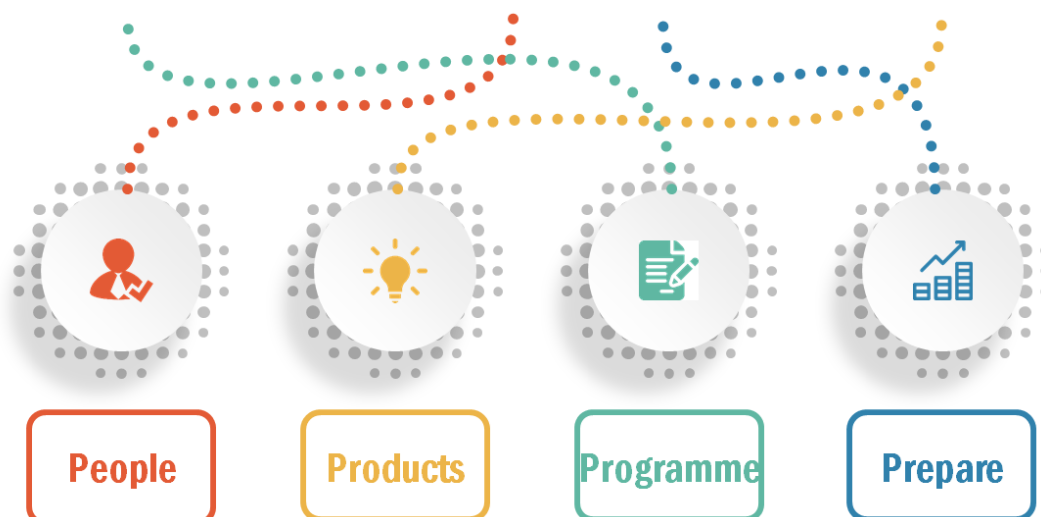


# Deal or No Deal: Are you Ready for Brexit?

The UK is expected to leave the European Union (EU) on 29 March 2019 and 'No Deal' has yet been agreed between the UK and the EU.

This Build UK guide aims to help you prepare your business for Brexit by summarising the latest available information. It will be regularly reviewed and you should always use the version on the Build UK website.

The Government's [Business Readiness Tool](#) and [HMRC Partnership Pack](#) may also provide further useful information.



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## People – Need to Know

### EU Workers in the UK

If you, and your supply chain, employ workers based in the UK, they must have the [right to work in the UK](#).

There will be no changes to the current system for EU and European Economic Area (EEA) workers based in the UK until 2020; however:

- ❖ The Government's proposals for all non UK workers are contained within the [Immigration White Paper](#)
- ❖ The CLC has published a report setting [Labour and Skills Recommendations and Actions](#) for the industry
- ❖ Further information on the new systems for skilled and unskilled workers is currently being consulted on
- ❖ Eligible workers can now apply, at no cost, for [settled or pre-settled status](#).

### Non EU Workers in the UK

There will be no changes to the current system for non EU workers based in the UK until 2020; however, any new immigration system is expected to apply to all nationalities so there may be changes in future.

### UK Workers in the EU and EEA

If you employ UK workers based in EU and EEA countries:

- ❖ They may be required to meet new local requirements
- ❖ Their UK qualifications may no longer be mutually recognised.

### Data Protection

[Personal data](#) cannot be transferred from EU or EEA based organisations to the UK unless there are specific contractual terms in place. Information can be transferred from the UK to the EU and EEA.

There are model data protection clauses which have been approved by the European Commission and enable the free flow of personal data when embedded in a contract.

## People – Checklist

Whilst there will be no changes to the current system for EU and EEA workers based in the UK until the end of 2020, you can start to take action now to understand and manage the implications for you and your workforce.

- ❖ Which of my workers has a UK or Irish passport?
- ❖ Which of my workers are from the [EU or EEA](#)?
  - Who has lived in the UK for 5 years or more and can apply for [settled status](#)?
  - Who has lived in the UK for less than 5 years and can apply for [pre-settled status](#)?
  - Who is in a role on the [Shortage Occupation List](#)?
  - Who would be classed as Skilled (A level, NVQ level 3 or equivalent)?
  - Check if there are any new country specific requirements for workers based in EU or EEA
  - Who would be classed as Unskilled (below A level, NVQ level 3 or equivalent)?
- ❖ Which of my workers is based in the EU or EEA?
  - What do they need to do to remain in that country?
  - Is their qualification still recognised?
- ❖ Do our contracts enable the transfer of [personal data](#)?

### Actions

- Record the status of existing and new workers
- Ensure your supply chain has the above checklist
- Support eligible workers to apply for [settled status](#)
- Support eligible workers to apply for [pre-settled status](#)
- Check your contracts for the transfer of [personal data](#)

## Products – Need to Know

### Importing or Exporting Goods from the EU and EEA

HMRC has provided some short, easy to follow films setting out the 10 steps to [importing](#) or [exporting](#) goods in the event of No Deal.

If you import or export products from and to the [EU and EEA](#) you will need to register for a UK [Economic Operator Registration and Identification \(EORI\) number](#).

Your business will change from being a Distributor to an [Importer](#) or [Exporter](#).

You will need a [commodity code](#) for your products. The product commodity code identifies the rate of VAT and duty payable and if any [licence to import](#) is required.

Your business, customs broker or supplier will need to submit a [declaration](#) to HMRC.

There may be delays at points of entry into the UK (e.g. ports) and additional [customs checks](#) may be required.

Any contracts and international terms and conditions of Service ([ICOTERMS](#)) with EU and EEA customers may need to be amended.

UK hauliers may need an [ECMT permit](#) to operate in the EU and EEA.

### CE Marking

Products bearing the CE mark can continue to be used in the UK until further notice.

The CE mark for goods manufactured in the UK will be replaced by the [UK Conformity Assessed Mark \(UKCA\)](#) which will not be recognised by the EU or EEA.

Products to be used in the EU and EEA will require a CE mark from an [EU based notified body](#).

UK Notified Bodies will be renamed UK Approved Bodies. They will not be recognised by the EU or EEA.

## Products – Checklist

There will be changes to the current systems for importing and exporting goods to and from the UK. The details are not yet available; however, you can start to take action now to understand and manage the implications for you and your business.

- ❖ Which of my products are imported from the EU or EEA?
  - How do they get into the UK?
  - Will the manufacturers continue to supply to the UK?
  - Do I need to consider alternative suppliers?
- ❖ Will my products be subject to specific regulations e.g. [timber](#), [chemicals](#)?
- ❖ Do I or my supplier need to register for an [EORI number](#)?
- ❖ Do I or my supplier need an [import licence](#)?
- ❖ Does my haulier have the correct [permit](#)?
- ❖ Will there be an increase in tax or duty to pay?
- ❖ What quantities will I need for projects over the next 6 months?
  - Is this quantity currently available?
  - Is there likely to be a delay in deliveries?
  - Could this delay or disrupt programmes or projects?
  - Should I stockpile materials or products?

### Actions

- Register for an [EORI number](#)
- Check my supplier has an [EORI number](#)
- Find out the [commodity code](#) for products imported and exported
- Calculate any additional costs to import or export products
- Check availability of products for foreseeable future
- Inform your clients and supply chain of any anticipated issues
- [Register for updates](#) from HMRC

## Programme – Need to Know

Each of your project contracts should set out the implications of any delays, including your obligations and liabilities.

Your contract terms and conditions may be related to the performance of others.

There may be default Brexit terms, conditions or plans on the project that are not included in your contract.

### Checklist

- ❖ Will a lack of goods or labour or any other Brexit issue cause delays to my works package?
  - Will other trades delay me on my projects?
  - Will I delay other trades on my projects?
- ❖ Do I need to adjust my programmes, staffing and resources?
- ❖ Have I made my client and supply chain aware of any issues?
- ❖ Have I informed my project teams of any issues?
- ❖ Do I need to notify my insurers of any anticipated delays and/or claims?

### Actions

- Check your contract clauses relating to delays
- Check for any project specific Brexit clauses or plans
- Identify any issues on your project that may affect your works
- Identify any issues in your supply chain that may affect your activities
- Inform your client and supply chain of any issues affecting your programme
- Check your insurance cover relating to delays

## Prepare – Need to Know

Deal or No Deal there will be implications arising from Brexit and every business is likely to be affected in some way.

Identifying risks will help to manage them.

The more information shared across the supply chain the better.

Clients and contractors would rather know about a problem than not know.

Access to readily available cash and credit may be required and UK Finance, representing the banking and finance sector, has published [Let's Talk Business](#).

## Checklist

- ❖ Have I looked at every aspect of my business?
- ❖ Have I looked at every project and put in place contingency plans?
- ❖ Have I clearly identified all the risks to my activities?
- ❖ Is my client aware of any issues I have identified?
- ❖ Have I spoken to everyone in my supply chain?
- ❖ Are my staff up to date on any changes I need to make?
- ❖ Do I have regular review meetings in the diary?

## Actions

- Check the availability of readily accessible cash
- Speak to your bank about access to funding and credit facilities
- Update contact details for all customers and suppliers
- Brief all staff
- Arrange regular Brexit review meetings

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