businesses that are more dependent on trade with Britain and Northern Ireland.

A no deal Brexit would have negative consequences for Irish growth, both in the short and long run, relative to a no-Brexit scenario.

That is why the Government’s budgetary strategy aims to make the economy more resilient through creation of fiscal capacity, balancing the books, investing in capital infrastructure, providing dedicated loan funds for affected businesses and building resilience to larger economic shocks through the ‘Rainy Day’ fund.

Under adverse macroeconomic scenarios, an increase in exchequer borrowing and other measures might be required. The National Treasury Management Agency (NTMA) continues to keep its dealing and legal



infrastructure under review, and remain confident that sufficient coverage remains in a no deal scenario.

The Central Bank continues to monitor developments and to plan for all eventualities so that financial stability is maintained.

A no deal Brexit would be an exceptional economic event which would be met with exceptional measures to support the continued operation of the Irish economy and our international trading links.

This response would be executed in close co-operation with our EU partners, other Member States and the EU institutions.

## **SECURITY**

As Britain's nearest neighbour, Ireland would be seriously impacted by the sudden changes to the arrangements for security co-operation under a no deal scenario.

The British Government has indicated its concern about a range of no deal impacts in this area. These include no agreement on the security aspects of the withdrawal or future relationship with the EU, no access to EU databases or networks, no agreements with EU bodies, no application of EU law, no EU-based operational co-operation, no access to data on DNA, fingerprints, vehicles, criminal records, wanted persons or airline passengers, lapsed membership of EUROPOL and EUROJUST, the unavailability of European Arrest Warrants and no access to classified EU information as a third country.

There will also be a need to try to ensure continued EU-UK co-operation on cyber security, civil protection, illegal migration, health security, countering terrorism and violent extremism.

Needless to say, all of these issues are even more pressing in the context of the island of Ireland.

## **NORTHERN IRELAND AND NORTH/SOUTH RELATIONS**

In the absence of a Withdrawal Agreement, there would inevitably be questions over the protections offered by the Good Friday Agreement and to the rights and benefits enjoyed by the people of Northern Ireland.

This includes both fundamental rights of citizens and also rights and entitlements associated with EU citizenship, such as the European Health Insurance Card, all the rights recognition of qualifications, access to higher education, ERASMUS, enforcement of civil law actions.

There would also be important gaps in the current arrangements for co-operation in policing and justice area which would have to be addressed – notably the absence of the European Arrest Warrant arrangements for extradition.

There would also be a need for action to ensure the continuation of the areas of North/South co-operation identified in the joint EU-UK mapping exercise. These include essential issues such as the co-operation in health, agriculture, environment, telecommunications, inland waterways, the Single Electricity Market and EU funding.

For Northern Ireland businesses and farmers, the prospect of operating outside the EU with no deal would be extremely serious. The Government would try to mitigate the effects to the extent possible, while recognising that this will be primarily a matter for the British Government and the Northern Ireland authorities.

The commitment of the Government throughout the Brexit process to preventing the re-emergence of a hard border on the island of Ireland remains

of the highest priority. The focus of the Government is on ensuring ratification of the Withdrawal Agreement and its backstop provisions.

## **BRITAIN AND EAST/WEST RELATIONS**

It is difficult to assess the full scale of the impact of a no deal Brexit on the British economy and British society. However, there is no doubt that there would be a very significant adverse economic and social impact and that Ireland would also suffer considerably in that context.

The Irish Government would work with the British Government, as a member of the EU27 but also as a neighbour and close friend, to seek to minimise the economic and social disruption. However, we are under no illusions as to the difficulties that would arise or the challenges involved in addressing them

These would include issues such as aviation, road haulage, delays within the UK and on ferries, the introduction of tariff and non-tariff barriers, the need for customs controls and checks on food, plant and animal products, the related need for additional storage capacity, issues relating to excise and VAT, issues relating to the provision of financial services and the status of contracts, ensuring the supplies of medicine and medical equipment, and difficulties with cross-border manufacturing supply chains.

There would also be significant issues for citizens' rights, free movement of people, labour and skills shortages, and provision of cross-border public services that would have to be tackled by all the relevant parties.

While the movement of business and of people out of the UK, which has already occurred to a certain extent, may present economic opportunities for Ireland, there is also a likelihood that it would accelerate and place further strains on Ireland's infrastructure - for example, this could put further pressure on already tight labour and housing markets and on public services in Ireland.

## NEXT STEPS

### *Ireland's Response as Part of the EU27*

The proposed approach at EU wide level will be essential in managing important sectors in areas of EU competency and regulated at an EU level.

Ireland has engaged actively with the European Commission on Brexit preparedness issues. Along with all other EU27 Member States, the Government has participated in discussions dealing with a range of issues including financial services, transport, citizens' rights and social security, professional qualifications, customs and border controls, taxation, fisheries, climate and the environment, industrial goods, police and judicial co-operation, data protection and digital and telecommunications.

Government officials have also held bilateral discussions with the EU institutions on issues that are particular priorities for Ireland – for example, the landbridge, road haulage, controls at ports and airports, energy, medicines and data.

Discussions have also been held with those Member States that will be most strongly impacted by a no deal Brexit, notably those geographically close to the UK.

To date, the European Commission has published 81 stakeholder notices to assist citizens and businesses in EU Member States, including Ireland, to prepare for Brexit.

It has also published a number of communications about contingency planning, most recently on 13 November and 19 December 2018.

Ireland will continue its close dialogue with the Commission to ensure maximum scope.

In its communication of 13 November 2018, the Commission clearly stated that it stands ready to engage with the Member States that will be most affected by a no deal withdrawal and in particular to support Ireland in addressing the specific challenges of Irish businesses. On 19 December 2018, a commitment was provided to ensure that current EU programmes, PEACE and INTERREG operating on an all-island basis will be protected.

## **IRELAND'S DOMESTIC RESPONSE**

All Departments have drawn up sector specific plans identifying major challenges associated with a no deal Brexit and associated mitigation approaches. Work is progressing where possible at a technical level and has been ramped up, but without prejudice to securing agreement on a Withdrawal Agreement.

In their sectoral no deal plans, Departments have identified issues and associated actions that will need to be implemented to address or mitigate the impact of a no deal Brexit.

To date, these plans have identified some 45 issues that will require legislative changes that may be required in domestic law through both primary and secondary legislation. A committee of senior officials is drawing up proposals for the drafting and enactment of the necessary emergency legislation. This will be considered by the Government early in the New Year before being presented to the Dáil.

The Government will work very closely with all Opposition parties and Oireachtas members in this regard.

The Spring Legislative Programme is currently being prepared for presentation to the Dáil in January in the usual way. However, if it is judged that a no deal Brexit is likely, it will probably be necessary to use all available parliamentary legislation time to deal with the necessary legislation. The Government Chief Whip has therefore also asked all Ministers to identify their non-Brexit

legislation that is absolutely essential for enactment before the end of March 2019 so that the parliamentary schedule can be planned accordingly.

The Government has been running a significant national and regional communications campaign called “Getting Ireland Brexit Ready”. This campaign will continue into 2019 and it will be adjusted to reflect the specific implications of a no deal Brexit, as necessary and reflecting the need to react in a measured manner to an evolving political and economic situation.

The Government will also continue to engage with all sections of society and all stakeholders, including through the Brexit Stakeholder Forum, the All-Island Civic Dialogue and through engagement by individual Departments and agencies. For example, the Minister for Business, Enterprise and Innovation met recently with representatives of the retail, wholesale and distribution sector to discuss Brexit contingency planning.

At its meeting on 11 December 2018, the Government decided to give greater immediate priority to the preparations for a no deal Brexit. Following that decision, new processes are being put in place across Government to give equal priority to no deal planning and Central Case planning. This will be co-ordinated by the Department of the Taoiseach and involve all Government Departments and agencies.

Given the proximity of the date of Brexit, it is now necessary in some cases to move from contingency planning to taking actions to mitigate the consequences of a no deal Brexit.

The Government will continue to monitor developments and to take appropriate actions. An additional meeting has been scheduled for 3 January 2019 to discuss the increasing risks around a no deal scenario.

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## CONTEXT AND STRUCTURES

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## 1. Overview

A no deal Brexit would mean that on 29 March 2019 the UK's status under EU law would change from that of an EU Member State to that of a third country with no trade or cooperation agreements in place with the EU. The transition period, as provided for in the Withdrawal Agreement, would not apply. The UK would be outside the Single Market and the Customs Union and would no longer be part of the framework of EU law, known as the EU acquis.

A no deal Brexit would be highly disruptive and would have profound political, economic and legal implications for Ireland, the rest of the EU and, most significantly for the UK itself. It is not the outcome we want and our focus continues to be on securing ratification of the Withdrawal Agreement. Nevertheless, it is prudent at this stage to accelerate preparations for a no deal Brexit.

We have been planning for all Brexit scenarios but in light of the uncertainties in London and the Brexit deadline of 29 March, the Government at its meeting of 11 December decided that immediate priority must now be given to preparations for a no deal Brexit and that Government Departments and state agencies should urgently take forward all necessary work on that basis.



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## 2. Brexit Planning and Action Structures

Extensive Brexit preparedness and contingency planning has already been undertaken across Government since the Brexit referendum in the UK. In the immediate aftermath of the referendum in 2016, a contingency framework was published, identifying key policy issues to be managed by Government Departments arising from the referendum vote in the UK to leave the EU.

The Contingency Framework was central to the development of Ireland's position in the negotiations on the Withdrawal Agreement and also served as guidance for the further work which has been underway across all Departments and Agencies since then to prepare for the UK's exit from the EU.

This work is managed through a range of Inter-Departmental engagements chaired and co-ordinated by the Department of Foreign Affairs and Trade and through EU-level engagements. These range from political discussions at the highest level during Cabinet meetings, to granular Management Board consideration of issues and approaches in each Department and sectoral area. The work also includes horizontal considerations from the large number of research reports commissioned and published on the possible impacts of a range of Brexit scenarios on Ireland to the more day-to-day discussions at weekly meetings of Brexit co-ordinators across the whole of Government.

In addition to this ongoing work, since July 2018 the Government has taken a number of key decisions based on Brexit preparedness. These decisions were based on a central case scenario<sup>1</sup>, and as recently as 26 November all Departments provided updated action plans addressing both the central case and no deal Brexit scenarios. **The shift to preparing for a no deal Brexit will require the acceleration of certain measures already identified and**

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<sup>1</sup> The 'central case' scenario is based on the agreement of the Withdrawal Agreement, including transition period until 31 December 2020, the implementation of the Protocol on Ireland and Northern Ireland and a Free Trade 'Plus' Agreement.

**underway, the putting in place of possible temporary solutions which can be rapidly implemented and potential crisis response measures.**

**This contingency action plan is designed to provide a first public update on key issues in the context of a no deal Brexit, building on the detailed and comprehensive work underway. This will be part of an ongoing process of public updates to take place over the coming months. Another update will be made public in January 2019.**

Addressing the challenges of a no deal Brexit takes place at a number of levels and requires **responses at the EU level, responses by Government and responses by businesses and affected sectors**. It is only by working together nationally and with our partners in the EU that we can aim to mitigate the impacts of a no deal Brexit and ensure that we are prepared to the greatest extent possible.

However, we must recognise that a no deal Brexit will be disruptive and will potentially have severe macroeconomic and trade impacts. Reports commissioned by the Government and undertaken by the ESRI/Department of Finance and by Copenhagen Economics provide extensive evidence to demonstrate that the macroeconomic and trade implications for Ireland of a no deal Brexit would be pronounced.

Our membership of the EU with all the stability and solidarity it brings are central to our planning and preparations. Ireland **will not be** in the same situation as the UK in the event of a no deal Brexit – we will continue to enjoy the benefits of EU membership, including the regulatory and legal certainty that it brings.

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## 3. Stakeholder Engagement

Engagement with stakeholders is a key pillar of the Government's overall response to Brexit. Ongoing consultation has been instrumental in identifying priority issues, both in terms of Ireland's approach to the negotiations as well as shaping the domestic response. The Government's outreach to stakeholders will also increasingly focus on preparing businesses and citizens for the practical implications of Brexit, building on the efforts already underway in this regard.

In addition to the regular and detailed interactions that Government Ministers and their officials have with businesses and stakeholders relevant to their respective portfolios, a number of dedicated consultation forums have been established within the context of Brexit.

A major initiative in this regard has been the **All-Island Civic Dialogue on Brexit**, which was established in November 2016. Within the framework of the All-Island Civic Dialogue, four plenary dialogues and twenty sectoral dialogues have taken place to date in locations across the country, involving over 1,500 representatives from a range of industry and civil society groups.

The Tánaiste established the **Brexit Stakeholder Forum** in September 2017, which has met fourteen times since then, with a view to facilitating a regular and focused dialogue involving State Agencies, business and sectoral representative groups, political spokespersons and other relevant experts.

The Department of Business, Enterprise and Innovation convenes an **Enterprise Forum on Brexit and Global Challenges** every six to eight weeks, and has established a **Brexit Coordination Group** to discuss Brexit impact and mitigation measures in relation to trade, investment, innovation, standards and regulation. Brexit is also a standing item on the agenda of the **Retail Consultation Forum**, which provides a platform for structured engagement between the retail sector and relevant Government Departments. The Department of Transport, Tourism and Sport regularly convenes meetings of the **Maritime Stakeholders Forum** and the **National Civic Aviation**

**Development Forum. The Stakeholders Consultative Committee on Brexit** established by the Minister for Agriculture, Food and the Marine has met nine times.

The Government launched the ***Getting Ireland Brexit Ready*** public information and outreach campaign in September 2018, including a comprehensive website ([www.dfa.ie/brexit](http://www.dfa.ie/brexit)) bringing together information on all of the work taking place across Government on Brexit, and a dedicated social media presence. Over 2,500 people attended the *Getting Ireland Brexit Ready* public outreach events held throughout October and November in Cork, Galway, Limerick, Dublin, Letterkenny and Monaghan. This campaign will continue into 2019 and will continue to communicate established and evolving information on all aspects of Brexit, including a no deal scenario.

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## **CONTINGENCY PLANNING: SECTORS AND KEY ISSUES**

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## 4. EU Level Policy and Regulatory Response and Engagement

Many of the actions aimed at mitigating the effects of a no deal outcome will be taken at the EU level as they involve areas of EU competence and sectors regulated by EU law. The EU has already published 81 sectoral notices with detailed guidance on planning for a no deal Brexit. These contain important information and guidance across a range of sectors and are a source of advice for operators, businesses and regulators. They are listed (and linked) in Annex 2.

Much of the contingency work taking place at the EU level is in the context of efforts to make regulatory provision for the gaps that would inevitably result from a no deal Brexit and to ensure that there is minimal disruption for EU citizens and industry. In a no deal scenario, the Commission envisages a limited number of time-limited contingency measures to mitigate significant disruptions in a number of defined areas. These disruptions will differ from one sector to another and also among the EU27 Member States.

On 13 November 2018 the Commission published a Contingency Action Plan – Preparing for the UK withdrawal from the EU on 30 March 2019, which highlights key issues in the areas of citizens, financial services, air transport, road transport, customs, sanitary/phytosanitary requirements, personal data and EU climate policy. The European Commission emphasises that it stands ready to engage with the Member States that will be most affected by a no deal withdrawal and expressly states that “the Commission will support Ireland in finding solutions addressing the specific challenges of Irish businesses.

In its communication on 19 December 2018, the European Commission adopted a package of contingency measures preparing for a possible no deal withdrawal of the United Kingdom from the European Union on 30 March 2019. The package consists of a Communication "Implementing the Commission's Contingency Action Plan", five legislative proposals, four

delegated acts, four implementing acts and one Commission Decision. The full Commission communication is provided in Annex 1 to this document.

The Commission will continue to implement its Contingency Action Plan in the weeks to come, in very close cooperation with the European Parliament, the Council and the Member States.

As part of the planning and work at EU level a series of expert preparedness meetings involving officials from all Member States and the Commission are underway and will continue to take place through December and into January. These detailed sessions deal with everything from aviation and customs to financial services and citizens' rights (see Annex 3).

Ireland is in ongoing close bilateral contact with the Brexit Preparedness Group in the European Commission and with other seriously affected Member States, who will face many similar challenges to us after Brexit. Most recently a team of senior officials from the Department of the Taoiseach and the Department of Foreign Affairs and Trade met with the Commission Preparedness Group on 30 November 2018 to discuss issues of particular concern and impact for Ireland. Teams of officials from a range of Government Departments have travelled to France and the Netherlands to meet their counterparts and discuss Brexit Preparedness and Contingency Planning. In addition, there have been consultations with Belgium, Spain and Greece. Ireland's embassies in all EU countries also monitor developments there on preparedness. A number of countries have followed Irish best practice in respect of preparedness and engagement with business.

The Commission is also working with relevant European agencies. Given the specific circumstances in the aviation sector, for example, the Commission has invited the European Aviation Safety Agency (EASA) to start processing certain applications from UK entities in preparation for the time when the UK will not be a Member State. The European Medicines Agency (EMA) has conducted several surveys and, where necessary, has contacted holders of

EU marketing authorisations to recall the need to take the necessary preparedness measures.



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## 5. Preparing our Ports and Airports for a no deal Brexit

In the case of a no deal scenario, goods entering the EU from the UK will be treated as imports from a third country and goods leaving the EU to the UK will be treated as exports. All relevant EU legislation on imported goods and exported goods will apply, including the levy of certain duties and taxes (such as customs duties, value added tax and excise on importation), in accordance with EU commitments under the rules of the World Trade Organisation. The need for customs declarations to be presented to customs authorities, and the possibility to control shipments will also apply sanitary and phytosanitary (SPS) requirements for third countries will also come into effect.

The Government is committed to working with the European Commission and our EU partners to ensure that any potential disruption to connectivity as a result of necessary additional checks and controls is kept to a minimum. At the same time, Ireland is committed to protecting the integrity of the Single Market and Customs Union, membership of which is a core element of our economic strategy and has been good for Irish business.

Since the early summer an interdepartmental group has been meeting to prepare the measures required at ports and airports as a result of the UK leaving the EU on 29 March 2019. This has included the staffing, IT, infrastructural and operational requirements at Dublin Port, Rosslare Europort and Dublin Airport.

The Government discussed and made decisions relating to Brexit preparedness and contingency planning in July and again in September 2018, including the phased recruitment of the staff required. At the September meeting the Government agreed that OPW should undertake intensified engagement with relevant stakeholders to ensure coordinated planning for the additional infrastructure requirements at the ports and airports, with a view to ensuring that the necessary additional infrastructure became operational in a timely manner.

Initially the focus of this work was on the central case scenario, in which a Withdrawal Agreement was concluded between the EU and the UK, but this has been extended to include the scenario in which the UK leaves with no agreement.

ICT systems across Revenue, Department of Agriculture, Food and the Marine and the HSE Environmental Health Service will need to be enhanced to deal with the increased volume of documents and requests for clearance. An initial provision of just over €3m is already allocated to address ICT hardware and software requirements. Further phased steps are planned to upgrade and improve relevant ICT systems and infrastructure.

OPW, working with key stakeholders, are progressing arrangements for new customs and sanitary and phytosanitary (SPS) requirements at ports.

At Dublin Port, the following requirements are being progressed by the OPW and provision is being made for infrastructure including:

- 33 inspection bays for trucks coming off ships.
- Parking for 270 trucks to ensure that trucks awaiting inspection do not halt other port traffic.
- A dedicated Border Control Post (BCP) for live animals;
- A public office with 8 counters/hatches and accommodation for staff;
- Office accommodation for an additional 144 staff will be required within the port area; and
- A new traffic management system will be developed in conjunction with Dublin Port, to manage traffic to/from ferries.

At Rosslare Europort, provision is being made for infrastructure including:

- 13 inspection bays for trucks coming off ships;
- Parking for 35 trucks;

- A dedicated BCP for live animals;
- A public office with 6 counters / hatches and accommodation for staff.

In the case of Dublin Airport, detailed design work has already been carried out on additional facilities at Dublin Airport and discussions are underway with the Dublin Airport Authority (DAA) to develop a suitable location for these facilities. A BCP is required for Veterinary, Forestry, and SPS checks. This will include 7 inspection rooms as well as ambient, chilled and freezer storage areas. In addition, a public reception, office accommodation and ancillary facilities are required for 20 staff.

The above outlines the full suite of requirements to meet new customs and SPS controls and checks. As an interim measure detailed scoping work is also underway in respect of options for a temporary approach in a no deal scenario at the above locations. This includes the identification of additional physical capacity at ports and airports for a no deal scenario, for example, at Dublin Port, a temporary site has been identified for urgent adaptation and fit out for a no deal Brexit.

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## 6. Staffing

Government has already sanctioned €4m for the commencement of a phased process for the recruitment of additional staff to carry out the greatly increased volumes of import controls and export certification arising from Brexit. After launching a recruitment campaign in September 2018 and receiving over 3000 applications, Revenue has indicated that it will have 200 new staff trained and in place by end-March 2019 and can further speed up the recruitment process to be ready for 29 March 2019. Revenue is considering the various measures that may need to be deployed should additional staff be required in a no deal scenario. Such measures would include an acceleration of interdepartmental and open recruitment, and the redeployment, on an interim basis, of existing staff.

The Department of Agriculture, Food and the Marine is implementing the steps necessary to facilitate potentially increased SPS controls, which in turn will require staffing, infrastructural and ICT requirements to be addressed at ports and airports. The first phase of this process, the recruitment of staff anticipated for 2019, is currently being put in place. In addition to the sanctioned recruitment, the Department will consider redeployment of existing staff in a no deal scenario, using models such as those put in place for the response to Foot and Mouth Disease. A new Environmental Health Officer Panel is scheduled to be in place by February 2019 and can be deployed rapidly in a no deal Brexit scenario.

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## 7. Legislation

At a national level intensive work has been undertaken across Government to screen all Irish legislation currently in force to identify areas where legislative amendments will or may be required in the context of a no deal Brexit. A committee of senior officials is drawing up proposals for the drafting and enactment of the necessary emergency legislation with the involvement of the Office of the Parliamentary Counsel and Advisory Counsel attending along with the Cabinet Secretariat and Parliamentary Liaison Unit in the Department of the Taoiseach.

The specific areas requiring legislation have been identified by the relevant line Departments. It is proposed that legislation across different sectors be grouped into a small number of omnibus Bills in order to assist with the speed of their transition through the Houses. The Bills will be focused around the broad themes of protecting the citizen, and supporting the economy, enterprise and jobs. Amendments to the Interpretation Act 2005, which would be required in the event of an orderly Brexit with a transition period, will also be prepared.

These will be considered by the Government early in the New Year before being presented to the Dáil. The Government will work very closely with all Opposition parties and Oireachtas members in this regard.

The Spring Legislation Programme is being prepared for presentation to the Dáil in January in the usual way. However, if it is judged that a no deal Brexit is likely, it will probably be necessary to use all available parliamentary legislation time to deal with the necessary legislation. The Government Chief Whip has therefore also asked all Ministers to identify their non-Brexit legislation that is absolutely essential for enactment before the end of March 2019 so that the parliamentary schedule can be planned accordingly. The work on primary legislation will be complemented by responses in secondary legislation through the adoption of a range of Statutory Instruments.

Primary legislation is likely to be required in the following areas:

- Healthcare Arrangements
- Health Insurance
- Sea-Fisheries and Maritime Jurisdiction
- European Investment Fund Agreement
- Industrial Development
- Single Electricity Market
- Broadcasting
- Student Support
- Finance and Financial Services matters
- European Parliament Elections
- Housing Provision
- European Communities (Environmental Assessment of Certain Plans and Programmes)
- Data
- International Protection
- Railway Safety
- Public Transport Regulation
- Social Security
- Protection of Employees (Employers' Insolvency)
- Social Welfare
- Copyright and Related Rights

Secondary legislation is likely to be required in the following areas:

- Medicinal Products and related matters
- Health Insurance
- Sea-Fisheries and Maritime Jurisdiction
- Advance Notification Requirement for Imports
- Pet Movement
- General Export Authorisation Regulations
- Safety, Health and Welfare at Work (Construction) Regulations
- Companies Act
- Single Electricity Market

- EU Fluorinated Greenhouse Gases
- Student Support
- Recognition of UK Qualifications
- Justice and Security
- Data
- Regulation of Railways
- Train Driver Certification
- Road Traffic Driving Licences
- Road Vehicles Type-approval
- Ship Inspection and Survey Organisations
- Social Security
- Copyright and Related Rights
- Interpretation Act

At the **EU level** the European Commission has screened all of the existing rules under EU law to determine which rules must be adapted in any Brexit scenario and which measures will have to be put in place only in the case of a no deal scenario. As a result of this screening, the Commission has tabled fourteen legislative preparedness proposals for measures that must be adopted irrespective of whether the UK's withdrawal is orderly or otherwise. Examples include adjustments to the rules of approval of automotive vehicles or in relation to ship inspections, and the apportionment between the UK and the EU27 of tariff rate quotas included in the goods schedule of the EU at the World Trade Organisation.

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## 8. Financial Services

The Central Bank has the statutory responsibility for financial stability and has been working with the Department of Finance on Brexit-related issues since before the UK Referendum. The Department of Finance engages on an ongoing basis with the Central Bank and the NTMA on issues relevant to financial stability and financial services.

The Central Bank is working closely with financial services firms to ensure that they have contingency plans in place for end March 2019. The Central Bank expects the firms to ensure they have robust contingency plans in place to minimise the impact on customers, investors and markets.

At a sectoral level, supervision teams in the Central Bank continue to engage with firms to ensure they are appropriately planning for plausible worst-case scenarios. This involves ensuring that existing Irish firms understand and are planning for the impact that Brexit will have on their businesses and their customers; and continuing to engage with those firms that are executing plans to move to Ireland, or changing their business models in Ireland.

The Central Bank continues to actively engage at the European Supervisory Authorities (EBA, ESMA and EIOPA) and ECB-SSM to assess Brexit-related risks and potential mitigants, as well as issues relating to on-going supervisory co-operation.

The Central Bank has published extensive information on Brexit on its website including an FAQ for financial services firms<sup>2</sup> and consumers.<sup>3</sup>

The European Commission, in its communication of 19 December 2018, indicated that following its assessment of the no deal scenario risks for the financial services sector, and taking account the views of the ECB and European Supervisory Authorities, a limited number of legislative measures are required to protect the financial stability of the EU. In summary, the EU

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<sup>2</sup> <https://www.centralbank.ie/regulation/how-we-regulate/brexit-faq>

<sup>3</sup> <https://www.centralbank.ie/consumer-hub/brexit-faq---consumers>



has adopted a temporary and conditional equivalence decision for 12 months to ensure no disruption in central clearing of derivatives. A temporary and conditional equivalence decision for 24 months has also been adopted to ensure no disruption in central depositories services for EU operators currently using UK operators. The EU will provide regulations facilitating novation, for a fixed period of 12 months, of certain over-the-counter derivatives contracts where a contract is transferred from a UK to an EU27 counterparty. The process was informed by a joint Bank of England and European Central Bank working group analysing financial stability issues arising in a no deal Brexit.

The European Commission continues to highlight that in all sectors of financial services, financial services firms should continue to take all necessary steps to mitigate risks and ensure that clients continue to be served. Financial services are being actively encouraged to inform clients about the steps that they have taken to prepare for Brexit.

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## 9. EU Funding Programmes

The Irish Government has been clear and consistent in its commitment to the successful completion of the current PEACE and INTERREG programmes and to a new programme post-Brexit. This ambition is now reflected in concrete proposals from the Commission.

The draft Withdrawal Agreement provides for the completion of the current programmes without interruption.

In its communication of 19 December 2018, the European Commission has committed to bringing forward a proposal which will set out in legal terms how the current PEACE and INTERREG programmes will continue in a no deal scenario. These programmes are almost fully committed and the Commission's proposal will ensure that these vital funding streams in support of peace and reconciliation and North South cooperation will continue to reach programme beneficiaries.

The Government is also committed to the continuation of this funding into the future. On 29 May 2018 the Commission published a proposal for a special new PEACE PLUS programme, in the context of the next Multi-annual Financial Framework (MFF), to continue and build on the work of successive PEACE and INTERREG programmes.

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## 10. Common Travel Area

The Common Travel Area is a long-standing arrangement between the UK and Ireland which means Irish citizens can move freely to live, work, and study in the UK on the same basis as UK citizens and vice versa. It is an arrangement that is valued on both islands.

Both the Government of Ireland and the UK Government have committed to maintaining the Common Travel Area (CTA) in all circumstances. Under the CTA, Irish and British citizens move freely and reside in either jurisdiction and enjoy associated reciprocal rights and privileges including access to:

- employment
- healthcare
- education
- social benefits
- the right to vote in certain elections

The CTA pre-dates Irish and UK membership of the EU and is not dependent on it. The CTA is recognised in Protocol 20 to the EU Treaties, which acknowledges that Ireland and the UK may continue to make arrangements between themselves relating to the CTA while fully respecting the free movement and other rights of EU citizens and their dependents. Protocol 20 will continue to apply to Ireland after Brexit.

The work required to maintain the Common Travel Area and its associated reciprocal rights and privileges is at an advanced stage, both at home and bilaterally between Ireland and the UK, to ensure that all necessary provisions are made in both jurisdictions so that the CTA can continue to function effectively.

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## 11. Justice and Security

From the outset of this process, we have identified a number of areas in the Justice area that are particularly important to ongoing cooperation between the UK and Ireland, and have been taking steps to mitigate the effect of a UK withdrawal from the EU as much as possible. The areas in question are particularly relevant to the peace process in Northern Ireland.

Cooperation in the area of law enforcement particularly vis-à-vis Northern Ireland is at an all-time high and the Government is determined to maintain this. Measures are in preparation to ensure that we have a viable extradition system with the UK and that the continuing exchange of law enforcement data is maintained in a manner compatible with EU instruments on data protection.

The framework built up by the EU over the last 45 years covers a multitude of areas that affect citizens in different ways. While its impact is not as immediately visible, a sophisticated range of EU instruments cover such matters as judicial cooperation in civil matters, including both family law as well as commercial transactions. While there are a range of other international instruments that address many of these issues and will apply post Brexit, it has to be recognised that these are not always as effective as the comparable EU instruments.

The free movement of people within the Common Travel Area is underpinned by cooperation between the two States in the form of exchange of data and addresses issues such as persons seeking international protection. The withdrawal of the UK from the EU will require new measures including legislative changes. Preparations are ongoing in the Department of Justice and Equality and in consultation with the Attorney General's Office.

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## 12. Connectivity

The Government's key priority is to take all the necessary and possible steps to ensure that trade, including priority imports, can continue to flow with the UK as a third country. The changes required to manage east-west trade flows in a no deal Brexit scenario will require a concerted response from the EU, from Government and from the relevant sectors of our economy.

While preparation at all levels will help, there is no doubt that, at least in the initial period, it will be disruptive.

Given Ireland's geographic location and physical proximity to the UK, the issue of connectivity has been a key focus in the Government's contingency planning. Work in this area includes issues relating to aviation, road haulage and the continued effective use of the UK landbridge.

Connectivity could also be affected by the additional checks and controls that will be required on an East-West basis at ports and airports if the UK leaves the EU Single Market and Customs Union.

A crucial element therefore will be to effectively manage the new requirements for checks and controls on imports from the UK as a third country for goods coming through our ports and airports.

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## 13. Aviation

Aviation has been identified as a key priority area both by Ireland and the EU. In a no deal Brexit the focus is on the risk of an abrupt interruption to flights between the UK and the EU due to the absence of traffic rights and issues relating to the validity of operating licences or aviation safety certificates.

Already some assurances have been provided in this area. The Commission has confirmed that it will propose measures, to ensure that air carriers from the UK can land in the EU and fly back to the UK (i.e. operate point to point flights) as well as measures to UK air carriers to fly over the territory of the EU and make technical stops (e.g. refuelling without embarkation/disembarkation of passengers). Those measures would be subject to the condition that the UK applies equivalent measures to air carriers from the EU.

Regarding aviation safety, for certain aeronautical products and companies, the European Aviation Safety Authority (EASA) will only be able to issue certificates once the UK has become a third country. The Commission will propose measures ensuring continued validity of such certificates for a limited period of time. These measures will be subject to the condition that the UK applies similar measures. Likewise, the Commission will propose measures ensuring that parts and appliances placed on the Union market before the withdrawal date, based on a certificate issued by a legal and natural person certified by the UK Civil Aviation Authority, may still be used under certain circumstances.

The Commission is taking action to ensure that passengers and their cabin baggage flying from the United Kingdom and transiting via EU27 airports continue to be exempted from a second security screening, by applying the so-called 'One Stop Security' system.

Regarding the requirement in EU law that air carriers must be majority-owned and controlled by EU legal or natural persons, the Commission has underlined

that it is essential for companies that wish to be recognised as EU air carriers to take all the necessary measures to ensure that they meet this requirement on 29 March 2019.

Here in Ireland, the National Civil Aviation Development Forum was established in 2016 to facilitate engagement between Government and the air transport sector in Ireland - from airports to aircraft leasing to airlines. It has held regular discussions on Brexit, which have informed both the Government's approach to the negotiations and our priorities in them, and our detailed discussions at EU level on Brexit preparedness.

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## 14. Landbridge

The landbridge is the term used to describe the route to market that connects Irish importers and exporters to international markets via the UK road and ports network. It is a strategically important route to market for many Irish importers and exporters, especially for short shelf life products, and is primarily used for roll-on roll-off traffic.

A Landbridge Project Group was established in October 2017. It is chaired by the Department of Foreign Affairs and Trade and involves all relevant Government Departments, including the Department of Finance, the Revenue Commissioners, the Department of Agriculture, Food and the Marine, the Department of Health, the Department of Transport, Tourism and Sport and the Department of Business, Enterprise and Innovation.

The Irish Maritime Development Office published a report on 'The Implications of Brexit on the Use of the Landbridge' on 12 November 2018.

The aim of this work is to ensure the continued effective and efficient use of the landbridge. As a crucial first step the EU has agreed that the UK may join the Common Transit Convention upon its departure from the EU, and a number of formal steps were taken to allow this to happen on 4 December 2018. The UK's accession to the Common Transit Convention will play an important role in ensuring access for Ireland's goods in transit to other EU Member States via the UK landbridge coupled with a regulatory regime underpinning the movement of vehicles through a third country.

The second strand is our work with the European Commission and other affected Member States (Germany, France, the Netherlands, Belgium, Denmark and Sweden) with a view to preparing EU ports to facilitate the transit of EU products through the UK once it becomes a third country through the use of EU rules on internal transit set out under the Union's Custom Code. This includes clarity on the application of EU rules, especially with regard to rules on SPS checks, and infrastructural solutions at ports to ensure the



speedy transit of EU registered hauliers. This work is intensifying and progress is being made.

In a no deal scenario it is anticipated that the landbridge, at least in the initial period, may be subject to severe delays. Dover-Calais has been identified as a particular bottle neck. This will have a knock on impact on goods travelling to/from Ireland and the rest of the single market. The Department of Transport, Tourism and Sport continues to engage with shipping companies to explore new connectivity and capacity options in response to Brexit.

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## 15. Road Haulage

International road haulage plays a critical role in facilitating Irish economic activity. Current rights to carry out international road haulage into and via the UK are grounded in EU legislation, notably the Community Licence. Ireland, along with other Member States, had previously identified this as an area of significant concern, as in a no deal scenario road haulage between the EU and UK would be severely restricted and limited to an international system of limited quotas (ECMT).

The European Commission, in its latest communication of 19 December, is now proposing to adopt a measure to ensure basic road haulage connectivity. In summary, the EU would ensure basic connectivity by allowing UK hauliers' access to the EU, on the understanding that measures would be put in place to allow EU haulier's access to the UK.

Ireland is engaging actively with the Commission and other Member States on these issues and to clarify further detail of how the proposed approach would work in practice for the haulage sector in Ireland.

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## 16. Trade

Reports commissioned by the Government and undertaken by the ESRI/ Department of Finance and by Copenhagen Economics, provide evidence to demonstrate that the macroeconomic and trade implications for Ireland of a no deal Brexit will be pronounced with differentiated impacts on certain sectors and companies, depending on their level of exposure to the GB market. New checks and controls on British trade (including both exports and imports) and connectivity issues will impact in different ways and are addressed in Section 12 above. VAT and excise would arise on goods imports.

In addition, under a no deal scenario Irish businesses will see future Irish UK trade subject to tariffs. The tariffs that the EU have registered with the WTO would be applied to goods being traded between the UK and the EU. It is important that companies are aware that tariffs vary significantly across product type. As part of any Brexit planning strategy, companies should assess their potential tariff exposure. InterTradeIreland's 'Brexit Tariff Checker'<sup>4</sup> enables companies to identify tariff rates associated with a wide range of products.

The impact of UK import and export exposure for firms could be compounded by currency volatility (depending on the extent to which a no deal has been factored in to the current value of sterling). The Department of Business, Enterprise and Innovation has recently published guidance for managing currency risk.<sup>5</sup>

It is important to recall that many of the preparations and measures required to address an agreed central case Brexit scenario also apply in the no deal context but would need to take place at a much faster pace.

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<sup>4</sup> <https://intertradeireland.com/brexit/tariff-checker/>

<sup>5</sup> <https://dbei.gov.ie/en/Publications/Currency-Risk-Management-for-Irish-SMEs.html>

Businesses have already been planning and preparing for Brexit and the change it will bring. The Government has put in place a comprehensive suite of supports to help businesses, of all shapes and sizes and across all sectors of the economy, to prepare for Brexit. These supports are aimed at assisting business in all scenarios, including a no deal scenario.

To help businesses prepare for a new post-Brexit trading regime, Revenue has participated in a number of trade sector and Government organized Brexit preparedness events. Revenue has a dedicated Brexit portal on their website, which acts as a key support for trade.<sup>6</sup>

In order to intensify and extend engagement with the trade, Revenue have developed a comprehensive Trader Engagement Programme to assist trade in preparing for the impact of Brexit.

The **target audience** have been identified as the following three key groupings:

- Logistic Companies
- Large Economic Operators
- Other Economic Operators

Letters have issued to the Logistic Companies and Economic Operators (with VIES (VAT Information Exchange System) returns of over €250,000 in 2017) advising them on steps they can take to prepare for Brexit and inviting them to participate in one of the Customs Brexit Information seminars. 9,505 letters issued on 26 November and 3,924 issued on 14 December - 13,429 businesses in total. Letters will issue to approximately 70,000 other Economic Operators in mid-January 2019, advising them of ways to prepare for Brexit and encouraging them to engage with their supply chain partners and customs brokers or agents. These seminars will run as follows:

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<sup>6</sup> [www.revenue.ie/en/brexit](http://www.revenue.ie/en/brexit)

- Monday 3 December 2018 – Dublin
- Monday 10 December 2018 – Cork
- Tuesday 15 January 2019 – Galway
- Tuesday 22 January 2019 – Dundalk
- Thursday 24 January 2019 – Dublin
- Wednesday 30 January 2019 – Wexford

Other venues will be confirmed for February 2019.

These seminars focus on:

- Providing information and practical support to relevant businesses
- The basic principles underpinning and requirements of customs formalities for non-EU trade and how and where they apply, including import, export and transit formalities
- The supply chain challenges associated with different types of goods, including whether the goods are being distributed on arrival or brought to a warehouse/temporary storage facility
- Controls related to tariffs and prohibitions and restrictions
- Operation of the UK landbridge and transit arrangements
- Other Government agency controls applying to the movement of goods, including controls relating to the importation of animals, plants and products of animal and plant origin, medicines and environmental health

The format of the seminars, included presentations from Revenue in relation to Brexit and its impact, covering customs procedures and the potential facilitations available. The Department of Agriculture, Food and the Marine also provide information on SPS controls and the implications to business post Brexit.

Revenue are meeting with customs brokers/agents to advise them in relation to Brexit preparedness and work Revenue has been undertaking. It will outline

the information we have included in the letter to other economic operators to ensure they understand the requirements of these businesses.

As part of its Brexit business supports Enterprise Ireland is now offering customs training through its Customs Insights Course. The course aims to help businesses understand the key customs concepts, documentation and processes required to operate post Brexit. The course aims to provide participants with a firm understanding of customs, the implications for their business and the options from Revenue that are available to make the customs process more efficient.

# 17. Government Supports for Business

## Getting Business Brexit Ready

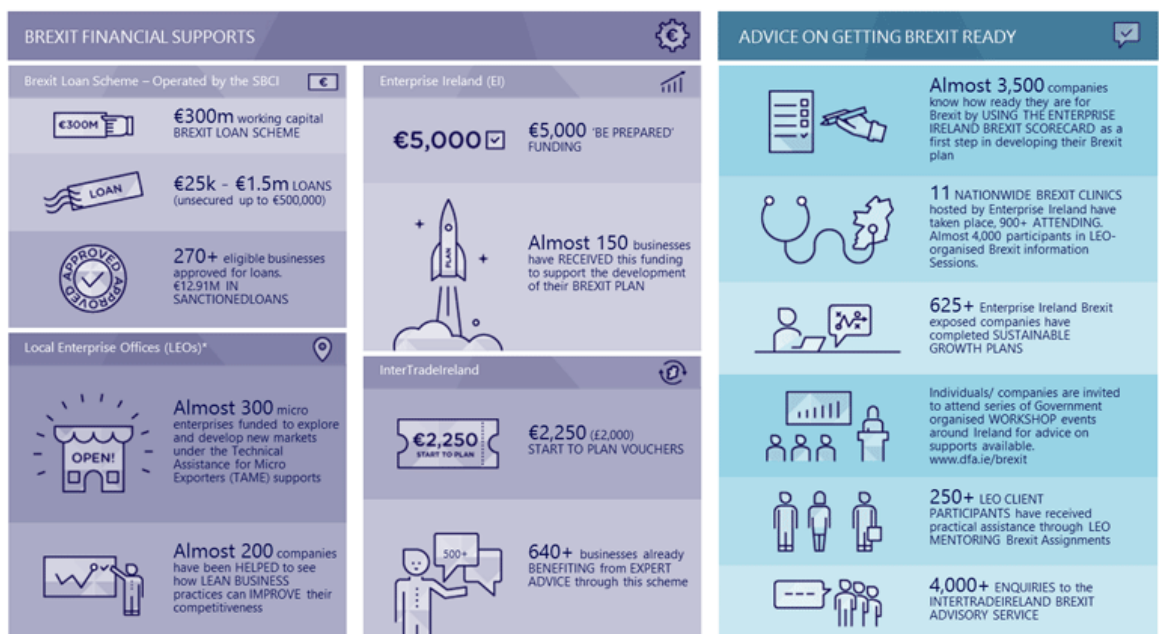


Rialtas na hÉireann  
Government of Ireland



44% of strongly impacted firms have a plan

85% of Enterprise Ireland firms are taking Brexit actions



\* Figures updated on a quarterly basis

November 2018

In 2017 and 2018, over €450 million was allocated in dedicated business supports, including Budget 2018's €300 million Brexit Loan Scheme for Business. As of December, over 280 businesses were approved for loans under this scheme, 58 of which have progressed to sanction to a value of €13.43 million.

More than 3,500 businesses have completed the Enterprise Ireland Brexit Scorecard, an interactive online platform which can be used by Irish companies to self-assess their exposure to Brexit. More than 2,300 SMEs have engaged directly with InterTradeIreland's Brexit Advisory Service, while 1,044 Strategic Consultancy Grants have been approved for businesses to hire a strategic consultant to help develop a Brexit plan. Other financial and advisory supports available include Bord Bia's Brexit Barometer, Enterprise Ireland's Act On Programme, Local Enterprise

Boards' Brexit mentoring support, and InterTradeIreland's Start to Plan vouchers.

Budget 2019 included a number of additional measures, such as the introduction of a new longer-term loan Future Growth Loan Scheme of up to €300m, to assist strategic capital investment for a post-Brexit environment by business at competitive rates, for terms of 8-10 years.

Budget 2019 also included an allocation of €115m for Brexit measures across a number of Departments. This includes a €25 million allocation for essential customs requirements. There is also increased funding to the Department of Business, Enterprise and Innovation and the Department of Foreign Affairs and Trade to enable them to continue to address the challenges posed by Brexit across a range of headings, including supports for our Enterprise Agencies and for 'Global Ireland' – Ireland's Global Footprint to 2025 strategy. This strategy will support the opening of new markets for our businesses and a higher international profile. Increased funding to the Department of Foreign Affairs and Trade has already provided for the opening of 13 new diplomatic missions as part of Global Ireland 2025, which will contribute to helping our exporters find new markets.

A total of 170 projects have been approved for funding under the Enterprise Ireland Market Discovery Fund, which supports businesses to research potential new markets. The funding provided to Departments in Budget 2019 includes a €78m package for farmers, fishermen, food SMEs and to cover additional costs related to Brexit.

All of these supports have been publicised through the Getting Ireland Brexit Ready public information campaign and public outreach events. Over 2,500 citizens and businesses attended Getting Ireland Brexit Ready events throughout October and November in Cork, Galway, Dublin, Monaghan, Limerick and Letterkenny.



There is an extensive range of outreach and supports for firms provided by Government, enterprise agencies and regulators to ensure preparedness across all sectors of the economy. We recognise however, that there could be even greater challenges for certain firms who have a substantial export and import exposure to the UK market, particularly in a no deal scenario.

The sectoral and regional impacts of a no deal outcome, for example in the agri-food area, arising from the imposition of tariffs and quotas on goods, and in other areas, due to more limited market access for services and more restrictive data flows, may call for further targeted interventions and supports to business.

However, the priority at individual firm level must remain the urgent transformation of their business models, through product and service innovation, new geographic market identification, supply chain management, hedging and cost control. The need to stabilise and support viable firms during such transformation processes in order to sustain regional employment is a priority for Government. Accordingly, we continue to explore ways to enhance the existing suite of enterprise supports for this purpose, should urgent needs materialise.

Over the course of the last 18 months we have been in dialogue with the European Commission about the scope of measures that might be needed and any possible state-aid implications.

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## 18. Retail

The Retail Consultation Forum, chaired by the Minister for Business Enterprise and Innovation, is the main vehicle through which Government engages with the retail sector. Since 2014, the Forum has provided a platform for structured engagement between the retail sector and relevant Government Departments on key issues of concern relating to the development and performance of the sector in Ireland. The Forum meets on a quarterly basis.

Membership includes retail associations such as Retail Ireland, Retail Excellence, CSNA, RGDATA, other bodies such as ISME, SFA and Chambers Ireland, a number of retailers, the City and County Managers Association, and a number of relevant Government Departments.

The Forum regularly discusses Brexit including the ongoing negotiations, research outputs, and information on supports and guidance available to retailers, to be shared with Forum members for dissemination to their own members and networks. More recently, the Forum has focused on import related issues, including Revenue & Customs, arrangements at ports, and importation of food products.

On 13 December 2018 the Minister convened a roundtable with key retail grocery and distribution players to discuss Brexit preparedness as part of her ongoing engagement with the sector.

The central focus of engagement with the sector to date has been around business concerns and preparedness regarding potential supply-chain disruption and related issues, particularly given the now well established 'just-in-time' model of supply from the UK.

The retail and wholesale sector is already availing of Brexit supports available, including the Brexit Loan Scheme and will be eligible for the forthcoming Brexit Future Growth Scheme announced in Budget 2019. To

build awareness of the supports available and where to access Government information, the Department of Business, Enterprise and Innovation published a retail sector specific version of the Building Stronger Business leaflet, which sets out in summary form the range of Brexit supports available to all Retail businesses. The leaflet was launched at the September meeting of the Retail Consultation Forum and has been widely distributed, and is available on the Department of Business, Enterprise and Innovation's website.

An ongoing concern for retailers in Ireland, and raised in Forum discussions, has been the growth of online retailing/e-tailing, which has increasingly brought international competition to the local retailer doorstep. These concerns about competitiveness have heightened in the context of Brexit. In September, Minister Humphreys announced the introduction of a new pilot Online Retail Scheme in conjunction with Enterprise Ireland aimed at enhancing the strategic online capabilities of SME retailers with grants of up to €25,000, for e.g. having a fully transactional online presence and retailing online strategy. Successful applicants under the first call will be announced in Q1 2019.

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## 19. Tourism

Brexit has already had an impact on the tourism sector and additional funding of €7.7m has been allocated to the tourism agencies to ensure that the sector is Brexit ready. In this context, Fáilte Ireland will implement a programme which places a focus on retaining business from Northern Ireland and Britain whilst also offering supports to enterprises to equip them for the post-Brexit marketplace. Tourism Ireland will implement the recommendations of a recent review of its operations in the British market and also extend the Regional Co-Operative Market Access Scheme.

Government is focussed on supporting the tourism sector in preparing for the negative impacts of Brexit. Tourists from the United Kingdom are a substantial proportion of the total number of international visitors to Ireland. The maintenance of the Common Travel Area and the EU Commission's intention to ensure the continuation of direct air services in a no deal scenario will mitigate some of the immediate risks facing the Irish Tourism Sector. However, the economic impact on Britain and potential devaluation of Sterling are likely to negatively impact on UK tourism numbers to Ireland. A devalued Sterling will mean that Irish tourism operators may face increased competitiveness challenges from the UK Tourism Sector. It is important the industry assess the risks to their business, respond to the changes they are currently experiencing and plan for future eventualities.

Fáilte Ireland has developed a customised suite of supports to assist businesses through these uncertain times. These include training and supports, market diversification, and competitiveness. In addition, tourism operators can avail of the extensive business supports that government has made available.

A key focus of Tourism Ireland's work is market diversification, supported by global marketing campaigns. This includes the implementation of a

Great Britain Market Strategy Review, and targeting cohorts of UK visitors who are less likely to be impacted by currency fluctuations.

Budget 2019 provided for the largest increase in the tourism budget in 15 years and included €7m for current tourism funding to offset Brexit. This will accelerate the market diversification of our tourism agencies and support tourism enterprise.

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## 20. Agri-Food and Fisheries

A key priority in this area is to minimise disruption to Irish exports and imports to and from the UK and to ensure the current ease of access to the Single Market is maintained.

As part of the Department of Agriculture, Food and the Marine's contingency planning, it continues to explore the pressure points that industry might encounter and looking at mitigation options in the event of a hard Brexit.

Extensive work is ongoing concerned with the implications of Brexit for agri-food and fisheries trade with the UK across different sectors in the short and long term. Areas covered include supply chain analysis, transport/logistical arrangements, possible import control and export certification requirements, use of the UK landbridge, and integration with customs arrangements. A critical issue for the fisheries sector in Ireland, and a number of other EU Member States, is the maintenance of reciprocal access to fisheries waters and resources.

Given Ireland's geographic location, work in this areas has focused particularly on the continued effective use of the UK landbridge. This includes minimising the impact of additional checks and controls that will be required on an East-West basis at ports and airports in a no deal scenario.

As with connectivity more generally, a crucial element in the Government's approach to the agri-food sector is therefore to effectively manage the new requirements for checks and controls on imports from the UK as a third country for agri-food products coming through our ports.

The Government is therefore committed to providing necessary supports for the agri-food and fisheries sectors to mitigate these and other impacts of Brexit and has already introduced a range of such supports through

budgetary measures covering competitiveness and market/product diversification.

The Department of Agriculture, Food and the Marine has taken effective steps to mitigate the immediate impacts of Brexit and to intensify market diversification efforts in order to reduce our exposure to the UK market. Increased funding to Bord Bia under the last three budgets – a total of €19.5 million since 2016, representing a 60% increase in funding for marketing and promotion of our food offering since 2014 – has been key in this regard.

Bord Bia has used this funding to support companies directly in their efforts to diversify markets, as well as undertaking a market prioritisation exercise which identifies the markets of greatest potential for increasing agri-food and fisheries exports over the coming period.

There has also been very extensive and practical complementary action taken by the Minister for Agriculture Food and the Marine, who has led very successful Trade Missions to the Gulf Region, China, Canada, the United States of America, Mexico, Japan, Korea, Malaysia and Indonesia. This has been complemented by other actions, as in the case of DAFM's seven-point Market Access Plan, which includes the allocation of more departmental resources to market access work, an online portal through which essential information across a wide range of markets can be centrally accessed, and the oversight of market access work by a High Level Committee chaired by an Assistant Secretary General.

By way of budgetary provision, measures were introduced in Budgets 2017 and 2018, and in Budget 2019, the Minister introduced a €78m Brexit package for farmers, fishermen, food SMEs and to cover additional costs related to Brexit, as follows:

- €44m in direct aid to farmers through increased spending on areas of natural constraint, the introduction of a Beef Environmental Efficiency Pilot Scheme and additional funding (increased to €6 million) for the horticulture sector.
- €27 million for capital funding for the food industry comprising:
  - €13 million in supports for food industry competitiveness and innovation;
  - €3 million for Artisan and Micro food and beverage programmes through the Leader Programme and for LEAN manufacturing initiatives designed to improve competitiveness;
  - an additional €5 million for Bord Bia, bringing the total Grant in Aid to €46.6 million. This is a 60% increase in funding for marketing and promotion of our food offering since 2014; and
  - €6m in funding to progress an €8 million Food Innovation Hub in Teagasc Moorepark, of which €2 million was provided in 2018
  - €7m for the recruitment of additional staff and the provision of ICT hardware and software to carry out the greatly increased volumes of import controls and export certification arising from Brexit.

The Department of Agriculture, Food and the Marine has established a number of stakeholder consultation fora on Brexit as follows:

***Stakeholder Consultative Committee***

The Department of Agriculture, Food and the Marine's Consultative Committee of Stakeholders was established in the wake of the UK Referendum in order to ensure a full exchange of information between the Department and the range of agri-food and fisheries stakeholders as the negotiation process unfolded.



The meetings have proved extremely useful and productive, both in terms of keeping stakeholders informed of developments and in identifying issues that need to be addressed in the Department of Agriculture, Food and the Marine's preparedness planning, which is in turn feeding into the Whole-of-Government response that is being co-ordinated by the Department of Foreign Affairs and Trade.

The first meeting of the Stakeholder Consultative Committee was held in early July 2016, and ten meetings have taken place to date, most recently on 8 November 2018. Some 31 different stakeholder groups have been represented at these meetings.

#### ***All Island Civic Dialogue***

Stakeholder consultation has also taken place in the context of the All-Island Civic Dialogue, which commenced in November 2016.

Six sectoral meetings for the agri-food and fisheries sectors took place between December 2016 and June 2017 - these essentially replaced the Stakeholder Consultative Committee meetings over this period.

#### ***Sectoral Focus Groups***

In the first half of 2018 the Department of Agriculture, Food and the Marine organised a series of more focused Brexit stakeholder engagements with specific businesses who have strong trading relationships with the UK, or who use the UK as a land bridge to Europe.

The purpose of the meetings was to elicit the potential impacts of Brexit along production and distribution chains in the event of either a no deal Brexit or a negotiated outcome. Issues covered included customs and SPS controls, tariffs and other practical aspects associated with agri-food imports and exports.

The meetings were also useful in providing logistical and other volumetric data around trade movements, which has fed into the Department of Agriculture,

Food and the Marine's data and workflow analysis aimed at estimating Brexit infrastructure and staffing requirements.

The full range of agri-food and fisheries sub-sectors was covered by these meetings, and further ad-hoc contacts are ongoing.

***Recent collaborations***

The Department of Agriculture, Food and the Marine has joined forces with the Revenue Commissioners in a series of public seminars aimed at providing information to hauliers, logistics operators and large economic operators in relation to Brexit preparedness, covering customs controls and SPS requirements. Two seminars have been held to date (Dublin on 3 December and Cork on 10 December), and a further six are planned from mid-January to mid-February 2019.

The Department of Agriculture, Food and the Marine and its agencies have also participated in the recent Getting Ireland Brexit Ready events organised by the Department of Foreign Affairs and Trade, highlighting the Brexit supports available to businesses.

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## 21. Medicines

As part of a whole of Government response to Brexit, the Department of Health is working to ensure a comprehensive and coordinated set of preparations to ensure continuity of health services and supply of medical products in a no deal Brexit. This work involves the Department and its key agencies including the HSE and Health Products Regulatory Authority (HPRA) in engaging in intensive Brexit preparedness and contingency planning.

A number of issues are being examined and contingency planning for a range of eventualities is underway. A key issue will be to ensure that there is minimum disruption to health services and that essential services are maintained on a cross-Border, all-island and Ireland-UK basis. Priorities include ensuring continuity in the supply of medicines/medical devices, ensuring access to services, staffing in our health services, continuation of existing cross border health co-operation and public health arrangements.

The Minister for Health, Secretary General for the Department of Health and senior officials of the Department of Health are inputting to a wide range of Inter-Departmental and EU Commission fora and have identified legislative and cross cutting issues. The Department is actively reviewing legislative aspects of contingency planning including statutory instruments that may assist the supply of medicines and access to treatments. Officials and Irish experts also have inputted into EU Commission preparedness discussions and Minister Harris has met with the EU Commissioner and counterparts.

The Secretary General has established a schedule of regular meetings with the Director General of the HSE, and the CEOs of the HPRA and the Food Safety Authority of Ireland (FSAI) to ensure alignment and focus on Brexit Preparedness and Contingency Planning.

The regulation of medicines and the pharmaceutical supply chain is particularly complex. A priority for Ireland is that Irish patients should not be at a disadvantage or deprived of medicines as a result of Brexit.

The Department of Health and its agencies have had positive engagement at national and European level, to ensure that regulatory issues arising from Brexit are addressed in a comprehensive and pragmatic manner.

The HPRA has encouraged and supported the transfer of medicines authorisations and other industry functions from the UK to Ireland and are exploring the potential for joint labelling of medicines with other EU Member States.

Nationally, the HSE and the HPRA have communicated with and facilitated ongoing engagements with medicines manufacturers to ensure that they are Brexit-ready, to discuss any potential issues that could affect the supply of medicines to Ireland and to identify solutions to maintain supply to the market.

Work is ongoing with pharmaceutical wholesalers and other stakeholders to risk assess product lines that may be vulnerable as a result of a no deal Brexit and put in place the necessary mitigation measures to ensure continuity of supply.

All of this work is informing requirements and ensuring that we are prepared in all scenarios.

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## 22. Data

When the UK leaves the EU, it will become, in EU terms, a third country. Data protection and sharing is governed within the EU by the General Data Protection Regulation (GDPR). That means that the transfer of personal data to the UK will be subject to the rules on international transfers set out in the GDPR and other relevant EU directives and regulations<sup>7</sup>.

The European Commission, in its Contingency Action Plan of 13 November 2018, set out the broad toolbox available within GDPR and other relevant EU directives and regulations for data transfers to third countries, which would be relevant in a no deal Brexit.

This toolbox includes in particular the so-called ‘appropriate safeguards’ (e.g. approved standard contractual clauses, binding corporate rules, and administrative arrangements) that can be used by both the private sector and public authorities.

In addition, EU law contains a number of derogations for specific situations that allow data transfers even in the absence of appropriate safeguards, for instance if the data subject provides explicit consent, for the performance of a contract, for exercise of legal claims or for important reasons of public interest. These are the same tools that are used with most countries in the world for which no adequacy decision exist.

Business and public sector organisations which currently share personal data with organisations based in the UK should therefore, in accordance with the European Commission guidance, assess their current arrangements and ensure that they will be compliant with GDPR and other relevant EU directives and regulations for data transfers to third countries from 29 March 2019.

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<sup>7</sup> Directive 2016/80 and Regulation 45/2001

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## 23. EU Climate Policy and Energy

### *EU Climate Policy*

A no deal scenario has the potential to impact the efficient functioning of two important EU climate policy instruments: the EU emissions trading scheme (EU ETS) and the quota system for the placing on the market of hydrofluorocarbons.

Under a no deal scenario the UK will no longer participate in the EU ETS. Emissions allowances allocated by the UK prior to exit may impact the environmental integrity of the scheme as a result of their potential contribution to an allowance oversupply. To protect the environmental integrity of the EU ETS and the smooth functioning of its allowance market, the European Commission adopted a decision on December 19 to temporarily suspend the free allocation of emissions allowances from January 1 2019.

To safeguard the operation of the fluorinated greenhouse gases quota system, the quantities of substance gases legally placed by UK companies on their domestic market should no longer be factored into the allocation of 2019 annual quotas. As the UK will no longer participate in the quota system the EU market will be smaller as of the March 2019. To protect the integrity of the system the European Commission on December 19 adopted measures. The first measure will allow an appropriate annual quota allocation to UK companies for accessing the EU27 market. Secondly, regulation will require that reporting by companies differentiates between the EU market and UK market to allow a correct allocation of quotas in the future.

## ***Energy***

The administrations in Ireland, Northern Ireland and the UK have cooperated actively on energy policy for many years and the stated preferred intention is that they will continue to do so, where possible and mutually beneficial. There has been sustained political commitment in each jurisdiction to the development of competition in the energy sectors in the interests of delivering improved services and economic benefits to all market stakeholders.

The all-island Single Electricity Market (SEM), a single, trans-border electricity market between Northern Ireland and Ireland is in place since 2007 and has its regulation underpinned by the EU Internal Energy Market legislation, including the Electricity Directive, Electricity Regulation, the Agency for the Cooperation of Energy Regulators (ACER) Regulation and associated EC Regulations, supported by domestic legislation that provides a framework for the single wholesale electricity market . This is a unique arrangement; although the EU has been working towards the closer integration of energy markets across Europe, it is only on the island of Ireland that a single, trans-border electricity market has been established.

Effective operation of the SEM is based on EU rules governing technical operation of, and trading in, electricity systems and markets. Other vital elements include EU state aid rules, EU rules on data sharing and management, and EU market surveillance rules. In addition, EU policy frameworks in the areas of environment and climate change (e.g. carbon pricing, the EU Emissions Trading System/industrial emissions) are also necessary for the effective functioning of the SEM.

To ensure that the SEM can continue to function without disruption, Ireland is engaging intensively with the EU on this important issue.

### ***Gas Trading***

Gas trading between Ireland and the UK is currently governed by EU Internal Energy Market legislation, as well as a series of contracts and agreements between the transmission system operators in both countries. The gas markets in Ireland and Northern Ireland are supplied by gas transported across wholly Irish-owned pipelines between Britain and Ireland (including via a spur to Northern Ireland from the part of the Irish pipeline out of Scotland) In the event of disruption to this route, there is a back-up route for providing gas to Northern Ireland via the interconnector from Scotland, and the South-North Pipeline – which is regulated by the Northern Ireland regulator - which joins the interconnector in Ireland to the Northern Ireland network. As in other areas, supply chains are also highly interlinked in the energy sector on the island of Ireland. There are existing arrangements between Ireland and United Kingdom transmission systems operators in the event of an emergency.

No deal Brexit contingency planning, indicates that IE-UK gas trade will not fundamentally change in short-to-medium term, though clarification is needed on certain issues, such as access of UK TSOs such as GNI UK to the gas trading software platform.

The electricity and gas trading contingencies are being examined as part of an on-going engagement with DG Energy and the EU Commission.



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## 24. Next Steps

Ireland remains committed to working with our EU partners and the British Government to reach an agreed outcome.

The Withdrawal Agreement and the Political Declaration on the future relationship is a fair and balanced deal, with compromises shown on both sides.

The finalised Agreement also secures transition, which is hugely important in giving certainty to citizens and businesses.

However, given the persisting uncertainty, the Government agreed on 11 December, building on the comprehensive preparations already underway, to prioritise planning for a no deal Brexit.

This Contingency Action Plan has set out some of the key areas of focus of that detailed and comprehensive work. It is a living document which will be updated and developed over the coming months.

In the immediate term:

- The Government is now prioritising no deal planning. A full Government meeting is scheduled for 3 January 2019.
- The Government will continuously review developments and mandate appropriate action, including on infrastructure, resources and other necessary measures.
- The necessary legislative measures required in a no deal scenario will be introduced in the Oireachtas in January 2019.
- Public and Stakeholder consultation and engagement will be intensified from January, through a new phase of 'Getting Ireland Brexit Ready'.

- As action at EU level is essential in many important sectors, the Government will intensify high level engagement with the Commission and other key partners in the EU 27.
- At expert level, there will be continued intense engagement with the Commission and with other Member States, in particular those with whom we share concerns.

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# Annex 1: European Commission Notices



Brussels, 19.12.2018

COM(2018) 890 final

**COMMUNICATION FROM THE COMMISSION TO THE  
EUROPEAN PARLIAMENT, THE EUROPEAN COUNCIL, THE  
COUNCIL, THE EUROPEAN CENTRAL BANK, THE EUROPEAN  
ECONOMIC AND SOCIAL COMMITTEE, THE COMMITTEE OF  
THE REGIONS AND THE EUROPEAN INVESTMENT BANK**

**Preparing for the withdrawal of the United Kingdom from  
the European Union on 30 March 2019: Implementing the  
Commission's Contingency Action Plan**

*The European Council calls for work on preparedness at all levels*

*for the consequences of the United Kingdom's withdrawal to be intensified, taking into account all possible outcomes*

European Council  
(Article 50), 13  
December 2018<sup>1</sup>

## **1. Introduction**

The United Kingdom has decided to leave the European Union, invoking the procedure in Article 50 of the Treaty on European Union. Unless the decision is withdrawn<sup>2</sup> or the period is unanimously extended, this will become effective in just over 100 days. The Commission regrets this decision, but respects it. As emphasised in the Commission's first Brexit preparedness Communication of 19 July 2018<sup>3</sup>, irrespective of the scenario envisaged, the United Kingdom's choice will cause significant disruption. The Commission has therefore consistently called on European citizens, businesses and Member States to prepare for all possible scenarios, assess relevant risks and plan their response to mitigate them.

On 13 November 2018, the Commission launched a Contingency Action Plan in its second Brexit preparedness Communication<sup>4</sup>. The contingency measures announced in the Action Plan are unilateral measures for damage limitation and can only mitigate the most severe consequences of a withdrawal without an agreement. On 14 November 2018, the Negotiators of the Commission and the United Kingdom agreed on the terms of the Withdrawal Agreement<sup>5</sup>. On 22 November 2018, the Commission approved the completed Withdrawal Agreement<sup>6</sup>. On 25 November 2018, the European Council (Article 50) endorsed the Withdrawal Agreement and invited the Commission, the European Parliament and the Council to take the necessary steps to ensure that the agreement can enter into force on 30 March 2019 to provide for an orderly withdrawal<sup>7</sup>.

On 5 December 2018, the Commission adopted two proposals for Council decisions on the signature and conclusion of the Withdrawal Agreement, to allow for the conclusion and ratification on the EU side in the coming weeks. The European Council (Article 50) of 13 December 2018 confirmed its endorsement of the Withdrawal Agreement and its intention to proceed with its ratification. The Withdrawal Agreement will have to be ratified by the United Kingdom, in accordance with its own constitutional requirements. The ratification of the Withdrawal Agreement by both parties continues to be the objective and priority of the Commission.

The European Council (Article 50) of 13 December 2018 also called for work on preparedness for the consequences of the United Kingdom's withdrawal to be intensified at all

<sup>1</sup> <https://www.consilium.europa.eu/media/37508/13-euco-art-50-conclusions-en.pdf>

<sup>2</sup> The United Kingdom may revoke unilaterally, in an unequivocal and unconditional manner, the notification of its intention to withdraw from the EU, Case C-621/18 Wightman and Others v Secretary of State for Exiting the European Union.

<sup>3</sup> [https://ec.europa.eu/info/publications/preparing-withdrawal-united-kingdom-european-union-30-march-2019\\_en](https://ec.europa.eu/info/publications/preparing-withdrawal-united-kingdom-european-union-30-march-2019_en)

<sup>4</sup> [https://ec.europa.eu/info/publications/communication-preparing-withdrawal-united-kingdom-european-union-30-march-2019-contingency-action-plan-13-11-2018\\_en](https://ec.europa.eu/info/publications/communication-preparing-withdrawal-united-kingdom-european-union-30-march-2019-contingency-action-plan-13-11-2018_en)

<sup>5</sup> [https://ec.europa.eu/commission/sites/beta-political/files/joint\\_report\\_0.pdf](https://ec.europa.eu/commission/sites/beta-political/files/joint_report_0.pdf);  
[https://ec.europa.eu/commission/sites/beta-political/files/draft\\_withdrawal\\_agreement\\_0.pdf](https://ec.europa.eu/commission/sites/beta-political/files/draft_withdrawal_agreement_0.pdf)

<sup>6</sup> Communication to the Commission, endorsed on 22 November 2018, C(2018)9001.

<sup>7</sup> <https://www.consilium.europa.eu/media/37103/25-special-euco-final-conclusions-en.pdf>

levels and for all possible outcomes. This Communication explains the measures that the Commission adopted today, 19 December 2018, in response to that call, together with other crucial steps in the implementation of its Contingency Action Plan.

## **2. The Commission's Contingency Action Plan**

Given the continued uncertainty surrounding the ratification process on the side of the United Kingdom, and in line with the Conclusions of the European Council (Article 50) on 13 December, the Commission is proceeding urgently with the implementation of its Contingency Action Plan. The Commission has adopted today all the legislative proposals and delegated acts which it announced in that Action Plan<sup>8</sup>. The remaining draft implementing acts which it announced will be ready by 15 February 2019 at the latest, to allow for a vote in the competent committees in good time.

In parallel, the Commission has also continued to work closely with Member States to coordinate planning at EU and at national level. The package of measures adopted by the Commission and described in this Communication takes into account discussions with Member States<sup>9</sup>. This action comes in addition to the preparedness measures that have already been taken, as set out in the second preparedness Communication.

The Commission calls on the European Parliament and on the Council to adopt the proposals as a matter of urgency. Member States should accelerate their work to prepare for all scenarios for the United Kingdom's departure.

The Commission also calls on Member States to refrain from entering into bilateral agreements, arrangements and discussions with the United Kingdom. These would undermine the ratification process, in most cases would not be compatible with Union law, and would risk creating an uneven level playing field among

Member States. They would also complicate the Union's future negotiations on a new partnership with the United Kingdom. As was the case for the Withdrawal Agreement, it is essential to continue with a united approach to preparedness and contingency work.

### 3. Taking action

As set out in the second Brexit preparedness Communication, contingency measures<sup>10</sup> adopted at all levels should comply with the following principles:

- Contingency measures should not replicate the benefits of membership of the Union, nor the terms of any transition period, as provided for in the draft Withdrawal Agreement;
- They should be temporary in nature. For the measures adopted today, the Commission has, where relevant, proposed time limitations which are a function of the specific situation in the sector concerned;

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<sup>8</sup> See Annexes I and II of the second Brexit preparedness Communication.

<sup>9</sup> A number of sectorial preparedness seminars were held with Member States (EU27) and are listed in Annex 6 of the second Brexit preparedness Communication.

<sup>10</sup> The list of actions is without prejudice to additional action that could appear to be necessary at a later stage.

- They should be adopted unilaterally by the European Union in pursuit of its interests and should be revocable at any time;
- They should respect the division of competences provided for by the Treaties;
- National contingency measures should be compatible with EU law;
- They should not remedy delays that could have been avoided by preparedness measures and timely action by the relevant stakeholders.

By virtue of Article 355(3) TFEU and to the extent provided for in the 1972 Act of Accession of the United Kingdom to the European Communities, Union law applies to Gibraltar as a European territory for whose external relations a Member State is responsible. Article 355(3) TFEU will no longer apply to Gibraltar when the United Kingdom is no longer a Member State. As a consequence, contingency measures will not apply to Gibraltar.

### 4. Citizens

If the Withdrawal Agreement is not ratified, EU citizens residing in the United Kingdom would no longer be protected by the EU rules on free movement. UK nationals in the European Union would be subject, as of the withdrawal date, to the general rules that apply to

third country nationals in the EU. This would have an impact on their right to stay and work where they currently live as well as on the social security protection they benefit from.

The Commission has consistently made clear that protecting EU citizens in the United Kingdom, as well as UK citizens in the European Union is a priority. It calls upon Member States to take a generous approach to UK nationals who are already resident in their territory<sup>11</sup>. The Commission welcomed in its Communication of 13 November the reassurances by Prime Minister May<sup>12</sup> that even in a no deal scenario, the rights of EU citizens in the United Kingdom will be protected in a similar way. The Commission expects this assurance to be formalised soon so that it can be relied upon by citizens.

### *Right to stay*

For UK nationals residing in the European Union, EU rules as well as national rules regarding third-country nationals will apply to them as concerns their right to enter, reside and work in the EU Member States. For short stays (up to 90 days in a 180 day-period) the Commission has adopted a proposal for a Regulation<sup>13</sup> which exempts UK nationals from visa requirements, provided that all Union citizens are equally exempted from UK visa requirements. Third-country nationals who want to reside in an EU Member State for more than 90 days for any purpose need to obtain a residence permit or a long-stay visa from the national migration authorities. Third country nationals who have been legal residents in one Member State for a period of five years must be granted, subject to certain conditions, long- term resident status in that Member State in accordance with Union rules. The Commission clarified in its second Brexit preparedness Communication that it considers that periods of legal residence of UK nationals in a Member State before the withdrawal should be taken into account for these purposes.

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<sup>11</sup> The term 'UK nationals' used in this Communication should be understood as covering also their third country family members already resident in the respective host State at the time of withdrawal.

<sup>12</sup> <https://www.gov.uk/government/news/pm-brex-it-negotiations-statement-21-september-2018>.

<sup>13</sup> COM(2018) 745 final.

Against this background, the Commission calls upon Member States to:

- ✓ take measures, in compliance with Union law, so that all UK nationals legally residing in a Member State on 29 March 2019 will continue to be considered as legal residents of that Member State without interruption;
- ✓ stand ready to issue residence permits to the UK nationals concerned as evidence of their legal stay and right to work. Member States, in particular those hosting the largest numbers, are invited to take a pragmatic approach, in

compliance with Union law, to issue temporary residence documents, until definitive residence permits can be issued<sup>14</sup>. Several technical options, such as national legislative measures, issuing temporary documents or recognising pre-existing documents, can be used to take into account the specific situations of each Member State; and

- ✓ take all necessary legislative and administrative measures to be able to issue temporary residence documents by the withdrawal date, and to process applications for definitive residence permits under the uniform format<sup>15</sup> by the end of 2019.

The Commission will discuss further practicalities with Member States (EU27) on 20 December 2018 with a view to ensuring a coherent approach.

For **EU citizens residing in the United Kingdom**, in addition to the efforts of Member State diplomatic representations in the United Kingdom, the Commission Representation Offices in the United Kingdom will continue to monitor closely the United Kingdom's position with respect to the continued residence of Union citizens in the United Kingdom. It will provide information and expertise to interested citizens in that regard.

#### *Social security coordination*

Union law provides common rules on social security coordination to protect **the social security rights of EU citizens** who exercised their fundamental right to move to another Member State. Union rules on social security coordination cover rights derived from national law linked to sickness, maternity and paternity, pensions, invalidity, unemployment, family benefits, accidents at work and occupational diseases<sup>16</sup>. The principles underpinning the rules on social security coordination ensure that citizens are only covered by the legislation of one Member State (unicity), and that they have the same rights and obligations as the nationals of the Member State where they are covered (equal treatment). The principles also ensure that previous periods of insurance, work or residence in other Member States are taken into account when authorities determine a person's eligibility for a benefit (aggregation), and that citizens may, as a rule, receive cash benefits to which they are entitled even if they live in a different Member State (exportability).

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<sup>14</sup>

In order to continue residing and work in an EU Member State, UK nationals residing in the Member State at the moment of the withdrawal will need to hold a residence permit appropriate to third country nationals, issued by the national migration authorities.



- 15 As foreseen in Council Regulation (EC) 1030/2002 of 13 June 2002 laying down a uniform format for residence permits for third-country nationals (OJ L 157, 15.6.2002, p.1).
- 16 Regulation (EC) 883/2004 of the European Parliament and of the Council of 29 April 2004 on the coordination of social security systems (OJ L 166, 30.4.2004, p.1) and Regulation (EC) 987/2009 of the European Parliament and of the Council of 16 September 2009 laying down the procedure for implementing Regulation (EC) No 883/2004 on the coordination of social security systems (OJ L 284, 30.10.2009, p. 1).

If the Withdrawal Agreement is not ratified, Union rules on social security coordination will no longer apply to the United Kingdom. This raises concerns for EU citizens who currently work or reside in the United Kingdom, or have done so previously, about their social security entitlements. The same applies to UK nationals currently working/residing in a different Member State.

The Commission calls upon Member States to take all possible steps to respond to these concerns and to ensure legal certainty and protection of the social security entitlements acquired by citizens who exercised their right to free movement prior to 30 March 2019.

In particular, the Commission calls upon Member States to:

- ✓ take into account, for EU27 citizens and UK nationals, periods of work/insurance that occurred in the United Kingdom before the withdrawal;
- ✓ inform citizens that they should keep the appropriate documentation that provides evidence for these periods;
- ✓ ensure that ‘aggregation’ of periods completed until withdrawal also benefits those who continue to live in the United Kingdom;
- ✓ export old-age pensions to the United Kingdom, despite the fact that it will be a third country. This would apply to those citizens who continue to reside in the United Kingdom after the withdrawal date, but also to the UK nationals who acquired old-age pension entitlements within the EU27 prior to the withdrawal date.

The Commission will provide concrete and detailed advice to Member States (EU27) on 20 December 2018 on how to achieve a coherent contingency approach regarding social security coordination, which the Member States should apply as of the withdrawal date.

The Commission recalls that the Union has exclusive competence on social security coordination for the periods completed and for facts and events that occurred before the withdrawal date.

## 5. Sector-specific regulation

## Financial services

If the Withdrawal Agreement is not ratified, financial operators established in the United Kingdom will lose, as of the withdrawal date, the right to provide their services in the EU27 Member States under the EU financial services passports. UK operators and their counterparts in the EU27 must therefore take action to comply with Union law in all scenarios and in time for the United Kingdom's withdrawal, as the Commission has indicated in the stakeholder notices which it published in this area<sup>17</sup>.

After examining the risks linked to a no deal scenario in the financial sector, and taking into account the views of the European Central Bank and the European Supervisory Authorities, the Commission has concluded that only a limited number of contingency measures is

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<sup>17</sup> [https://ec.europa.eu/info/brexit/brexit-preparedness/preparedness-notices\\_en#fisma](https://ec.europa.eu/info/brexit/brexit-preparedness/preparedness-notices_en#fisma)

necessary to safeguard financial stability in the EU27. These measures mitigate financial stability risks only in those areas where preparedness actions from market operators alone are clearly insufficient to address these risks by the withdrawal date. The Commission has therefore today adopted the following acts that will apply from the withdrawal date if the Withdrawal Agreement is not ratified:

- ✓ A temporary and conditional equivalence decision<sup>i</sup> for 12 months to ensure that there will be no disruption in **central clearing of derivatives**. This will allow the European Securities and Markets Authority (ESMA) to recognise temporarily central counterparties currently established in the United Kingdom, allowing them temporarily to continue providing services in the Union. The Commission has concluded that EU27 companies need this time to have in place fully viable alternatives to UK operators.
- ✓ A temporary and conditional equivalence decision<sup>ii</sup> for 24 months to ensure that there will be no disruption in services provided by UK **central securities depositories**. It will temporarily allow them to continue providing notary and central maintenance services to operators in the Union. This will allow EU27 operators that currently have no immediately available alternative in the EU27 to fulfil their obligations under EU law.

- ✓ Two Delegated Regulations<sup>iii,iv</sup> facilitating novation, for a fixed period, of **certain over-the-counter derivatives contracts with a counterparty established in the United Kingdom** to replace that counterparty with a counterparty established in the Union. This allows such contracts to be transferred to an EU27 counterparty while maintaining their exempted status and thus not becoming subject to clearing and margining obligations under the European Market Infrastructures Regulation. Such contracts, pre-dating EMIR, are exempted from EMIR requirements. This act will ensure that a change of counterparty will not change that exempted status.

In all sectors of financial services, firms should continue to take all the necessary steps to mitigate risks and ensure that clients continue to be served. Firms should actively inform clients about the steps they have taken and how they are implementing them. For their part, clients in the European Union of UK firms need to prepare for a scenario in which their provider is no longer subject to EU law.

### **Air transport**

If the Withdrawal Agreement is not ratified, air traffic between the EU and the United Kingdom will be interrupted as of the withdrawal date. The Commission has today adopted two temporary measures to avoid full interruption of air traffic between the Union and the United Kingdom and to ensure basic connectivity:

- ✓ A proposal for a Regulation<sup>v</sup> to ensure temporarily, for 12 months, the **provision of certain air services between the United Kingdom and the EU27 Member States**, allowing air carriers from the United Kingdom to fly across the territory of the Union without landing, make stops in the territory of the Union for non-traffic purposes, and perform scheduled and non-scheduled international passenger and cargo air transport services. This is subject to the United Kingdom conferring equivalent rights to air carriers from the Union, as well as to the United Kingdom ensuring conditions of fair competition.
- ✓ A proposal for a Regulation<sup>vi</sup> regarding **aviation safety** to extend temporarily, for 9 months, the validity of certain existing licences, to address the specific situation in the aviation safety sector where the European Union Aviation Safety Agency (EASA) can only issue certain certificates on the basis of a licence issued in a third country, while the

United Kingdom can only issue licences as of the withdrawal date, when it has re-gained the status of "State of design".

Only EU level contingency action is necessary and possible to ensure the required legal framework to avoid the abrupt interruption of activities in the area of air transport<sup>18</sup>. Additional national measures are not necessary.

### **Road haulage**

If the Withdrawal Agreement is not ratified, road haulage between the EU and the United Kingdom will be severely restricted and limited to an international system of limited quotas. The Commission has today adopted a measure to ensure basic connectivity. This will allow operators from the United Kingdom temporarily to carry goods into the Union, provided the United Kingdom confers equivalent rights to Union road haulage operators and subject to conditions ensuring fair competition:

- ✓ A proposal for a Regulation<sup>vii</sup> to allow temporarily, for 9 months, access for road haulage operators licenced in the United Kingdom to the carriage of goods by road between the territory of the latter and the EU27 Member States.

EU level contingency action is necessary to ensure an appropriate legal framework in the area of road haulage. EU law has superseded old bilateral agreements on road haulage rights and they cannot be resurrected. Any new bilateral agreement would raise issues of competence, and would not allow for road haulage to the United Kingdom by an operator of another Member State (cross-trade). They are therefore not a practical solution.

### **Customs and the exports of goods**

If the Withdrawal Agreement is not ratified, all relevant EU legislation on imported goods and exported goods will apply as of the withdrawal date. This includes the levying of duties and taxes and the respect of the formalities and controls required by the current legal framework, in order to ensure a level playing field.

Member State action continues to be essential. Member States must take all necessary steps to be in a position, as from the withdrawal date in case the withdrawal agreement is not ratified, to apply the Union Customs Code and the relevant rules on indirect taxation to all imports from and exports to the United Kingdom. They should use the existing possibilities to issue authorisations for facilitation measures provided for in the Union Customs Code. In meetings

As regards stakeholders, the Commission has emphasised the need for air carriers, manufacturing and maintenance organisations as well as licensed personnel, to seek the necessary licences, certificates and approvals as early as possible. The Commission also reiterates the need for companies that wish to be recognised as EU air carriers to take all the necessary measures to ensure that they meet this requirement on 30 March 2019.

with the Member States, the Commission has provided detailed information on the options available under the Union Customs Code.

The Commission has also adopted, today, the following technical measure:

- ✓ A Delegated Regulation<sup>viii</sup> to include the seas surrounding the United Kingdom in the provisions on time-limits within which entry summary declarations and pre-departure declarations have to be lodged prior to entering or leaving the Union's customs territory.

If the Withdrawal Agreement is not ratified, the **export of dual-use items** from the EU to the United Kingdom, as of the withdrawal date, will require individual licenses. Dual-use items are goods, software and technology that can be used for both civilian and military applications. The Union controls the export, transit and brokering of dual-use items so it can contribute to international peace and security and prevent the proliferation of Weapons of Mass Destruction (WMD). Union General Export Authorisations (EUGEAs) allow exports of dual-use items to certain destinations under certain conditions<sup>19</sup>. To facilitate controls on the export to the United Kingdom of dual use items as of the withdrawal date if the Withdrawal Agreement is not ratified, and to ensure the good functioning of the export authorisation regime for all EU27 Member States, the Commission has adopted the following act:

- ✓ A proposal for a Regulation<sup>ix</sup> to add the United Kingdom to the list of countries for which a general authorisation to export dual-use items is valid throughout the EU.

### European Union climate policy

European Union climate policy consists of various instruments, in particular the Emissions Trading System, and a quota system for the placing on the market of hydrofluorocarbons. The **Emissions Trading System** works on the basis of market mechanisms for the supply of emission allowances. If the Withdrawal Agreement is not ratified, the United Kingdom will no longer participate in the system and allowances which it has emitted may create a situation of oversupply. To prevent the distortion of the market that would result, and to ensure the smooth functioning and the environmental integrity of the Emissions Trading System, the Commission has

adopted the following act:

- ✓ A Commission Decision<sup>x</sup> to **suspend temporarily** for the United Kingdom the free allocation of emissions allowances, auctioning, and the exchange of international credits with effect from 1 January 2019.

In addition, if the Withdrawal Agreement is not ratified, the United Kingdom will no longer take part in the quota system for placing **hydrofluorocarbons** on the market. The Commission has therefore adopted the following measures:

- ✓ An Implementing Decision<sup>xi</sup> to allow an appropriate annual quota allocation to UK companies for accessing the EU27 market.

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<sup>19</sup> Exports to Australia, Canada, Japan, New Zealand, Norway, Switzerland, Liechtenstein, and the United States of America benefit from a Union General Export Authorisation.

- ✓ An Implementing Regulation<sup>xii</sup> to ensure that the reporting by companies differentiates between the EU market and the UK market to allow a correct allocation of quotas in the future.

### **Other sectors**

The Commission reiterates its commitment to ensuring that **the current programmes between the border counties of Ireland and Northern Ireland** continue in all scenarios, in view of the particular importance of regional cooperation in the area. To that end, the Commission has today adopted the following act:

- ✓ A proposal for a Regulation<sup>xiii</sup> to ensure the continuation of the PEACE IV (Ireland- United Kingdom) and the United Kingdom-Ireland (Ireland-Northern Ireland- Scotland) programmes until the end of the 2020.

The Commission underlines the fact that for the next Multi-Annual Financial Framework it has proposed to continue and to strengthen cross-border support for peace and reconciliation in the border counties of Ireland and Northern Ireland<sup>20</sup>.

Finally, and as a consequence of the withdrawal of the United Kingdom, certain adaptations to the rules on **statistics** are required. In that regard, the Commission has today adopted the following act:

- ✓ A Commission Delegated Regulation<sup>xiv</sup> on the listing of the United Kingdom in statistics on the balance of payments, international trade in services and foreign direct investment.

## 6. Next steps on contingency

The Commission will continue to implement its Contingency Action Plan in the weeks to come. It will continue to monitor the need for additional action.

The close coordination with Member States will continue, including in sectoral seminars in the Council Working Party (Article 50). The Commission will participate in European Parliament and Council meetings on preparedness and contingency issues as often as necessary.

The Commission calls on the co-legislators to **ensure the adoption of the proposed legislative acts** so that they are in force by the date of the withdrawal of the United Kingdom. The Commission also highlights to the European Parliament and to the Council that it is important for delegated acts to enter into force as rapidly as possible.

Finally, the Commission reiterates its calls on Member States to **remain united also as regards contingency action**, refraining from bilateral arrangements that would be incompatible with EU law and which cannot achieve the same results as action at the EU level. Such arrangements would also complicate the establishment of any future relationship between the EU and the United Kingdom.

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<sup>20</sup> COM(2018) 374 final.

### List of legal acts adopted by the Commission

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- i Commission Implementing Decision (EU) determining, for a limited period of time, that the regulatory framework applicable to central counterparties in the United Kingdom of Great Britain and Northern Ireland is equivalent, in accordance with Regulation (EU) No 648/2012 of the European Parliament and of the Council (C(2018) 9139).
  - ii Commission Implementing Decision (EU) determining, for a limited period of time, that the regulatory framework applicable to central securities depositories of the United Kingdom of Great Britain and Northern Ireland is equivalent in accordance with Regulation (EU) No 909/2014 of the European Parliament and of the Council (C(2018) 9138).
  - iii Commission Delegated Regulation (EU) amending Commission Delegated Regulation (EU) 2015/2205, Commission Delegated

- Regulation (EU) 2016/592 and Commission Delegated Regulation (EU) 2016/1178 supplementing Regulation (EU) No 648/2012 of the European Parliament and of the Council as regards the date at which the clearing obligation takes effect for certain types of contracts (C(2018) 9122).
- iv Commission Delegated Regulation (EU) amending Delegated Regulation (EU) 2016/2251 supplementing Regulation (EU) No 648/2012 of the European Parliament and of the Council as regards the date until which counterparties may continue to apply their risk-management procedures for certain OTC derivative contracts not cleared by a CCP (C(2018) 9118).
- v Commission proposal for a Regulation of the European Parliament and of the Council on common rules ensuring basic air connectivity with regard to the withdrawal of the United Kingdom of Great Britain and Northern Ireland from the Union (COM(2018) 893 final).
- vi Commission proposal for a Regulation of the European Parliament and of the Council on certain aspects of aviation safety with regard to the withdrawal of the United Kingdom of Great Britain and Northern Ireland from the Union (COM(2018) 894 final).
- vii Commission proposal for a Regulation of the European Parliament and of the Council on common rules ensuring basic road freight connectivity with regard to the withdrawal of the United Kingdom of Great Britain and Northern Ireland from the Union (COM(2018) 895 final).
- viii Commission Delegated Regulation amending Delegated Regulation (EU) 2015/2446 as regards the time-limits for lodging entry summary declarations and pre-departure declarations in case of transport by sea from and to the United Kingdom of Great Britain and Northern Ireland, the Channel Islands and the Isle of Man (C(2018) 9094).
- ix Commission proposal for a Regulation of the European Parliament and of the Council amending Council Regulation (EC) No 428/2009 by granting a Union General Export Authorisation for the export of certain dual-use items from the Union to the United Kingdom of Great Britain and Northern Ireland (COM(2018) 891 final).
- x Commission Decision of 17 December 2018 on instructing the central administrator to temporarily suspend the acceptance by the European Union Transaction Log of relevant processes for the United Kingdom relating to free allocation, auctioning and the exchange of international credits (C(2018) 8707).
- xi Commission Implementing Decision of 17 December 2018 on amending Commission Implementing Decision (EU) 2017/1984 determining, pursuant to Regulation (EU) No 517/2014 of the European Parliament and of the Council on fluorinated greenhouse gases, reference values as regards reference values for the period from 30 March 2019 to 31 December 2020 for producers or importers established within the United Kingdom, which have lawfully placed on the market hydrofluorocarbons from 1 January 2015, as reported under that Regulation (C(2018) 8801).
- xii Commission Implementing Regulation of 14 December 2018 amending Implementing Regulation (EU) No 1191/2014 as regards the reporting



of data referred to in Article 19 of Regulation (EU) No 517/2014 in respect of hydrofluorocarbons placed on the market in the United Kingdom and in the Union of 27 Member States (C(2018) 8575).

xiii Commission proposal for a Regulation of the European Parliament and of the Council in order to allow for the continuation of the territorial cooperation programmes PEACE IV (Ireland-United Kingdom) and United Kingdom-Ireland (Ireland-Northern Ireland- Scotland) in the context of the withdrawal of the United Kingdom from the Union (COM(2018) 892 final).

xiv Commission Delegated Regulation (EU) of 19 December 2018 amending Annex I to Regulation (EC) 184/2005 of the European Parliament and of the Council, as regards the geographical breakdown levels (C(2018) 8872)



**EUROPEAN COMMISSION**

**MEMO**

## **Questions and Answers: the consequences of the United Kingdom leaving the European Union without a ratified Withdrawal Agreement (no deal Brexit)**

*This present document is for information purposes only.*

- Citizens & social security

*1. What will be the legal situation of UK nationals resident in the EU in case of no deal? Can they continue to work in their Member State of residence and travel freely across the whole EU? Will they need specific documents and can they apply already for those?*

In today's Communication, the Commission has called upon Member States to act along the following lines regarding the rights of UK nationals to stay and work in EU27 Member States in case of no deal:

- Take measures so that all UK nationals legally residing in a Member State on 29 March 2019 will continue to be considered as legal residents of that Member State without interruption;
- Stand ready to issue residence permits to the UK nationals concerned as evidence of their legal stay and right to work;
- Take all necessary legislative and administrative measures to be able to issue temporary residence documents by the withdrawal date, and to process applications for definitive residence permits under the uniform format by the end of 2019.

Spokespersons'  
Service  
Service des  
Porte-parole

**MEMO/16/**

In the second Communication on Brexit preparedness from 13 November 2018<sup>1</sup>, the Commission had:

- called upon Member States to include the periods of legal residence in an EU27 Member State prior to the withdrawal when assessing if a UK national fulfils the 5 years of residence condition;

- recommended that Member States accept applications for residence permits that are submitted in advance of the UK's date of withdrawal.

In addition, UK nationals who are family members of EU citizens having exercised the right to free movement will enjoy the right to move and reside in an EU Member State, and may receive a "Residence card of a family member of a Union citizen". Finally, UK nationals resident in one of the EU Schengen states, who hold a residence permit, can travel freely in the Schengen area for short stays (up to 90 days outside the country of residence).

*2. What will be the legal situation of EU citizens residing in the UK in case of no deal?*

The Commission has called upon Member States to take a generous approach to UK nationals who are already resident in their territory. The Commission expects the reassurances given by the UK authorities – that, even in case of no deal, the rights of EU citizens in the United Kingdom will be protected in a similar way – to be formalised soon so that it can be relied upon by citizens.

*3. Will periods of legal residence of a UK national in an EU27 Member State before the withdrawal date count towards acquiring a long-term residence permit in that Member State?*

The Commission confirmed in its Communication of 13 November 2018 that, in the Member State of residence, periods of legal residence of UK nationals prior to withdrawal also count for the purpose of attributing EU long-term resident status to UK nationals (and their third-country family members) under the terms of Directive 2003/109/EC.

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<sup>1</sup> <https://eur-lex.europa.eu/legal-content/EN/TXT/HTML/?uri=CELEX:52018DC0880&from=EN>

*4. What happens, in case of no deal to the old-age pension of an EU27 citizen who is currently retired in the UK and receives an old-age pension from one or more EU27 Member States?*

The Commission has called upon Member States to continue paying old-age pensions to EU27 citizens who are already residing in the UK on 29 March 2019 and remain there after that date. Nothing in EU law prevents Member States from paying pensions to beneficiaries residing in a third country.

*5. In case of no deal, what happens to the old-age pension of an EU27 citizen who at one point worked in the UK before 30 March 2019?*

The Commission has called upon EU27 Member States to ensure that EU27 citizens who worked in the UK for periods before 30 March 2019 retain their right for those periods to be taken into account when his or her right to an old-age pension is determined and calculated by the relevant Member State. Furthermore, the place of residence of the person entitled to the old-age pension, whether in the EU27 or in the UK, should not be of any relevance.

*6. In case of no deal, what happens to old-age pension rights acquired by UK nationals from periods worked in (an) EU27 Member State(s) before 30 March 2019 if the person decides to retire in an EU27 Member State, the UK or another third country?*

The Commission has called upon EU27 Member States to ensure that UK nationals – who exercised their right to free movement within the EU at a time when the United Kingdom was an EU Member State – retain their rights for their periods of insurance or employment completed in EU27 Member States before 30 March 2019 so that this is taken into account by EU27 Member States when determining and calculating their old-age pensions.

- **Transport**

- **General**

*7. Why are you proposing contingency measures for aviation but not for rail transport? Are you treating modes of transport differently in case*

*of no deal?*

The withdrawal of the UK from the EU without a deal will cause disruption in all modes of transport, but to a different degree. In particular, some modes of transport benefit from an international system, which will remain in place in a no-deal scenario and provide limited, continued basic connectivity. Moreover, in many areas it is possible for economic operators to take preparedness actions. Contingency measures do not compensate for the lack of preparedness actions from stakeholders.

In aviation, there is no existing regulatory fall-back option that would allow the continuation of basic connectivity for air transport services between the EU and the UK. In road transport, the existing fall-back options (European Conference of Minister of Transport's quotas) is not sufficient to avoid major disruptions, which leads the Commission to propose a contingency measure to ensure some basic connectivity for road haulage.

As regards the maritime sector, existing international rules will enable some basic connectivity. In general, EU rules already allow stakeholders and national authorities to prepare, before the withdrawal date, for a possible no-deal scenario by making sure that they obtain the relevant certificate from an EU27 Member State (e.g. railway undertakings can establish themselves in one of the EU27 Member States to obtain an operating licence or they can request safety certifications from EU27 authorities, airline pilots can apply for EU27 licences, seafarers can obtain recognition in the EU27 of the UK certificate, etc.).

For more details, stakeholders should consult the Commission preparedness notices on the various modes of transport.<sup>2</sup>

- **Aviation – market access**

*8. Will there still be plane connections between the UK and the EU in case of no deal? What exactly is the EU proposing to ensure this? What will happen if the UK does not reciprocate the measures taken by the EU?*

In case of no deal, the Commission is proposing that "point-to-point" flight connections, i.e. connections from the territory of the United Kingdom to the

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<sup>2</sup> [https://ec.europa.eu/info/brexit/brexit-preparedness/preparedness-notices\\_en#move](https://ec.europa.eu/info/brexit/brexit-preparedness/preparedness-notices_en#move)

territory of the EU27, are temporarily allowed on the basis of a unilateral measure. This measure will enter into force in case of no deal, if the United Kingdom reciprocates, and last until 30 March 2020. This is to avoid a full interruption of traffic between the EU and the United Kingdom.

To ensure reciprocity, the proposal would enable the Commission to adopt

appropriate measures, such as adjusting the allowable capacity available to UK air carriers, or requiring Member States to adapt, refuse, suspend or revoke the operating authorisations of UK air carriers, if the Commission were to determine that rights granted by the UK to EU air carriers are not equivalent to those granted to UK air carriers.

*9. Why is the Commission limiting its contingency proposal to only ensuring basic connectivity between the EU and the UK (so called 3<sup>rd</sup> and 4<sup>th</sup> freedoms)?*

A no-deal scenario will cause significant disruption. As mentioned in the Communication of 19 December 2018, contingency measures cannot replicate the benefits of membership of the Union, nor the terms of any transition period, as provided for in the draft Withdrawal Agreement. Basic connectivity refers to the level and volume of air transport services that will suffice to cover the basic needs of the Member States' economies and mitigate to some extent the impact of withdrawal, without however guaranteeing the continuation of all existing air transport services under the same terms as they are supplied today.

*10. Will the Member States be able to conclude additional bilateral agreements with the UK in addition to the measures at the Union level?*

An EU level response will be the best way to ensure that EU27 interests are properly protected in any scenario, including no-deal. In case of no deal, the EU legislation on basic air connectivity proposed today will be implemented. There will be no need for Member States to enter into bilateral negotiations. A unified and clear aviation relationship between the EU as a whole and the UK is largely preferable, allowing all European airlines to continue to operate basic air routes between any Member State and the UK and ensure a level playing field.

- **Aviation – ownership and control**

*11. In case of no deal, will EU airlines still be allowed to fly if they fail to meet the EU's ownership and control requirements at the time of the withdrawal?*

As explained in the notice to stakeholders regarding air transport published in January 2018<sup>3</sup>, in order to maintain the validity of an operating licence,

and the freedom to provide intra-EU air services, all the conditions for the operating licence need to be respected, including being majority EU-owned and controlled. If the conditions are no longer fulfilled as a consequence of the United Kingdom's withdrawal from the EU, the operating licence will no longer be valid. Stakeholders have been made aware of the above since the early stage of the withdrawal process and are in a position to take all measure required to remain in compliance of EU law for the sake of business continuity. For more details, stakeholders should consult the Commission preparedness notices on air transport.<sup>4</sup>

- **Aviation – safety**

*12. What does the Commission's proposal on aviation safety concretely include?*

In case of no deal, the Commission's proposal for a Regulation:

- extends for a limited period of time – 9 months – the validity of certain certificates (in particular type certificates) that can only be issued by the European Union Aviation Safety Agency (EASA) on the basis of certificates issued by the UK once it is a third country;
- ensures that parts and appliances, for which a certificate of conformity was issued by a UK company before the withdrawal date, can still be used in and on aircraft although the company that issued the certificate is no longer entitled to issue new certificates.

*13. What should stakeholders do to mitigate the impact of a no deal as regards aviation safety requirements?*

Many holders of UK certificates (e.g. pilots, mechanics, examiners, instructors, etc.) have the possibility to obtain, already now, a certificate from an EU27 Member State. There have recently been many applications filed with EU27 Member States to transfer licenses.

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<sup>3</sup> [https://ec.europa.eu/info/sites/info/files/file\\_import/air\\_transport\\_en.pdf](https://ec.europa.eu/info/sites/info/files/file_import/air_transport_en.pdf)

Where UK-based entities have to hold a certificate issued by EASA, companies are able to apply already now to as third country organisations. EASA has started processing certain early applications in order to anticipate the situation of the UK becoming a third country without a deal. Such certificates would enter into force at the moment of the UK's withdrawal, in case of no deal.

For more details, stakeholders should consult the Commission preparedness notices on aviation.<sup>5</sup>

- **Aviation – security**

*14. Will passengers coming from the UK and transiting via EU airports have to undergo an additional security check in the EU airport? And what will apply to cargo operations?*

The repetition of security checks in EU airports will be a great inconvenience to travellers and pose considerable burdens on EU airports. To mitigate some of this impact, as announced in the Communication of 13 November 2018, the Commission intends to use the existing possibility to recognise a third country's aviation security regime as equivalent for a limited period of time, so that additional security checks will remain unnecessary in case of transfer/transit of passengers coming from the United Kingdom and transferring or transiting at EU airports.

- **Road – haulage**

*15. Will trucks be able to continue carrying goods between the UK and the EU if the UK leaves in case of no deal? Is there a restriction in numbers?*

The Commission is proposing that operators from the United Kingdom are temporarily allowed to carry goods into the Union, provided the United Kingdom confers equivalent rights to Union road haulage operators and subject to conditions ensuring fair competition. This measure shall enter into force in case of no deal, and cease to have effect on 31 December 2019.

*16. What will be the terms and conditions of cabotage operations in case of no deal?*

In case of no deal, cabotage by UK operators in the European Union will not be possible.



*17. Will passenger cars be able to drive between the EU and the UK if the UK leaves without a deal? Is there a restriction in numbers?*

Passenger cars registered in the United Kingdom will be allowed to drive to the European Union and vice-versa. There is no restriction in numbers. The only condition is that the vehicles (and drivers) comply with the relevant rules of the 1968 Vienna Convention on Road Traffic (or the 1949 Geneva Convention on Road Traffic for vehicles and drivers from Ireland, Cyprus, Malta and Spain). For more details you should consult the Commission preparedness notice on travelling of 13 November 2018.<sup>6</sup>

- **Road – Bus services**

*18. Will the EU take any contingency measures in this area? Would Member States be allowed to make bilateral agreements with the United Kingdom, to ensure the continuation of cross-border services?*

The EU does not intend to take any contingency measures in this area. The UK has signalled that, following its withdrawal from the European Union, it intends to become a Contracting Party to the Interbus Agreement of 2002 in its own right, which is in principle possible. This would allow transport by bus or coach as occasional services to be performed. The Interbus Agreement only covers occasional services, but a Protocol extending its scope to regular and special regular services has recently been agreed and is being ratified, hence bilateral agreements between individual Member States and the United Kingdom will not be needed.

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<sup>6</sup> [https://ec.europa.eu/info/sites/info/files/brexit\\_files/info\\_site/travelling.pdf](https://ec.europa.eu/info/sites/info/files/brexit_files/info_site/travelling.pdf)

*19. Are UK driving licences going to be recognised in the EU in a no deal scenario?*

In a no-deal scenario, UK driving licences will be recognised in the European Union (and vice-versa) on the basis of the 1968 Vienna Convention on Road Traffic (and the 1949 Geneva Convention on Road Traffic in the case of Ireland, Cyprus, Malta and Spain).

For more details you should consult the Commission preparedness notice on travelling of 13 November 2018.<sup>7</sup>

- **Rail transport**

*20. Will train services continue between the United Kingdom and the European Union in a no-deal scenario?*

To continue operating in the EU, train operators need an EU operating licence and an EU safety certificate, as well as train drivers licensed in an EU Member State. Currently its operating licence and safety certificate, as well as licences held by some of their drivers, are issued by the UK authorities and will cease to be valid in the EU27 as of the withdrawal date in a no-deal scenario.

The Commission's services have been in contact with operators on the need to fulfil the abovementioned requirements and to speed up the process in order to ensure the continuity of the service between the United Kingdom and the European Union in a no-deal scenario. This work will need to be completed rapidly to ensure the service continues running without significant interruption.

For more details, stakeholders should consult the Commission preparedness notices on rail transport.<sup>8</sup>

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<sup>7</sup> [https://ec.europa.eu/info/sites/info/files/brexit\\_files/info\\_site/travelling.pdf](https://ec.europa.eu/info/sites/info/files/brexit_files/info_site/travelling.pdf)

<sup>8</sup> [https://ec.europa.eu/info/brexit/brexit-preparedness/preparedness-notices\\_en#move](https://ec.europa.eu/info/brexit/brexit-preparedness/preparedness-notices_en#move)

- **Financial Services**

*21. What exactly is the Commission proposing in the area of financial services?*

After examining the risks linked to a no deal scenario in the financial sector, and taking into account the views of the European Central Bank and the European Supervisory Authorities, the Commission has concluded that only a limited number of contingency measures is necessary to safeguard financial stability in the EU27. These measures mitigate financial stability risks only in those areas where preparedness actions from market operators alone are clearly insufficient to address these risks by the withdrawal date. This is why the Commission has adopted today two temporary and conditional equivalence decisions prolonging the access of EU firms to UK central clearing counterparties (CCPs)<sup>9</sup> and UK central security depositories (CSDs)<sup>10</sup>, for 12 and 24 months respectively.

In addition, the Commission is amending two Delegated Regulations in order to preserve the regulatory treatment of derivative contracts currently exempted from the clearing obligation and the bilateral margin requirements that EU law imposes, when such contracts are transferred from the UK to the EU27. Such flexibility would be granted for a period of 12 months following the withdrawal date.

*22. Why is the Commission restricting itself to the measures proposed for certain derivative contracts and certain equivalence decisions in case of no deal?*

As indicated by the Commission in the Communication of 13 November 2018, contingency measures shall be strictly limited to what is necessary to deal with major disruptions. They cannot offset some of the costs created by the application of two separate regulatory and supervisory frameworks, nor remedy delays that could have been avoided by preparedness measures and timely action by relevant operators. This is why, beyond the two identified risks, it is the responsibility of market participants to mitigate possible risks by timely adaptation to this new situation.

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<sup>9</sup> Commission decision determining, for a limited period of time, that the regulatory framework applicable to central counterparties in the United Kingdom of Great Britain and Northern Ireland is equivalent, in accordance with Regulation (EU) No 648/2012 of the European Parliament and of the Council.

<sup>10</sup> Commission implementing decision determining, for a limited period of time, that the regulatory framework applicable to central securities depositories of the United Kingdom of Great Britain and Northern Ireland is equivalent in accordance with Regulation (EU) No 909/2014 of the European Parliament and of the Council

For more details, stakeholders should consult the Commission preparedness notices on financial services.<sup>11</sup>

*23. Will banks and insurers with headquarters in the UK be able to continue to provide services in the EU in case of no deal?*

In case of no deal, entities headquartered in the UK providing banking services will no longer be allowed to provide services in the EU on the basis of their current authorisations.

Similarly, in case of no deal, UK insurance undertakings will no longer be allowed to provide services in the EU, including through online sales, on the basis of their current authorisations.

Financial institutions that wish to provide banking or insurance services in the European Union should take all necessary steps to be properly authorised on withdrawal date, including by establishing presence in the EU27.

For more details, stakeholders should consult the Commission preparedness notices on financial services.<sup>12</sup>

*24. Will I be able to use in the EU those payment methods issued in the UK in case of no deal?*

In case of no deal, payment institutions authorised by UK competent authorities will not be allowed to provide payment services in the European Union, as of the withdrawal date, or through the use of branches located in the Member States, under their current authorisations. Entities headquartered in the UK providing payment services, as well as e-money issuing, will no longer benefit from the authorisation to provide those services and activities in the European Union..

The possibility to use payment methods depends on the respective preferences of merchants and international payment methods are usually recognised throughout the world.

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<sup>11</sup> [https://ec.europa.eu/info/brexit/brexit-preparedness/preparedness-notices\\_en#fisma](https://ec.europa.eu/info/brexit/brexit-preparedness/preparedness-notices_en#fisma)  
<sup>12</sup> [https://ec.europa.eu/info/brexit/brexit-preparedness/preparedness-notices\\_en#fisma](https://ec.europa.eu/info/brexit/brexit-preparedness/preparedness-notices_en#fisma)

Nevertheless, EU law sets limits to interchange fees charged to merchants in respect of intra-EU transactions. Thus they will no longer cover transactions between the EU-27 and the United Kingdom after withdrawal date and higher fees may be charged. Provided that merchants are allowed to apply surcharges on consumers for card payments, this may lead to a higher surcharge for card payments.

For more details you should consult the Commission preparedness notice on travelling of 13 November 2018.<sup>13</sup>

*25. In case of no deal, will I need to change my car insurance or follow any specific procedure to drive in the EU27 with a car insured in the UK?*

If you travel to the EU27 from the United Kingdom with a UK-registered vehicle, you should make sure, prior to travelling, that your motor insurance policy covers the EU, as this might not be the case under the Green Card system, and that a Green Card is present in your vehicle<sup>14</sup>.

For more details, you should consult the Commission preparedness notice on travelling of 13 November 2018.<sup>15</sup>

- **Sanitary and Phyto-sanitary (SPS) rules**

*26. What is the exact scope of the contingency measures on veterinary legislation and when will they be in place?*

In case of no-deal, EU rules in public/animal health areas will no longer apply to the UK. Therefore, the entry of animals and their products from the UK into the EU will only be allowed if the UK is listed as an authorised third country in the relevant sectors of EU legislation.

The contingency measures announced in the Commission Communication of 13 November 2018 foresee that the UK will be added to the lists for live

<sup>13</sup> [https://ec.europa.eu/info/sites/info/files/brexit\\_files/info\\_site/travelling.pdf](https://ec.europa.eu/info/sites/info/files/brexit_files/info_site/travelling.pdf)

<sup>14</sup> For more information, see the Commission preparedness notice on travelling of 13 November 2018, p. 20.

<sup>15</sup> [https://ec.europa.eu/info/sites/info/files/brexit\\_files/info\\_site/travelling.pdf](https://ec.europa.eu/info/sites/info/files/brexit_files/info_site/travelling.pdf)

animals and animal products, subject to providing guarantees that all applicable conditions under the veterinary or sanitary legislation will be fulfilled. In a no deal scenario, the listing of the United Kingdom should enter into force on 30 March 2019.

*27. Will live animals and animal products be checked at the borders when entering the European Union from the United Kingdom after 29 March 2019 in case of no deal?*

In case of no-deal, every consignment of live animals and animal products coming from the UK would have to undergo, as of the withdrawal date, checks in Union border inspection posts (BIPs) at the point of entry into the EU.

For more details, stakeholders should consult the Commission preparedness notice on EU rules for food, feed and sanitary and phytosanitary controls.<sup>16</sup>

*28. In case of no deal, are these checks also necessary if these products come from another Member State, but transit through the United Kingdom?*

In case of no-deal, simplified border controls (limited to documentary checks, for instance) will apply to live animals and animal products coming from a Member State but transiting through the UK.

For more details, stakeholders should consult the Commission preparedness notice on EU rules for food, feed and sanitary and phytosanitary controls.<sup>17</sup>

*29. Does the Commission have flexibility when approving the necessary Border Inspection Posts for SPS checks and how fast will approvals take place?*

Certain flexibilities are provided for in the applicable EU legislation, e.g. accepting temporary premises for inspection rooms or sharing commercial facilities for the storage of consignments. In order to be ready by 30 March 2019, the new or extended border inspection posts must be proposed by the Member States to the European Commission before 15 February 2019.

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<sup>16</sup> [https://ec.europa.eu/info/brexit/brexit-preparedness/preparedness-notice\\_en#sante](https://ec.europa.eu/info/brexit/brexit-preparedness/preparedness-notice_en#sante)  
<sup>17</sup> [https://ec.europa.eu/info/brexit/brexit-preparedness/preparedness-notice\\_en#sante](https://ec.europa.eu/info/brexit/brexit-preparedness/preparedness-notice_en#sante)

*30. What are the health requirements for pets accompanying holders that visit the EU in case of no deal?*

In case of no deal, the "EU pet passport" issued before the withdrawal date to a pet owner resident in the United Kingdom will no longer be valid as of withdrawal date. Travellers from the UK are advised to bear in mind that they might need a health certificate including a valid anti-rabies vaccination and a valid rabies antibody titration test.

For more details you should consult the Commission preparedness notice on travelling of 13 November 2018.<sup>18</sup>

- **Customs**

*31. In case of no deal, will goods coming from the UK to the EU/EU to the UK be considered as imports/exports as of 30 March 2019?*

As of 30 March 2019, goods which are brought into the customs territory of the European Union from the United Kingdom or are to be taken out of that territory for transport to the United Kingdom, are subject to customs supervision and may be subject to customs controls in accordance with the Union Customs Code. This implies inter alia that customs formalities apply, declarations have to be lodged and customs authorities may require guarantees for potential or existing customs debts.

For more details, stakeholders should consult the Commission preparedness notice on EU rules for customs and rules of origin.<sup>19</sup>

*32. Can I already apply for authorisations and access to customs IT systems or must I wait for 30 March 2019?*

Economic operators may already in advance of the withdrawal date apply

for authorisations and access to customs IT systems at the competent customs authority. That is in general the customs authority of the place where the applicant's main accounts are held. The authorisation, however, will only become applicable after the withdrawal date.

In particular, the Commission would like to draw the attention of those companies who were so far not involved in customs activities, but already trading with the United Kingdom as an EU Member States, on the importance of preparedness actions in advance of withdrawal date.

*33. In case of no deal, what will happen to goods which started their transport before withdrawal date, but which arrive in the EU/the UK after?*

In case of no deal, these goods will be considered non-Union goods when they are brought into the EU customs territory. The UK will decide on how to deal with the goods entering their territory after its withdrawal.

- **Taxation**

*34. In case of no deal, will there be any tax refunds on goods I purchased in the United Kingdom and brought back to the European Union?*

In case of no deal, the UK will decide whether it will allow tax refunds for goods that are exported from its territory by EU citizens as of withdrawal date.

For more details, stakeholders should consult the Commission preparedness notice on indirect taxation,<sup>20</sup> as well as the .preparedness notice on travelling of 13 November 2018.<sup>21</sup>

*35. What rules will apply to EU-UK trade in terms of VAT in case of no deal?*

In case of no deal, existing EU legislation with regard to VAT will continue to apply within the European Union. As of withdrawal date, the rules of the EU VAT Directives relating to third countries will apply in the relations with the UK.



This means that, in case of no deal, VAT will be due at the importation in the EU. Goods will be exempt from VAT if they are dispatched or transported to a destination outside the European Union, including, therefore, the UK.

For more details, stakeholders should consult the Commission preparedness notice on indirect taxation,<sup>22</sup> as well as the .preparedness notice on travelling of 13 November 2018.<sup>23</sup>

*36. What about goods that started their transport before withdrawal date, and arrive in the EU/the UK after? Will I be taxed twice?*

If these goods are transported to the European Union, their importation will be subject to VAT (and they will not be taxed anymore as intra-EU acquisitions).

The UK will decide on how to tax imported goods as of the UK's withdrawal.

- **Climate change**

- **Greenhouse gases market mechanisms – ETS**

*37. In case of no deal, how will the functioning of the EU's Emissions Trading Scheme (EU ETS) be affected?*

Measures guaranteeing the smooth functioning of the EU ETS and the EU carbon market in case of no deal were adopted in February 2018.

They will ensure that, in case of no deal, UK operators would have fully complied with their 2018 obligations as of withdrawal date, and the system can function without participation of the UK after that date.

*38. In case of no deal, will the UK be able to auction or issue allowances in the Emission Trading System?*

The Commission has decided to temporarily suspend, as of 1 January 2019, the acceptance of all relevant processes in the Union registry until the ratification process provides legal certainty on the participation of the UK in the EU ETS 2019 and 2020 compliance cycles. In other words, the UK will

neither be able to auction nor issue for free any allowances or exchange international credits into allowances as of 1 January 2019 until the ratification

instrument of a Withdrawal Agreement is notified to the Council's Secretary- General by the European Union and the UK.

Accounts in the Union Registry administered by the United Kingdom and accounts in the Kyoto Protocol registry of the United Kingdom will no longer be accessible as of the withdrawal date.

For more details, stakeholders should consult the Commission preparedness notice on EU climate policy.<sup>24</sup>

- **Application and entry into force of contingency measures**

*39. Will the contingency measures apply to Gibraltar?*

As of the withdrawal of the United Kingdom, all applicable EU law will cease to apply to the UK and to Gibraltar. As a consequence, contingency measures addressing the United Kingdom will not apply to Gibraltar.

*40. Why are the contingency measures different as regards their application in time?*

The time limitations proposed for each and every contingency measure and/or proposal adopted today depend on the various situation of the sector concerned. For instance, regarding road transport, the time limitation takes into account the annual Council of the European Conference of European Ministers of Transport.



Strasbourg, 13.11.2018  
COM(2018) 880 final

**COMMUNICATION FROM THE COMMISSION TO THE EUROPEAN  
PARLIAMENT, THE EUROPEAN COUNCIL, THE COUNCIL, THE EUROPEAN  
CENTRAL BANK, THE EUROPEAN ECONOMIC AND SOCIAL COMMITTEE,  
THE COMMITTEE OF THE REGIONS AND THE EUROPEAN INVESTMENT  
BANK**

**Preparing for the withdrawal of the United Kingdom from the European Union on 30  
March 2019: a Contingency Action Plan**

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EUROPEAN INVESTMENT BANK**

**Preparing for the withdrawal of the United Kingdom from the European Union  
on 30 March 2019: a Contingency Action Plan**

*The European Council renews its call upon Member States, Union institutions and*

*all stakeholders to step up their work on preparedness at all levels and for all outcomes.*

European Council (Article 50), 29 June 2018<sup>8</sup>

## **1. Introduction**

The United Kingdom has decided to leave the European Union, invoking the procedure foreseen by Article 50 of the Treaty on European Union. The Commission regrets this decision, but respects it.

On 30 March 2019<sup>9</sup>, the United Kingdom will become a third country. All Union primary and secondary law will cease to apply to the United Kingdom from that moment, unless a ratified withdrawal agreement establishes another date.

As emphasised in the Commission's first Brexit preparedness Communication of 19 July 2018<sup>10</sup>, irrespective of the scenario envisaged, the United Kingdom's choice will cause significant disruption. The Commission has therefore consistently called on European citizens, businesses and Member States to prepare for all possible scenarios, assess relevant risks and plan their response in order to mitigate them. On 29 June 2018, the European Council renewed its call to Member States, Union institutions and all stakeholders to step up their work on preparedness at all levels and for all outcomes<sup>11</sup>.

The purpose of this Communication is to address this call, focusing on a no deal scenario. It identifies key areas and key actions to be taken, as well as a structure for discussions and Member State coordination between November 2018 and 30 March 2019.

Since May 2017, the EU and the United Kingdom have been negotiating a withdrawal agreement. Progress on a legal text, including on arrangements for a transition period until 31 December 2020, was made at negotiators' level and made public on 19 March 2018<sup>12</sup>. Further progress was reported in a joint statement of the Commission and the UK negotiators on 19 June 2018.<sup>13</sup> On 17 October 2018, the European Council (Article 50) called on the Commission as the Union negotiator to continue its efforts to reach an agreement in accordance with previously agreed European Council guidelines. These

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<sup>8</sup> <https://www.consilium.europa.eu/media/35966/29-euco-art50-conclusions-en.pdf>.

<sup>9</sup> The United Kingdom submitted on 29 March 2017 the notification of its intention to withdraw from the Union pursuant to Article 50 of the Treaty on European Union. This means that, unless a ratified withdrawal agreement establishes another date or, in accordance with Article 50(3) of the Treaty on European Union, the European Council, in agreement with the United Kingdom, unanimously decides that the Treaties cease to apply at a later date, all Union primary and secondary law will cease to apply to the United Kingdom from 30 March 2019, 00:00 (CET). At this moment in time the Commission has received no indication that the United Kingdom may request a prolongation of its EU membership.

<sup>10</sup> COM(2018) 556 final/2.

<sup>11</sup> <https://www.consilium.europa.eu/media/35966/29-euco-art50-conclusions-en.pdf>

<sup>12</sup> [https://ec.europa.eu/commission/publications/draft-agreement-withdrawal-united-kingdom-great-britain-and-northern-ireland-european-union-and-european-atomic-energy-community-0\\_en](https://ec.europa.eu/commission/publications/draft-agreement-withdrawal-united-kingdom-great-britain-and-northern-ireland-european-union-and-european-atomic-energy-community-0_en) [https://ec.europa.eu/commission/sites/beta-political/files/draft\\_agreement\\_coloured.pdf](https://ec.europa.eu/commission/sites/beta-political/files/draft_agreement_coloured.pdf)

<sup>13</sup> [https://ec.europa.eu/commission/sites/beta-political/files/joint\\_statement.pdf](https://ec.europa.eu/commission/sites/beta-political/files/joint_statement.pdf)

negotiations are ongoing and the Commission as Union negotiator remains committed to reaching an agreement for an orderly withdrawal. While progress has been achieved in many respects, and despite the significant efforts and intensive negotiations, some areas of disagreement remain. In addition, reaching an agreement with the UK Government is not a guarantee that the United Kingdom will ratify the Withdrawal Agreement by 30 March 2019.

## **2. Need to prepare – action at EU level**

Work to prepare for the withdrawal of the United Kingdom **is ongoing in parallel to the negotiations**. The Commission will continue to play its part in full.

The Commission has **screened the EU *acquis***, i.e. the existing rules under EU law, to determine which rules must be adapted in any scenario and which measures will have to be put in place only in the case of a no deal scenario. As a result of this screening, the Commission has tabled eight **legislative preparedness proposals** for measures that must be adopted irrespective of whether the United Kingdom's withdrawal is orderly or otherwise. These measures are presented in Annex 1. Examples include adjustments to the rules of approval of automotive vehicles or in relation to ship inspection organisations, and the apportionment between the United Kingdom and the EU27 of tariff rate quotas included in the goods schedule of the European Union at the World Trade Organisation. In parallel to this Communication, the Commission has adopted the last two of these proposals, namely a proposal to adapt references to EU energy efficiency targets (expressed in absolute values) for 2030 and a proposal on the rules on visa that will apply to UK nationals after the withdrawal of the United Kingdom from the Union<sup>14</sup>.

In addition, a number of **implementing and delegated acts** that are also necessary in any scenario have been adopted or are being prepared. Examples of these include the treatment of the United Kingdom in the context of statistical data, the reattribution of *rappporteurship* for the assessment of certain chemicals from the United Kingdom to another Member State, and amendments of marketing authorisations of medicines. These acts are all targeted and Brexit-specific and are presented in Annex 2.

The Commission is also working with **relevant agencies**. Given the specific circumstances in the aviation sector, for example, the Commission has invited the European Aviation Safety Agency (EASA) to start processing certain applications from UK entities in preparation for the time when the United Kingdom will not be a Member State. The European Medicines Agency (EMA) has conducted several surveys and, where necessary, has contacted holders of EU marketing authorisations to recall the need to take the necessary preparedness measures. The European Chemicals Agency (ECHA), the Community Plant Variety Office (CPVO), and EMA have re-attributed regulatory functions from the United Kingdom to other Member States.

In addition, the Union is taking all necessary steps to ensure that EU agencies and bodies located in the United Kingdom (such as the European Medicines Agency, the European

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<sup>14</sup> See below the section on citizens.

Banking Authority, the North Sea Advisory Council, the back-up site of the Galileo Security Monitoring Centre and the Operational Headquarters) are re-located to the EU27 before the withdrawal date.

In the interest of the Union, the Commission is also supporting the United Kingdom in securing its accession to the Common Transit Convention as a non-EU transit country, provided that it is ready to meet the requirements of the Convention, as well as its accession to the Convention on the simplification of formalities in trade in goods. For the same reason, the Commission also supports the United Kingdom's accession to the Government Procurement Agreement.

Other work strands are in place, including very practical aspects of internal EU preparedness, such as the disconnection and adaptation of databases and IT systems and other platforms for communication and information exchange to which the United Kingdom should no longer have access.

Furthermore, the Commission has continued to **discuss preparations for the withdrawal with the EU27 Member States**, both general issues of preparedness and specific sectorial, legal and administrative preparedness steps. Member States and the Commission are intensifying this work through the sectoral seminars organised by the Council Working Party (Art. 50).

### **3. Need to prepare – actions by citizens, businesses and Member States**

As underlined in the Commission's first Brexit preparedness Communication of 19 July 2018, preparedness for the withdrawal of the United Kingdom must be a joint effort of the European Union, national, regional and local levels, as well as by economic operators and citizens. In order to be prepared for the withdrawal and to mitigate the worst impact of a potential cliff-edge scenario, all actors must assume their responsibilities.

#### *Measures by the EU27 Member States*

Member States have started preparing the withdrawal of the United Kingdom by **identifying the need for adaptations of their legislation and for administrative and practical measures**. These efforts must be intensified and their implementation prioritised. National measures, including the necessary increase in **human resources** (such as customs officers and official veterinarians) and putting in place, adjusting or strengthening the necessary infrastructures (for example in ports and airports), represent a central element of contingency planning.

Member States, including national authorities, will play a key role in implementing and enforcing EU law vis-à-vis the United Kingdom as a third country. This includes performing the necessary border checks and controls and processing the necessary

authorisations and licences. Brexit will also see the re-emergence of a maritime border in the North Sea and in the North Atlantic. Additional efforts will be needed by Member States and through regional cooperation to ensure the effective monitoring and control of activities in Union waters. Member States should ensure that this work is completed in time for the withdrawal, bearing in mind that these infrastructures would in any case need to be adjusted or strengthened in time for the expiry of any transitional period.

The Commission is working with Member States to **coordinate** the measures they adopt to ensure that contingency preparations are consistent within the European Union and in conformity with the general principles presented below<sup>15</sup>. In the same spirit, Member States **should refrain from bilateral discussions and agreements** with the United Kingdom, which would undermine EU unity.

As regards the need for **financial resources** and/or technical assistance, the existing State aid rules make it possible to address problems encountered by businesses in the case of a "no deal" Brexit. By way of example, State aid rules permit consultancy aid for small and medium-sized enterprises (SMEs) or training aid which could be used to assist with SMEs preparedness (including possible future custom formalities). The Rescue and Restructuring Guidelines contain provisions on temporary restructuring support schemes for SMEs, which could be useful to address their liquidity problems caused by Brexit. Access to finance is possible in various formats, e.g. through State-financed lending schemes respecting the reference rate or State guarantees under the guarantee notice.

The Commission stands ready to engage as of now with the Member States that will be most affected by a no deal withdrawal and explore pragmatic and efficient support solutions, in line with EU State aid law. In particular, the Commission will support Ireland in finding solutions addressing the specific challenges of Irish businesses.

Technical and financial assistance from the European Union can also be made available in certain areas, such as the training of customs officials under the Customs 2020 programme. Other programmes can help similar training projects in the area of sanitary and phytosanitary controls. For agriculture, EU law provides a variety of instruments to cope with the most immediate effects of the withdrawal of the United Kingdom, in particular in a no deal scenario.

The withdrawal of the United Kingdom from the EU will impact all Member States to varying degrees, but none more so than Ireland. On the basis of the principles described above, the Commission stands ready to support Ireland to find solutions addressing the particular challenges. The Commission is also committed to ensuring the continuation of the current PEACE and INTERREG programmes between the border counties of Ireland and Northern Ireland, to which the United Kingdom is a partner. The Commission has made proposals to this effect for the next Multi-annual Financial Framework. Should the withdrawal of the United Kingdom from the EU be disorderly, the Commission considers that this support should be further strengthened as the challenges will be particularly acute.

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<sup>15</sup> See section 4.

### *Action by citizens and businesses*

Contingency measures taken by national or EU authorities cannot replace the preparations that each citizen and business must take to prepare for the United Kingdom's withdrawal. Where new authorisations, licences or certificates will be required, **each party has the responsibility to apply in good time.**

In order to assist **stakeholders** in their preparation for the withdrawal of the United Kingdom, the Commission has published 78 detailed sectorial information notices guiding them on the steps to be taken<sup>16</sup>. Member States should continue to reach out to citizens and businesses, in particular small and medium-sized enterprises, to assist them in preparing for the withdrawal.

#### **4. Contingency action at EU level**

Beyond the preparedness measures described above, contingency planning consists of envisaging the measures that would be necessary to mitigate the effects of a withdrawal of the United Kingdom from the Union without a withdrawal agreement. In the case of a no deal scenario, all primary and secondary EU law will cease to apply to the United Kingdom and the effects of the withdrawal would materialise as of the date of the withdrawal. Exceptionally, acting in the interest of the European Union and to protect its vital interests, the Commission is envisaging a **limited number of contingency measures** to mitigate significant disruptions in some narrowly defined areas. These disruptions will differ from one sector to another and also among the EU27 Member States.

While the preparations for the United Kingdom becoming a third country in many respects would be the same with or without a withdrawal agreement providing a transition period, they would need to take place **at a much faster pace**. Also, the abruptness of a no deal scenario would require some specific measures to be adopted.

### *Principles for contingency measures*

In general, the rules of the European Union, including those specific to the functioning of the Internal Market, can adapt to a change of their territorial scope of application. Many rules were designed when the European Union had fewer members, and they have continued to apply as the number of Member States increased from six to 28. After the United Kingdom's departure, the European Union will continue to function and to apply its rules within its borders.

The overall approach to contingency should reflect the fact that in a no deal scenario the United Kingdom as from 30 March 2019 would not be bound by any EU rules and could rapidly start diverging from them. Contingency measures will only be taken

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<sup>16</sup> A full list is available in Annex 3.



where strictly necessary and in the interest of the European Union and its citizens. This will be in the limited number of cases where current rules do not offer satisfactory solutions to mitigate the most disruptive effects for the European Union and its citizens of a withdrawal without an agreement. Measures should not put EU companies at a disadvantage compared to their competitors in the United Kingdom. They should not compensate companies that have not taken the necessary preparedness measures when their competitors have done so, as this would distort the level playing field.

In the Commission's view, contingency measures adopted at all levels should comply with the following general principles:

- Contingency measures should **not replicate the benefits of membership of the Union**, nor the terms of any transition period, as provided for in the draft Withdrawal Agreement;
- Contingency measures will in general be **temporary in nature**, and should in principle not go beyond the end of 2019;
- Contingency measures will be adopted **unilaterally** by the European Union in pursuit of its interests and can therefore, in principle, be revoked by the European Union at any time;
- Contingency measures must be adopted respecting the **division of competences** provided for by the Treaties as well as the principle of subsidiarity within the European Union;
- National contingency measures must be **compatible** with EU law, including the international obligations of the Union; and
- Contingency measures **will not remedy delays** that could have been avoided by preparedness measures and timely action by the relevant stakeholders.

## 5. Assessment of contingency needs

**Some policy areas require specific attention**, given their importance to the European Union as a whole, the far-reaching consequences that a disorderly withdrawal of the United Kingdom will have for them, and the resulting significant negative impact on citizens and companies. The Commission has identified the following areas as being of particular importance<sup>17</sup>. Work in these areas is being taken forward with a particular sense of urgency.

### *Citizens*

In the negotiations with the United Kingdom, the European Union has put **citizens first** from the outset. In line with the conclusions of the European Council of 29 April 2017, issues related to citizens form the first substantive part of the draft Withdrawal Agreement. It has always been the European Union's intention that citizens should not

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<sup>17</sup> The list is without prejudice to additional action that could appear necessary at a later stage.

pay the price of Brexit. This will require Member States to take a generous approach to the rights of UK citizens who are already resident in their territory<sup>18</sup>.

- The Commission considers that periods of legal residence of UK citizens in an EU27 Member State before the withdrawal date should be considered as periods of legal residence in a Member State of the European Union in accordance with Directive 2003/109/EC **concerning the status of third-country nationals** who are long-term residents.

This will help UK citizens who are resident in the EU27 to obtain long-term resident status in the Member State where they reside if they fulfil the necessary conditions. It will allow them to enjoy the same treatment as nationals regarding access to employment, education, and core social benefits. This will also allow them to benefit from family reunion rights and, under certain conditions, acquire the right to reside in another Member State of the European Union.

- The Commission is also assisting Member States in coordinating their action in the areas where they are competent, to ensure a coherent approach to protecting the rights of citizens. Given the scale of the administrative challenges which national and local authorities will face, and to avoid administrative delays, it is recommended that Member States accept that applications for residence permits are submitted in advance of the withdrawal date of the United Kingdom.

In this context, the Commission welcomes the reassurances by Prime Minister May<sup>19</sup> that even in a no deal scenario, the rights of EU citizens in the United Kingdom will be protected in ways similar to those described above. The Commission now expects this assurance to be formalised soon so that it can be relied upon by the citizens. The Commission Representation Offices in the United Kingdom are providing information and facilitating legal advice and expertise to EU27 citizens staying in the United Kingdom to assist them to ensure their legal status under the UK rules that apply after the withdrawal.

As mentioned above, the Commission has, in parallel to this Communication, adopted a proposal for a Regulation amending the **Visa Regulation**<sup>20</sup>. The proposal aims to facilitate the movement of persons between the European Union and the United Kingdom by exempting UK nationals from the visa requirement for short stays in the European Union, provided that nationals from all EU27 Member States are equally exempted from UK visa requirements.

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<sup>18</sup> For UK citizens resident in the EU27 Member States at the moment of withdrawal, Member States will need to process and deliver documentation appropriate to third country nationals. In order to continue residing and work in an EU27 Member State, those UK citizens will need to hold a residence permit, issued by the national migration authorities.

<sup>19</sup> <https://www.gov.uk/government/news/pm-brexit-negotiations-statement-21-september-2018>.

<sup>20</sup> COM (2018) 745.

## **Financial services<sup>21</sup>**

The withdrawal of the United Kingdom results in the loss of the right for financial operators established in the United Kingdom to provide their services in the EU27 Member States under the EU financial services passports. Activities of EU operators in the United Kingdom will be subject to UK law.

In its stakeholder notices, the Commission has underlined the importance of preparedness for all possible scenarios, including a no deal scenario. The European Supervisory Authorities and the European Central Bank in its supervisory capacity, the Single Supervisory Mechanism, have issued extensive opinions and guidance to underline the need for preparedness and to clarify supervisory expectations in case of business relocation. Many EU financial services firms have prepared for a scenario in which the United Kingdom is no longer part of the Single Market, for example by adjusting their contracts or relocating capacities and activities to EU27. This transfer of activities and capacity-building in the EU27 is ongoing and should be accelerated, but it will not be possible to complete it in time in all areas by March 2019. While this could cause risks to financial stability in the European Union, the **risks in this sector linked to a no deal scenario have diminished significantly.**

For instance, many **insurance firms** have taken action – including transferring contracts, setting up branches and subsidiaries or merging with EU27 firms – to be in a position to continue providing services to their clients. The European Insurance and Occupational Pensions Authority (EIOPA) is working with national authorities to address residual risks for certain EU27 policyholders.<sup>22</sup>

**Not-cleared ‘over-the-counter’ derivative contracts** between EU and UK counterparts will, in principle, remain valid and executable until maturity. There does not appear to be any generalised problem of contract performance in the case of a no deal scenario. Certain so-called life-cycle events (for example contract amendments, roll-overs and novations) may however in certain cases imply the need for an authorisation or an exemption, given that the counterparty is no longer an EU firm.<sup>23</sup> Market participants are encouraged to continue preparing for this situation by transferring contracts and seeking the relevant authorisations.

In view of this assessment, the Commission does not consider that contingency measures are necessary in these two areas.

- As regards **cleared derivatives**, it appears that there might be risks to financial stability in a no deal scenario, deriving from a disorderly close out of positions

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<sup>21</sup> The Commission's stakeholder notices published in this area can be found: [https://ec.europa.eu/info/brexit/brexit-preparedness/preparedness-notices\\_en#fisma](https://ec.europa.eu/info/brexit/brexit-preparedness/preparedness-notices_en#fisma).

<sup>22</sup> See also Communication from EIOPA on 5 November 2018, cf. <https://eiopa.europa.eu/Pages/News/EIOPA-calls-for-immediate-action-to-ensure-service-continuity-in-cross-border-insurance-.aspx>.

<sup>23</sup> In order to facilitate the transfer of long term contracts to the European Union, on 8 November 2018, the European Securities and Markets Authority (ESMA) submitted to the Commission for endorsement draft technical standards which ensure that after a transfer, such contracts remain subject to the same regulatory treatment.

of EU clearing members in the UK central counterparties. There might also be potential risks in relation to certain services provided to Union operators by UK central security depositories which cannot be replaced in the short-term. In these areas, the existing systems of equivalence provide appropriate tools, which can be swiftly deployed. The time remaining until 30 March 2019 should be used in this respect. Should the Commission need to act, it will only do so to the extent necessary to address financial stability risks arising from a withdrawal without an agreement, under strict conditionality and with limited duration. Should no agreement be in place, the Commission will adopt temporary and conditional equivalence decisions in order to ensure that there will be no disruption in central clearing and in depositories services<sup>24</sup>. These decisions will be complemented by recognition of UK-based infrastructures, which are therefore encouraged to pre-apply to the European Securities and Markets Authority (ESMA) for recognition.

Finally, the European Supervisory Authorities are encouraged to start preparing cooperation arrangements with UK supervisors to ensure that exchange of information related to financial institutions and actors is possible immediately after the withdrawal date in the case of a no deal scenario.

### *Air transport*<sup>25</sup>

In the area of **air transport**, the withdrawal of the United Kingdom without any arrangement in place at the withdrawal date, and without operators concluding the necessary and possible alternative arrangements, would lead to abrupt interruptions of air traffic between the United Kingdom and the European Union, due to the absence of traffic rights and/or the invalidity of the operating licence or of aviation safety certificates.

- Regarding **traffic rights**, the Commission will propose measures to ensure that air carriers from the United Kingdom are allowed to fly over the territory of the European Union, make technical stops (e.g. refuelling without embarkation/disembarkation of passengers), as well as land in the European Union and fly back to the United Kingdom. Those measures would be subject to the condition that the United Kingdom applies equivalent measures to air carriers from the European Union.
- Regarding **aviation safety**, for certain aeronautical products ('type certificates') and companies ('organisation approvals'), the European Aviation Safety Authority (EASA) will only be able to issue certificates once the United Kingdom has become a third country. The Commission will propose measures **ensuring continued validity of such certificates for a limited period of time**. These measures will be subject to the condition that the United Kingdom applies similar measures. Likewise, the Commission will propose measures **ensuring** that parts and appliances placed on the Union market before the withdrawal date

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<sup>24</sup> These measures are subject to a favourable vote of Member States in the competent committee.

<sup>25</sup> The Commission's stakeholder notices published in this area can be found: [https://ec.europa.eu/info/brexit/brexit-preparedness/preparedness-notices\\_en#move](https://ec.europa.eu/info/brexit/brexit-preparedness/preparedness-notices_en#move)

based on a certificate issued by a legal and natural person certified by the UK Civil Aviation Authority may still be used under certain circumstances.

- The Commission will take action to ensure that passengers and their cabin baggage flying from the United Kingdom and transiting via EU27 airports continue to be exempted from a second security screening, by applying the so-called **‘One Stop Security’ system**.<sup>26</sup>

Regarding the requirement in EU law that air carriers must be majority-owned and controlled by EU legal or natural persons, **the Commission underlines that it is essential for companies that wish to be recognised as EU air carriers** to take all the necessary measures to ensure that they meet this requirement on 30 March 2019.

### ***Road transport***<sup>27</sup>

Regarding **road transport**, in case of no deal scenario, as of the withdrawal date, UK hauliers would have market access rights limited to the permits offered under the European Conference of Ministers of Transport (ECMT) which would allow for considerably less traffic than what currently takes place between the Union and the United Kingdom. Current EU law contains no mechanism to extend the Community licenses, which give wider access rights to hauliers within the European Union.

### ***Customs***<sup>28</sup>

In the case of a no deal scenario, as of the withdrawal date, goods entering the European Union from the United Kingdom will be treated as imports and goods leaving the European Union to the United Kingdom will be treated as exports. All relevant EU legislation on imported goods and exported goods will apply, **including the levy of certain duties and taxes** (such as customs duties, value added tax and excise on importation), in accordance with the commitments of the European Union under the rules of the World Trade Organisation. The need for **customs declarations** to be presented to customs authorities, and the possibility to **control** shipments will also apply.

- The Commission calls on Member States to take all necessary steps to be in a position to apply the Union Customs Code and the relevant rules regarding indirect taxation on 30 March 2019, in case of a no deal scenario, **to all imports from and exports to the United Kingdom**. Customs authorities may issue **authorisations for the use of facilitation measures** provided for in the Union Customs Code, when economic operators request them, and subject to relevant requirements being met. Ensuring a level-playing field and smooth trade flows will be particularly challenging in the areas with the densest goods traffic with

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<sup>26</sup> This measure is subject to a favourable vote of Member States in the competent committee.

<sup>27</sup> The Commission's stakeholder notices published in this area can be found: [https://ec.europa.eu/info/brexit/brexit-preparedness/preparedness-notices\\_en#move](https://ec.europa.eu/info/brexit/brexit-preparedness/preparedness-notices_en#move)

<sup>28</sup> The Commission's stakeholder notices published in this area can be found: [https://ec.europa.eu/info/brexit/brexit-preparedness/preparedness-notices\\_en#tradetaxud](https://ec.europa.eu/info/brexit/brexit-preparedness/preparedness-notices_en#tradetaxud)

the United Kingdom. The Commission is working with Member States to help find solutions in full respect of the current legal framework.

### *Sanitary/phytosanitary requirements<sup>29</sup>*

In a no deal scenario, as of the withdrawal date, the entry of many goods and animals subject to **sanitary and phytosanitary (SPS) rules** will be prohibited unless the United Kingdom is ‘listed’ in EU law as an authorised third country.

- On the basis of the EU veterinary legislation, the Commission will – if justified – swiftly ‘list’<sup>30</sup> the United Kingdom, if all applicable conditions are fulfilled, so as to allow the entry of live animals and animal products from the United Kingdom into the European Union<sup>31</sup>.

However, even if the United Kingdom is listed, **strict health related import conditions** applied to third countries will be required and these imports will have to undergo sanitary and phytosanitary controls by Member States authorities at Border Inspection Posts, which is a matter of Member State responsibility. The Commission, when approving new or extended Border Inspection Posts in the EU27 Member States, will take account of the flexibilities provided for in the applicable EU legislation.

### *Personal data<sup>32</sup>*

In the case of a no deal scenario, as of the withdrawal date, the transfer of personal data to the United Kingdom will become subject to the rules on international transfers in application of the General Data Protection Regulation (EU) 2016/679, Directive (EU) 2016/680 for the law enforcement sector and Regulation (EC) 45/2001<sup>33</sup> for the institutions and bodies of the European Union.

The General Data Protection Regulation, Directive 2016/680 and Regulation 45/2001 contain a broad toolbox for data transfers to third countries. This includes in particular the so-called ‘appropriate safeguards’ (e.g. the Commission's approved Standard Contractual Clauses, Binding Corporate Rules, administrative arrangements) that can be used both by the private sector and public authorities.

In addition, the three legislative acts mentioned above contain a number of derogations for specific situations that allow data transfers even in the absence of appropriate

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<sup>29</sup> The Commission's stakeholder notices published in this area can be found at the address: [https://ec.europa.eu/info/brexit/brexit-preparedness/preparedness-notices\\_en#sante](https://ec.europa.eu/info/brexit/brexit-preparedness/preparedness-notices_en#sante)

<sup>30</sup> The ‘listing’ is subject to a favourable vote of Member States in the competent committee.

<sup>31</sup> The Commission notes that the UK Government has issued, on 24 September 2018, a guidance notice on ‘importing animals and animal products if there's no Brexit deal’ stating that ‘there would be no change on the day the United Kingdom leaves the EU to current import controls or requirements for notifications of imports of live animals and animal products for imports direct from the EU’.

<sup>32</sup> The Commission's stakeholder notice published in this area can be found at the address: [https://ec.europa.eu/info/sites/info/files/file\\_import/data\\_protection\\_en.pdf](https://ec.europa.eu/info/sites/info/files/file_import/data_protection_en.pdf).

<sup>33</sup> Or its successor instrument once it has entered into force

safeguards, for instance if the data subject provides explicit consent, for the performance of a contract, for exercise of legal claims or for important reasons of public interest. These are the same tools that are used with most countries in the world for which no adequacy decision exists.

In view of the options available under the legislative acts mentioned, the adoption of an adequacy decision is not part of the Commission's contingency planning.

### ***EU climate policy***

In a no deal scenario, as of the withdrawal date, all relevant EU climate change legislation (EU Emissions Trading, fluorinated greenhouse gases and others) will cease to apply to and in the United Kingdom. For the EU Emissions Trading System, the Commission will closely monitor the proper functioning of the system in the withdrawal context. The Commission will take the necessary steps to preserve the integrity of this mechanism, including through the possible temporary suspension of auction and free allocation/exchange processes in relation to the United Kingdom.

In order to safeguard the operation of the fluorinated greenhouse gases quota system in the absence of a ratified Withdrawal Agreement by March 2019, the quantities of substance gases legally placed by UK companies on their domestic market should no longer be factored into the allocation of 2019 annual quotas, given that the EU market will be smaller as of the date of withdrawal.

- The Commission will amend UK companies' reference values as a basis for the allocation or their 2019 annual quotas for fluorinated greenhouse gases based on their declared EU27 activities, thereby excluding quotas based on their declared UK domestic activities<sup>34</sup>.

## **6. Next steps on contingency**

The negotiations between the European Union and the United Kingdom on the Withdrawal Agreement continue and the Commission remains fully committed to this process.

However, as the date of the United Kingdom's withdrawal is approaching, it is now necessary to move forward with preparations for all possible outcomes. The contingency actions described above require very close coordination of all levels: the European Union, national and local level, and actions by stakeholders. In this Communication, the Commission has set out key actions to be taken in essential areas<sup>35</sup>.

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<sup>34</sup> This measure is subject to a favourable vote of Member States in the competent committee.

<sup>35</sup> An overview is provided in Annex 4.

The Commission highlights that some measures involve incompressible procedural requirements for their adoption, in particular as regards legislative acts, for which Protocols 1 and 2 to the Treaties provide for an eight-week period for the consultation of national Parliaments. Similarly, delegated acts are subject to mandatory scrutiny by the European Parliament and Council, which cannot be accelerated in all cases.

The timely adoption of the necessary legislative measures requires the **full cooperation of all EU institutions involved**, to avoid delays due to non-Brexit related considerations.

The minimum timelines for the second-level legal acts, which the Commission is empowered to adopt, are outlined in Annex 5.

In light of this, the Commission intends to:

- Propose all necessary legislative measures and adopt all delegated acts before 31 December 2018.
- In the case of legislative acts, this should allow the European Parliament and the Council to have the time needed to complete the ordinary legislative procedure before the plenary of the outgoing Parliament in March 2019, and to exercise its control functions for delegated acts.
- Submit all necessary draft implementing acts for a vote in the competent committees by 15 February 2019 at the latest.

Throughout this period, the Commission will ensure proper coordination among Member States. To that effect, the Council Working Party (Art. 50) will organise a **series of sectorial meetings** in November-December 2018 involving the Brexit preparedness coordinators of the EU27 Member States and relevant national administrations, cf. Annex 6. These preparedness seminars will be an opportunity to assess jointly the state of play of preparedness and assess where additional action may be needed by stakeholders, national administrations and at EU level. The Commission will participate in European Parliament and Council meetings on preparedness issues as often as necessary.

### ***The need for a united and coordinated approach of the EU27 Member States***

The Commission calls on Member States to **remain united** in this unprecedented withdrawal process, continuing to display the determination and the solidarity that have characterised the position of the European Union in the negotiations and trust that a **collective contingency plan**, according to the timeline proposed and on the basis of the plan here suggested, will be implemented. The Commission points out that bilateral solutions would be either incompatible with the division of competences within the European Union or, even where compatible with the division of competences, would in the end jeopardise the integrity of the European Union, with negative effects for citizens, businesses and public authorities.



The draft Withdrawal Agreement constitutes the best option for the withdrawal. In the absence of a Withdrawal Agreement, the European Union will act to protect its interests, and should display a united and coordinated approach in all areas.

ANNEX 1: Legislative Proposals for the Purposes of Brexit Preparedness

(State of play on 13 November 2018)

Policy area	Legal amendments proposed	State of play
<b>AGRI-TRADE</b>		
<b>Tariff rate quotas</b>	<b>Proposal COM(2018) 312 final</b> adopted on 22.05.2018. The Regulation would allow for the apportionment of tariff rate quotas between the EU27 and the United Kingdom in the absence of an agreement with World Trade Organization (WTO) Members on given tariff rate quotas. The proposal is accompanied by a proposal for a Council decision authorising the Commission to negotiate in the WTO new TRQs on the basis of Article XXVIII of the General Agreement on Tariffs and Trade (GATT).	No mandate adopted yet by Parliament or Council
<b>FISMA</b>		
<b>Banking – agency relocation</b>	<b>Proposal COM(2017) 734 final</b> adopted on 29.11.2017. The proposal confirms the move of the seat of the European Banking Authority from London to Paris.	Adopted on 9 November 2018
<b>GROW</b>		

<p><b>Internal Market – type approval</b></p>	<p><b>Proposal COM(2018) 397 final</b> adopted on 4.6.2018. The proposal will enable manufacturers holding type- approvals issued by the United Kingdom type approval authority to apply for the same types with EU27 approval authorities</p>	<p>Mandate to start trilogues adopted by the Council in October 2018</p> <p>Mandate to start trilogues expected to be adopted by the Parliament at its plenary session on 12-15 November 2018</p>
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<b>MOVE</b>		
<b>Trans-European networks</b>	<b>Proposal COM(2018) 568 final</b> adopted on 1.8.2018. The proposal designs a new maritime route to link Ireland with the continental part of the North Sea-Mediterranean corridor.	No mandate adopted yet by Parliament or Council
<b>Maritime transport – ship inspections</b>	<b>Proposal COM(2018) 567 final</b> adopted on 1.8.2018. The proposal addresses the transfer of sponsorship from the United Kingdom to an EU27 Member State in order to facilitate the periodic assessments of recognised organisations carried out under Article 8 of Regulation (EC) No 391/2009.	No mandate adopted yet by Parliament or Council
<b>SANTE</b>		
<b>Medicinal products – agency relocation</b>	<b>Proposal COM(2017) 735 final</b> adopted on 29.11.2017. The proposal confirms the move of the seat of the European Medicines Agency from London to Amsterdam.	Adopted on 9 November 2018
<b>ENER</b>		
<b>Energy Efficiency – targets</b>	<b>Proposal COM(2018) 744 final</b> adopted on 13.11.2018. The proposal amends Directive 2012/27/EU on energy efficiency (COM(2016) 761) and Proposal for a regulation on the Governance of the Energy Union (COM(2016) 759 final/2).	
<b>HOME</b>		
<b>Visas</b>	<b>Proposal COM(2018) 745 final</b> adopted on 13.11.2018. The proposal amends Regulation (EC) No 539/2001 listing the third countries whose nationals must be in possession of visas when crossing the external borders and those whose nationals are exempt from that requirement.	

ANNEX 2: LIST OF PLANNED **PREPAREDNESS MEASURES**

(other than the legislative proposals listed in Annex 1)

<b>Policy area</b>	<b>Type of act</b>	<b>Commission action</b>
<b>AGRI</b>		
Tariff Rate Quotas	Implementing act	Commission Implementing Regulation to apportion tariff rate quotas included in the WTO schedule of the Union
Tariff Rate Quotas	Implementing act	Commission Implementing Regulation modifying the quantities for each tariff rate quota managed 'first come first serve'
Tariff Rate Quotas	Implementing act	Commission Implementing act modifying the quantities for each tariff rate quota managed by licences concerned and providing for transitional rules
Programme of Options Specifically Relating to Remoteness and Insularity (POSEI)	Implementing act	Commission Implementing Regulation modifying Annexes II-VI to Implementing Regulation EU (No) 180/2014 to reflect trade flows between the EU outermost regions and the United Kingdom
<b>CLIMA</b>		
Fluorinated greenhouse gases	Implementing act	Commission Implementing Decision amending Implementing Regulation (EU) 1191/2014 to split (EU27/UK) the reporting of the sales of fluorinated greenhouse gases
Emissions Trading System	Delegated act	Commission Delegated Regulation amending Regulation (EU) 389/2013 regarding the marking of UK allowances
Emission Trading System – aviation	Autonomous Commission act	Commission Regulation amending Regulation (EC) No 748/2009 to reattribute the roles of administering Member State, where this role is currently held by the United Kingdom
<b>STATISTICS</b>		
Balance of payment statistics	Delegated act	Commission Delegated Regulation amending Regulation 184/2005 to update the composition of EU aggregates

Tourism statistics	Delegated act	Commission Delegated Regulation amending Regulation 692/2011 on reporting and presentation of tourism statistics
<b>GROW</b>		
Common commercial Policy	Council decision	Commission proposal for a Council Decision establishing the position to be taken on behalf of the European Union within the Committee on Government Procurement on the accession of the United Kingdom to the Agreement on Government Procurement
Galileo	Implementing act	Commission Implementing Decision amending Decision 2016/413 to relocate the ground stations currently in Falkland Islands and Ascension
<b>RESEARCH</b>		
European Research Infrastructure Consortia	Implementing act	Commission Implementing Decisions amending the decisions setting up the European Research Infrastructure Consortia (ERICs) to relate headquarters currently in the United Kingdom
<b>SANTE</b>		
Medicinal products for human use	Implementing acts	Commission Implementing Decisions amending marketing authorisations for medicinal products to update the marketing authorisation, if functions currently exercised in the United Kingdom have to be exercised in the EU
Veterinary medicines	Implementing acts	Commission Implementing Decisions amending marketing authorisations for veterinary medicinal products to update the marketing authorisation, if functions currently exercised in the United Kingdom have to be exercised in the EU
GMOs	Implementing acts	Commission Implementing Decisions amending marketing authorisations for the placing on the market of genetically modified food and feed, where the authorisation holder is currently established in the United Kingdom

Biocidal products	Delegated act	Commission Delegated Regulation amending Regulation 1062/2014 to reattribute the role of the evaluating competent authority, if this role is currently with the United Kingdom
Plant Protection Products	Implementing act	Commission Implementing Regulation amending Commission Implementing Regulation (EU) No 686/2012 to reattribute the role of the rapporteur Member State, if this role is currently with the United Kingdom
Feed additives	Implementing acts	Commission Implementing Regulations amending marketing authorisations for feed additives, where the authorisation holder is currently established in the United Kingdom

### **ANNEX 3**

#### **LIST OF COMMISSION STAKEHOLDER NOTICES**

Brexit preparedness notices published by Commission services per topic<sup>36</sup>

(as of 13 November 2018)

<b>Topic</b>	
<b>GOODS</b>	
1	Industrial products
2	Pharmaceuticals (human/veterinary)
3	Q&A on Pharmaceuticals
4	Plant protection products
5	Q & A on Plant protection products and pesticides residues
6	Biocidal products
7	Q & A on Biocidal products
8	Automotive vehicles
9	Agricultural and forestry vehicles, two- or three-wheeled vehicles and quadricycles, non-road mobile machinery
10	Industrial chemicals (REACH) ( <i>published by ECHA</i> )
11	Detergents
12	Fertilisers
13	Pyrotechnic articles
14	Explosives for civil use
15	Ecolabel
16	Waste
<b>FOOD, FEED, PLANTS, VETERINARY</b>	
17	Food and organic production
18	Animal feed
19	GMOs

<sup>36</sup> The notices are published on the following webpage: [https://ec.europa.eu/info/brexit/brexit-preparedness/preparedness-notices\\_en](https://ec.europa.eu/info/brexit/brexit-preparedness/preparedness-notices_en)

20	Natural mineral waters
21	Plant reproductive material
22	Animal breeding/zootechnics
23	Animal health
24	Plant health
<b>CUSTOMS AND INDIRECT TAXATION, IMPORT/EXPORT LICENCES</b>	
25	VAT, excise, customs
26	Rules of origin
27	VAT
28	Import/export licences
29	Specimen of endangered species (CITES)
30	Timber import
31	Customs enforcement of intellectual property rights
<b>FINANCIAL SERVICES</b>	
32	Statutory audit
33	Credit rating agencies
34	Asset management
35	Post-trade services
36	Investment services
37	Banking and payment services
38	(Re)insurance
39	Occupational retirement institutions
<b>CIVIL JUSTICE, COMPANY LAW, CONSUMER PROTECTION, DATA PROTECTION</b>	
40	Personal data protection
41	Company law
42	Private international law
43	Consumer protection and passenger rights
<b>INTELLECTUAL PROPERTY</b>	
44	Trademarks and community designs
45	Plant varieties
46	Copyright
47	Supplementary protection certificate
<b>PROFESSIONAL QUALIFICATIONS</b>	
48	Professional qualifications
49	Qualifications of slaughterhouse staff
50	Qualifications of animal transporters
51	Qualifications of seafarers
<b>TRANSPORT</b>	
52	Air transport (access)
53	Aviation safety
54	Aviation and maritime security
55	Road transport
56	Maritime transport (access and safety)
57	Rail transport
58	Inland waterway transport
<b>DIGITAL</b>	
59	.eu top level domain names
60	E-commerce (information society services)
61	Telecommunication
62	Audio-visual media services
63	eIDAS/trust services

64	Network security
65	Geoblocking
<b>ENERGY</b>	
66	Euratom-related matters
67	Electricity and gas market
68	Guarantees of origin
<b>OTHER</b>	
69	Substances of human origin
70	Clinical trials
71	Public procurement
72	EU Eco-Management and Audit Scheme (EMAS)
73	Ship recycling
74	European Citizens' Initiative
75	Fishery's <i>acquis</i>
76	European Works Councils
77	Industrial security (EUCI)
78	Travelling between the European Union and the United Kingdom



## ANNEX 4

### COMMISSION CONTINGENCY ACTIONS

#### ACTIONS

- The Commission considers that periods of legal residence of UK citizens in an EU27 Member State before the withdrawal date should be considered as periods of legal residence in a Member State of the European Union in accordance with Directive 2003/109/EC **concerning the status of third-country nationals** who are long-term residents.
- The Commission is assisting Member States in coordinating their action in the areas where they are competent, to ensure a coherent approach to protecting the rights of citizens. Given the scale of the administrative challenges which national and local authorities will face, and to avoid administrative delays, it is recommended that Member States accept that applications for residence permits are submitted in advance of the withdrawal date of the United Kingdom.
- As regards **cleared derivatives**, it appears that there might be risks to financial stability in a no deal scenario, deriving from a disorderly close out of positions of EU clearing members in the UK central counterparties. There might also be potential risks in relation to certain services provided to Union operators by UK central security depositories, which cannot be replaced in the short-term. In these areas, the existing systems of equivalence provide appropriate tools, which can be swiftly deployed. The time remaining until 30 March 2019 should be used in this respect. Should the Commission need to act, it will only do so to the extent necessary to address financial stability risks arising from a withdrawal without an agreement, under strict conditionality and with limited duration. Should no agreement be in place, the Commission will adopt temporary and conditional equivalence decisions in order to ensure that there will be no disruption in central clearing and in depositories services.
- Regarding traffic rights, **the Commission will propose measures** to ensure that air carriers from the United Kingdom are allowed to fly over the territory of the European Union, make technical stops (e.g. refuelling without embarkation/disembarkation of passengers), as well as land in the European Union and fly back to the United Kingdom. Those measures would be subject to the condition that the United Kingdom applies equivalent measures to air carriers from the European Union.
- Regarding **aviation safety**, for certain aeronautical products ('type certificates') and companies ('organisation approvals'), the European

Aviation Safety Authority (EASA) will only be able to issue certificates once the United Kingdom has become a third country. The Commission will propose measures **ensuring continued validity of such certificates for a limited period of time**. These measures will be subject to the condition that the United Kingdom applies similar measures. Likewise, the Commission will propose measures **ensuring** that parts and appliances placed on the Union market before the withdrawal date based on a certificate issued by a legal and natural person certified by the UK Civil Aviation Authority may still be used under certain circumstances. The Commission has **invited EASA to start processing** certain applications from UK entities in preparation of the withdrawal of the United Kingdom.

- The Commission will take action to ensure that passengers and their cabin baggage flying from the United Kingdom and transiting via EU27 airports continue to be exempted from a second security screening, by applying the so-called **‘One Stop Security’ system**.
- The Commission calls on Member States to take all necessary steps to be in a position to apply the Union Customs Code and the relevant rules regarding indirect taxation on 30 March 2019, in case of a no deal scenario, **to all imports from and exports to the United Kingdom**. Customs authorities may issue **authorisations for the use of facilitation measures** provided for in the Union Customs Code, when economic operators request them, and subject to relevant requirements being met. Ensuring a level-playing field and smooth trade flows will be particularly challenging in the areas with the densest goods traffic with the United Kingdom. The Commission is working with Member States to help find solutions in full respect of the current legal framework.
- On the basis of the EU veterinary legislation, the Commission will – if justified – swiftly ‘list’ the United Kingdom, if all applicable conditions are fulfilled, so as to allow the entry of live animals and animal products from the United Kingdom into the European Union.
- The Commission will amend UK companies' reference values as a basis for the allocation of their 2019 annual quotas for fluorinated greenhouse gases based on their declared EU27 activities, thereby excluding quotas based on their declared UK domestic activities.

## ANNEX 5

### MINIMUM TIMELINES FOR ADOPTION OF SECOND-LEVEL LEGAL ACTS

#### **Implementing acts**

##### **Normal procedure : approximately one month**

Step 1: Submission of a draft act to the relevant committee and vote – draft submitted not less than 14 days before vote (only in cases of extreme urgency under 5 days)	Step 2: adoption by the Commission	Step 3: By 30 March 2019, publication in the Official Journal and entry into force
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##### **Urgency procedure (if provided by the basic act): absolute minimum 2 days**

Step 1: Adoption by the Commission (without need for prior consultation and vote by the relevant committee)	Step 2: By 30 March 2019, publication in the Official Journal and entry into force	Step 3: Must be repealed following a negative committee vote ex post
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#### **Delegated acts**

##### **Normal procedure: approximately 3 months**

Step 1: Consultation of Member State experts on draft act (2 to 3 weeks, can be shortened in duly justified cases)	Step 2: adoption by the Commission.	Step 3: Scrutiny by European Parliament and Council – normally 2 months (can be much shorter in practice if early non-objection, but may also be prolonged)	Step 4: By 30 March 2019, publication in the Official Journal and entry into force
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##### **Urgency procedure (if provided by the basic act): absolute minimum 3 days**

Step 1: Consultation of Member State experts on draft act	Step 2: Adoption by the Commission.	Step 3: By 30 March 2019, publication in the Official Journal and entry into force	Step 4: Can be objected to by Parliament and Council ex post
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## Regulatory procedure with scrutiny

### Normal procedure : approximately 4 months

Step 1: Submission of a draft act to the committee and vote – draft submitted not less than 14 days before vote (only in cases of extreme urgency under 5 days)	Step 2: Scrutiny by European Parliament and Council – 3 months (can be much shorter in practice if early non-objection)	Step 3: Adoption by the Commission.	Step 4: By 30 March 2019, publication in the Official Journal and entry into force
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### Urgency procedure (if provided by the basic act): absolute minimum 3 days

Step 1: Submission of a draft act to the committee and vote	Step 2: Adoption by the Commission.	Step 3: By 30 March 2019, publication in the Official Journal and entry into force	Step 4: Can be objected to by Parliament and Council ex post
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**ANNEX 6 LIST OF SECTORIAL PREPAREDNESS SEMINARS WITH EU27 MEMBER STATES**

Date	Topic
15 November	<ul style="list-style-type: none"> <li>• Financial services</li> </ul>
22 November	<ul style="list-style-type: none"> <li>• Air Transport</li> </ul>
	<ul style="list-style-type: none"> <li>• Other modes of transport (road; rail; maritime; inland waterways)</li> </ul>
27 November	<ul style="list-style-type: none"> <li>• Citizens, social security coordination and border controls</li> </ul>
	<ul style="list-style-type: none"> <li>• Professional qualifications; intellectual property; civil justice; company law; consumer protection; personal data protection</li> </ul>
29/11 to 06/12 (exact date tbc)	<ul style="list-style-type: none"> <li>• Meeting of Brexit preparedness coordinators</li> </ul>
6 December	<ul style="list-style-type: none"> <li>• Sanitary and phytosanitary requirements</li> </ul>
	<ul style="list-style-type: none"> <li>• Customs and import/export licences</li> <li>• Indirect taxation / direct taxation</li> </ul>
12 December	<ul style="list-style-type: none"> <li>• Fisheries, climate, environment</li> </ul>
	<ul style="list-style-type: none"> <li>• Industrial goods (including pharmaceuticals); clinical trials; substances of human origin</li> </ul>
20 December	<ul style="list-style-type: none"> <li>• Police and judicial cooperation in criminal matters; international agreements</li> </ul>
	<ul style="list-style-type: none"> <li>• Union budget; other aspects (digital and telecommunications, public procurement, consular protection, energy, etc.)</li> </ul>

## Annex 2: List of Commission Stakeholder Notices

Brexit preparedness notices published by Commission services per topic<sup>37</sup>

Date	Commission Preparedness Notice
26-Sep-17	<a href="#">Withdrawal of the United Kingdom and EU rules on Plant Protection Products</a>
21-Nov-17	<a href="#">Withdrawal of the United Kingdom and EU rules on Company Law</a>
21-Nov-17	<a href="#">Notice to Persons Holding a Certificate of competence pursuant to the requirements of Regulation (EC) NO 1099/2009 on the Protection of Animals at the time of Slaughter, to Slaughterhouse Operators and Fur Farmers</a>
18-Dec-17	<a href="#">Withdrawal of the United Kingdom and EU rules in the field of Civil Justice and Private International Law</a>
09-Jan-18	<a href="#">Withdrawal of the United Kingdom and EU rules in the field of Data Protection</a>
18-Jan-18	<a href="#">Withdrawal of The United Kingdom and EU Rules in the Field of Public Procurement</a>
19-Jan-18	<a href="#">Withdrawal of the United Kingdom and EU rules in the field of Road Transport</a>
19-Jan-18	<a href="#">Withdrawal of the United Kingdom and EU rules in the field of Air Transport</a>
19-Jan-18	<a href="#">Withdrawal of the UK and EU rules on the minimum level of training of seafarers and the Mutual Recognition of Seafarer's Certificates</a>
22-Jan-18	<a href="#">Withdrawal of the United Kingdom and EU rules for trademarks and community designs pursuant to regulation (EU) 2017/1001 on the European Union Trade Mark and Regulation (EC) NO 6/2002 on Community Designs</a>
22-Jan-18	<a href="#">Withdrawal of the United Kingdom and EU rules in the field of Industrial Products</a>
23-Jan-18	<a href="#">Withdrawal of the United Kingdom and EU rules in the field of Union Plant Variety Rights</a>
23-Jan-18	<a href="#">Notice to Marketing Authorisation Holders of Centrally Authorised Medical Products for Human and Veterinary Use</a>
23-Jan-18	<a href="#">Withdrawal of the United Kingdom and EU rules on Biocidal Products</a>
23-Jan-18	<a href="#">Withdrawal of the United Kingdom and EU rules on the Breeding of Animals</a>
23-Jan-18	<a href="#">Withdrawal of the United Kingdom and EU rules for authorisations and certificates for Transporters of Live Animals, Drivers and Attendants</a>
23-Jan-18	<a href="#">Withdrawal of the United Kingdom and EU rules on Animal Feed</a>
23-Jan-18	<a href="#">Withdrawal of the United Kingdom and EU rules on genetically modified food and feed and the deliberate release of genetically modified organisms</a>
23-Jan-18	<a href="#">Withdrawal of the United Kingdom and EU rules in the field of Directive 2009/54/EC of the European Parliament and of the Council of 18 June 2009 on the exploitation and marketing of natural mineral waters</a>
23-Jan-18	<a href="#">Withdrawal of the United Kingdom and EU rules in the field of marketing of Seeds and Other Plant Propagating Material</a>

<sup>37</sup> The notices are published on the following webpage: [ec.europa.eu/info/brexit/brexit-preparedness/preparedness-notices\\_en](http://ec.europa.eu/info/brexit/brexit-preparedness/preparedness-notices_en)

23-Jan-18	<a href="#">Withdrawal of the United Kingdom and EU rules in the field of substances of human origin (Blood, Tissues and Cells, and Organs)</a>
25-Jan-18	<a href="#">Withdrawal of the United Kingdom and EU rules in the field of Import/Export Licences for Certain Goods</a>
30-Jan-18	<a href="#">Withdrawal of the United Kingdom and EU rules in the field of Customs and Indirect Taxation</a>
01-Feb-18	<a href="#">Withdrawal of the United Kingdom and EU food law</a>
08-Feb-18	<a href="#">Withdrawal of the United Kingdom and EU rules for the use of EU Waste Law</a>
08-Feb-18	<a href="#">Withdrawal of the United Kingdom and EU rules for the use of EU Ecolabel</a>
08-Feb-18	<a href="#">Withdrawal of the United Kingdom and EU rules in the field of Type-Approval of Motor Vehicles</a>
08-Feb-18	<a href="#">Withdrawal of the United Kingdom and EU rules in the field of Banking and Payment Services</a>
08-Feb-18	<a href="#">Withdrawal of the United Kingdom and EU rules in the field of Insurance / Reinsurance</a>
08-Feb-18	<a href="#">Withdrawal of the United Kingdom and EU rules in the field of Markets in Financial Instruments</a>
08-Feb-18	<a href="#">Withdrawal of the United Kingdom and EU rules in the field of Credit Rating Agencies</a>
08-Feb-18	<a href="#">Withdrawal of the United Kingdom and EU rules in the field of Asset Management</a>
08-Feb-18	<a href="#">Withdrawal of the United Kingdom and EU rules in the field of Statutory Audit</a>
08-Feb-18	<a href="#">Withdrawal of the United Kingdom and EU rules in the field of Post-Trade Financial Services</a>
27-Feb-18	<a href="#">Withdrawal of the United Kingdom and EU rules in the field of Maritime Transport</a>
27-Feb-18	<a href="#">Withdrawal of the United Kingdom and EU rules in the field of Rail Transport</a>
27-Feb-18	<a href="#">Withdrawal of the United Kingdom and EU rules on Animal Health and Welfare and Public Health Related to the Movement of Live Animals</a>
27-Feb-18	<a href="#">Withdrawal of the United Kingdom and EU rules on Consumer Protection and Passenger Rights</a>
07-Mar-18	<a href="#">Withdrawal of the United Kingdom and EU rules on trade in protected species of wild fauna and flora</a>
07-Mar-18	<a href="#">Withdrawal of the United Kingdom and EU rules in the field of Guarantees of Origin of electricity from renewable energy sources</a>
07-Mar-18	<a href="#">Withdrawal of the United Kingdom and EU legislation in the field of electronic commerce and net neutrality</a>
07-Mar-18	<a href="#">Withdrawal of the United Kingdom and EU rules in the field of the Community Eco-Management and Audit Scheme (EMAS)</a>
08-Mar-18	<a href="#">Withdrawal of the United Kingdom and EU rules in the field of Inland Waterways</a>
12-Mar-18	<a href="#">Withdrawal of the United Kingdom and EU rules in the fields of electronic communications</a>
12-Mar-18	<a href="#">Withdrawal of the United Kingdom and EU rules in the fields of security of network and information systems</a>

19-Mar-18	<a href="#">Withdrawal of the United Kingdom and EU rules in the field of audio-visual media services</a>
21-Mar-18	<a href="#">Withdrawal of the United Kingdom and EU rules on Plant Health</a>
21-Mar-18	<a href="#">Withdrawal of the United Kingdom and EU rules in the field of Electronic Identification and trust services for electronic transactions</a>
21-Mar-18	<a href="#">Withdrawal of the United Kingdom and EU legislation in the field of geo-blocking</a>
21-Mar-18	<a href="#">Withdrawal of the United Kingdom and EU rules in the field of Fight Against Illegal Logging and Associated Trade</a>
28-Mar-18	<a href="#">Withdrawal of the United Kingdom and EU rules in the field of certain vehicles and engines</a>
28-Mar-18	<a href="#">Withdrawal of the United Kingdom and EU rules on .eu domain names</a>
28-Mar-18	<a href="#">Withdrawal of the United Kingdom and EU rules in the field of copyright</a>
28-Mar-18	<a href="#">Withdrawal of the United Kingdom and EU rules in the field of information and consultation of workers at transnational level</a>
28-Mar-18	<a href="#">Withdrawal of the United Kingdom and the Euratom acquis</a>
28-Mar-18	<a href="#">Withdrawal of the United Kingdom and the EU Ship Recycling Regulation</a>
09-Apr-18	<a href="#">Withdrawal of the United Kingdom and EU rules on Fisheries and Aquaculture</a>
13-Apr-18	<a href="#">Withdrawal of the United Kingdom and EU Aviation Safety Rules</a>
13-Apr-18	<a href="#">Withdrawal of the United Kingdom and EU rules in the field of the European Citizens' Initiative</a>
27-Apr-18	<a href="#">Withdrawal of the United Kingdom and EU legislation in the field of Supplementary Protection Certificates for Medicinal Products and Plant Protection Products</a>
27-Apr-18	<a href="#">Withdrawal of the United Kingdom and EU rules in the field of Institutions for Occupational Retirement Provision</a>
27-Apr-18	<a href="#">Withdrawal of the United Kingdom and the Internal Energy Market</a>
04-Jun-18	<a href="#">Withdrawal of the UK and EU rules in the field of customs and external trade preferential origin of goods</a>
05-Jun-18	<a href="#">Withdrawal of the United Kingdom and EU rules in the field of customs and external trade</a>
05-Jun-18	<a href="#">Withdrawal of the United Kingdom and EU rules in the field of customs enforcement of intellectual property rights</a>
21-Jun-18	<a href="#">Withdrawal of the United Kingdom and EU rules in the field of regulated professions and the recognition of professional qualifications</a>
05-Jul-18	<a href="#">Withdrawal of the United Kingdom and EU rules in the field of Aviation Security and Maritime Security</a>
05-Jul-18	<a href="#">Withdrawal of the United Kingdom and EU rules in the field of Industrial Security</a>
06-Sep-18	<a href="#">Withdrawal of the United Kingdom and EU Rules in the Field of Clinical Trials</a>
11-Sep-18	<a href="#">Withdrawal of the United Kingdom and EU Rules in the Field of Value Added Tax</a>
25-Sep-18	<a href="#">Withdrawal of the United Kingdom and EU rules in the field of pyrotechnic articles</a>
25-Sep-18	<a href="#">Withdrawal of the UK and the EU Rule in the field of Explosives for Civil Uses</a>
25-Sep-18	<a href="#">Withdrawal of the United Kingdom and EU Rules In The Field Of Fertilisers</a>



25-Sep-18	<a href="#"><u>Withdrawal of the United Kingdom and EU Rules in the Field Of Detergents</u></a>
25-Sep-18	<a href="#"><u>Withdrawal of the United Kingdom and the Euratom Acquis</u></a>
13-Nov-18	<a href="#"><u>Withdrawal of the United Kingdom and EU Rules for CO2 Standards for New Passenger Cars and New Light Commercial Vehicles</u></a>
13-Nov-18	<a href="#"><u>Withdrawal of the United Kingdom and Travelling between the EU and the UK</u></a>
29-Nov-18	<a href="#"><u>Withdrawal of the United Kingdom and EU rules in the field of Cosmetic Products</u></a>
19-Dec-18	<a href="#"><u>Withdrawal of the United Kingdom and the EU Emissions Trading System</u></a>
19-Dec-18	<a href="#"><u>Withdrawal of the United Kingdom and EU Rules On the Monitoring and Verification of Co2 Emissions from Maritime Transport</u></a>
19-Dec-18	<a href="#"><u>Withdrawal of the United Kingdom and EU Rules on Fluorinated Greenhouse Gases</u></a>

## Annex 3: List of Sectoral Preparedness Seminars with EU27 Member States

Date	Topic
<b>15 November</b>	<ul style="list-style-type: none"> <li>• Financial Services</li> </ul>
<b>27 November</b>	<ul style="list-style-type: none"> <li>• Citizens, social security coordination and border controls</li> </ul>
	<ul style="list-style-type: none"> <li>• Professional qualifications, intellectual property, civil justice, company law, consumer protection, and personal data protection</li> </ul>
<b>29 November</b>	<ul style="list-style-type: none"> <li>• Air Transport</li> </ul>
	<ul style="list-style-type: none"> <li>• Other modes of transport (road; rail; maritime; inland waterways)</li> </ul>
<b>4 December</b>	<ul style="list-style-type: none"> <li>• Meeting of Brexit preparedness coordinators</li> </ul>
<b>6 December</b>	<ul style="list-style-type: none"> <li>• Sanitary and phytosanitary requirements</li> </ul>
	<ul style="list-style-type: none"> <li>• Tariff Rate Quotas (TRQs)</li> </ul>
	<ul style="list-style-type: none"> <li>• Customs and import/export licences</li> </ul>
	<ul style="list-style-type: none"> <li>• Indirect taxation/direct taxation</li> </ul>
<b>12 December</b>	<ul style="list-style-type: none"> <li>• Industrial goods (including pharmaceuticals and chemicals), clinical trials and substances of human origin</li> </ul>
<b>20 December</b>	<ul style="list-style-type: none"> <li>• Police and judicial cooperation in criminal matters, international agreements</li> </ul>
	<ul style="list-style-type: none"> <li>• Digital telecommunications, public procurement, and consular protection</li> </ul>
<b>10 January 2019</b>	<ul style="list-style-type: none"> <li>• Fisheries, climate, environment</li> </ul>
	<ul style="list-style-type: none"> <li>• Energy</li> </ul>
<b>Tbc January 2019</b>	<ul style="list-style-type: none"> <li>• Union budget</li> </ul>
<b>Tbc January 2019</b>	<ul style="list-style-type: none"> <li>• Meeting of Brexit preparedness coordinators</li> </ul>

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## **Annex 4: Brexit Research by Department/ Agency**

**December 2018**

### **ESRI**

1. *Scoping the Possible Economic Implications of Brexit on Ireland*, ESRI, November 2015
2. *Modelling the Medium to Long Term Potential Macroeconomic Impact of Brexit on Ireland*, ESRI, Working Paper No. 548, November 2016
3. *The Product and Sector Level Impact of a Hard Brexit across the EU*, ESRI, Working Paper No. 550, November 2016
4. *Ireland's International Trade and Transport Connections*, ESRI, Working Paper No. 573, October 2017
5. *Brexit & Irish consumers*, ESRI, March 2018
6. *Irish-UK Services Trade and Brexit*, ESRI, Working Paper No. 595, July 2018

### **Department of Finance**

7. *UK EU Exit – An Exposure Analysis of Sectors of the Irish Economy*, Department of Finance, October 2016
8. *UK EU Exit: Trade Exposures of Sectors of the Irish Economy in a European Context*, the Department of Finance, September 2017
9. *Brexit: Analysis of Import Exposures in an EU Context*, Department of Finance, March 2018

### **Central Bank of Ireland**

10. *Non-tariff barriers and goods trade: A Brexit impact analysis*, Central Bank of Ireland, May 2018

## **Revenue**

11. *Ireland and the UK – Tax and Customs Links*, Revenue, July 2017

## **Department of Business, Enterprise and Innovation**

12. *Ireland's Competitiveness Challenge 2016*, the National Competitiveness Council, December 2016

13. *Report on DJEI All-Island Brexit Stakeholder Consultation*, the Department of Jobs, Enterprise and Innovation, January 2017

14. *Benchmarking Competitiveness: Ireland and the UK, 2017*, the National Competitiveness Council, April 2017

15. *Brexit – the views of Irish SMEs*, the Department of Jobs, Enterprise and Innovation, May 2017

16. *Potential Impact of WTO Tariffs on Cross-Border Trade*, InterTradeIreland, June 2017

17. *Report on the All-Island Sectoral Dialogue: Skills Needs and Brexit*, the Department of Jobs, Enterprise and Innovation, July 2017

18. *Building Stronger Business: Responding to Brexit by competing, innovating and trading*, the Department of Business, Enterprise and Innovation, November 2017

19. *Ireland's Competitiveness Challenge 2017*, the National Competitiveness Council, December 2017

20. *Building Stronger Business: Brexit, the view of Irish SMEs (Findings No. 2)*, the Department of Business, Enterprise and Innovation/Behaviour and Attitudes, January 2018

21. *Ireland and the Impacts of Brexit: Strategic Implications for Ireland arising from changing EU-UK Trading Relations (Copenhagen Economics)*, the Department of Business, Enterprise and Innovation, February 2018

22. *Cross-Border Trade and Supply Chain Linkages*, InterTradeIreland, March 2018

23. *Brexit and Irish Consumers*, Competition and Consumer Protection Commission, March 2018

24. *Enterprise 2025 Renewed: Building resilience in the face of global challenges*, the Department of Business, Enterprise and Innovation, March 2018
25. *Addressing the skills needs arising from the potential trade implications of Brexit*, Expert Group on Future Skills Needs, June 2018
26. *Findings and insights of the firm-level impact of Brexit on most exposed sectors*, the Department of Business, Enterprise and Innovation, June 2018
27. *Intermediate Goods Inputs and the UK Content of Irish Goods Exports*, ESRI and the Department of Business, Enterprise and Innovation, July 2018
28. *Export Participation and Performance of Firms on the Island of Ireland*, InterTradeIreland, September 2018
29. *Brexit – the views of Irish SMEs (Findings No. 3)*, the Department of Business, Enterprise and Innovation, September 2018
30. *Currency Risk Management for Irish SMEs*, the Department of Business, Enterprise and Innovation, December 2018

#### **Department of Public Expenditure and Reform**

31. *Brexit: A Sectoral Overview*, Irish Government Economic & Evaluation Service, July 2018

#### **Department of Transport, Tourism and Sport**

32. *Transport Trends: An Overview of Ireland's Transport Sector*, Department of Transport, Tourism and Sport, June 2017
33. *Transport Trends: An Overview of Ireland's Transport Sector*, Department of Transport, Tourism and Sport, August 2018
34. *Implications of Brexit on the Use of the Landbridge*, the Irish Maritime Development Office, November 2018

#### **Department of Agriculture, Food and the Marine**

35. *Brexit: Potential Implications for the Irish Agri-Food Sector*, Teagasc, April 2016

36. *Brexit Update: Considering the Impact on Irish Farm Incomes*, Teagasc, November 2016
37. *Brexit Fact Sheet, Irish Agri-Food Sector*, the Department of Agriculture, Food and the Marine, May 2017
38. *Brace for Brexit*, Teagasc, Summer 2017
39. *Bord Bia's Brexit Barometer*, Bord Bia, June 2017
40. *Brexit Fact Sheet on Agriculture*, the Department of Agriculture, Food and the Marine, September 2017
41. *Brexit Fact Sheet, Irish Agri-Food Sector*, the Department of Agriculture, Food and the Marine, January 2018
42. *Brexit and the Irish Fishing Industry Factsheet*, the Department of Agriculture, Food and the Marine, February 2018
43. *Brexit Fact Sheet, Irish Agri-Food Sector*, the Department of Agriculture, Food and the Marine, April 2018
44. *Brexit and the Irish Fishing Industry Factsheet*, the Department of Agriculture, Food and the Marine, June 2018
45. *Bord Bia's Brexit Barometer*, Bord Bia, June 2018
46. *Brexit Fact Sheet, Irish Agri-Food Sector*, the Department of Agriculture, Food, and the Marine, August 2018
47. *Brexit Fact Sheet, Irish Agri-Food Sector*, the Department of Agriculture, Food and the Marine, October 2018
48. *Brexit Fact Sheet, Irish Agri-Food Sector*, the Department of Agriculture, Food and the Marine, November 2018

## **Department of Health**

49. *All-Island Civic Dialogue on 'Brexit – Implications for Cross-border Health Co-Operation' Summary Report*, the Department of Health, September 2017

## **Department of Foreign Affairs and Trade**

50. *All-Island Civic Dialogue on Brexit: Report from the first plenary meeting – Royal Hospital Kilmainham*, the Department of Foreign Affairs and Trade, November 2016

51. *All-Island Civic Dialogue on Brexit: Report from the second plenary meeting – Dublin Castle*, the Department of Foreign Affairs and Trade, February 2017

52. *All-Island Civic Dialogue: A Compendium*, the Department of Foreign Affairs and Trade, February 2017

53. *Ireland and the negotiations on the UK's withdrawal from the European Union: the Government's Approach*, The Department of Foreign Affairs and Trade, May 2017

54. *All-Island Civic Dialogue on Brexit: Report from the third plenary meeting – Royal Hospital Kilmainham*, the Department of Foreign Affairs and Trade, September 2017

## **Department of Children and Youth Affairs**

55. *Report of the Sectoral Dialogue with Children, Young People and Other Stakeholders Regarding the Impact on the Lives of Children and Young People of the UK's Decision to Leave the EU*, Department of Children and Youth Affairs, March 2017.

56. *Report of consultations with children and young people in relation to the implications for children and young people of the UK's decision to leave the EU (Brexit)*, Sandra Roe Research, May 2017

## **Department of Education and Skills**

57. *An Analysis of Existing Statistics on Student Flows between the Republic of Ireland and Northern Ireland in Higher Education*, Department of Education and Skills, the Higher Education Authority, and the Department for the Economy (NI), December 2018

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## Annex 5: Brexit Stakeholder Forums

### Brexit Stakeholder Forum: Events to date

Number	Date	Venue
1	13 September 2017	Iveagh House, Dublin
2	25 October 2017	Iveagh House, Dublin
3	30 November 2018	Iveagh House, Dublin
4	8 December 2018	Iveagh House, Dublin
5	25 January 2018	Iveagh House, Dublin
6	7 March 2018	Iveagh House, Dublin
7	18 April 2018	Iveagh House, Dublin
8	30 April 2018	DKIT, Dundalk
9	30 May 2018	Iveagh House, Dublin
10	11 July 2018	Iveagh House, Dublin
11	13 September 2018	Iveagh House, Dublin
12	17 October 2018	Iveagh House, Dublin
13	20 November 2018	Iveagh House, Dublin
14	20 December 2018	Iveagh House, Dublin



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## Annex 6: Getting Ireland Brexit Ready Events

<b>Date</b>	<b>Location</b>
<b>Friday, 5 October</b>	Páirc Uí Chaoimh, Cork
<b>Friday, 12 October</b>	NUI Galway, Galway
<b>Friday, 19 October</b>	Four Seasons Hotel, Monaghan
<b>Thursday, 25 October</b>	The Convention Centre, Dublin
<b>Friday, 23 November</b>	Thomond Park, Limerick
<b>Friday, 30 November</b>	Letterkenny IT, Donegal

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## **Annex 7: All–Island Civic Dialogues**

1. 2 November 2016 – Royal Hospital Kilmainham
2. 17 February 2017 – Dublin Castle
3. 27 September 2017 - Royal Hospital Kilmainham
4. 30 April 2018 – Dundalk IT



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