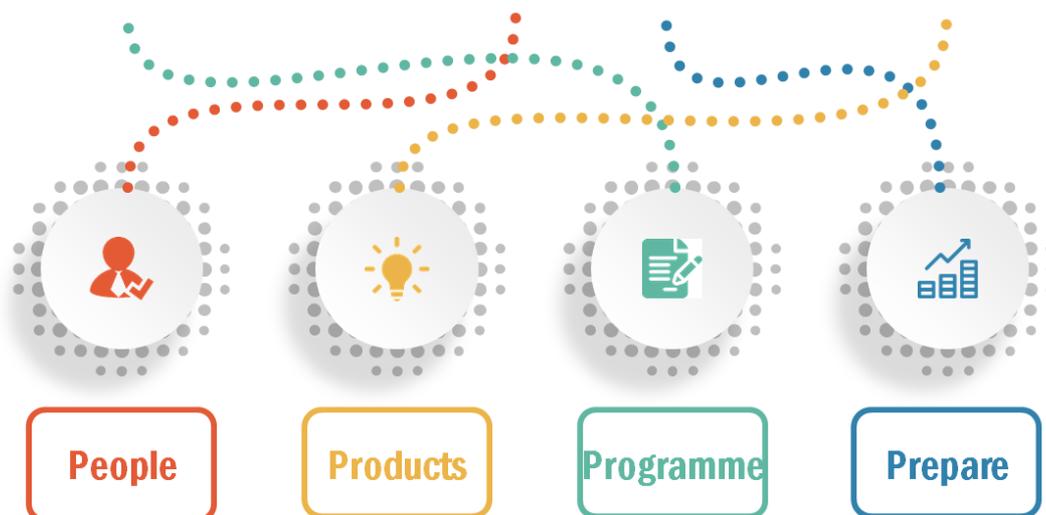


Deal or No Deal: Are you Ready for Brexit?

The UK is expected to leave the European Union (EU) by 31 October 2019, with a deal yet to be agreed.

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, businesses should take action to understand the risks and exposure for their own operation relating to their workforce.

Eligible workers can now apply, at no cost, for [settled or pre-settled status](#).

Employers can support their workers using the Government's [EU Settlement Scheme: employer toolkit](#).

Further information on the new systems for skilled and unskilled workers is anticipated over the coming weeks.

The CLC has published a report setting [Labour and Skills Recommendations and Actions](#) for the industry.

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
- ❖ If the end date on the UK-issued A1/E101 goes beyond the day the UK leaves the EU, you will need to contact the [relevant EU / EEA or Swiss authority](#) to confirm whether or not your employee needs to start paying social security contributions in that country from that date. Employees may be required to make social security contributions in more than one country at a time.

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

To ensure your employees can continue to live and work in the UK, whatever outcome of the Brexit negotiations, businesses should check:

- ❖ Which of my workers has a UK or Irish passport?
- ❖ Which of my workers is 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 are 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?

In the event of no deal, applicants need to be living in the UK before it leaves the EU in order to apply. The deadline for this will be 31 December 2020. The Home Office has some more guidance on [EU migration](#) .

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 guidance about what will happen for those [importing](#) or [exporting](#) goods in the event of No Deal.

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

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](#). Businesses that are [VAT registered](#) will automatically be issued with a UK EORI number by HMRC. If you import from or export to the EU and are responsible for dealing with EU customs, you will need to apply for an additional EORI number from the country where you first conduct trade.

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.

UK hauliers may need an [ECMT](#) permit to operate in the EU and EEA. Make sure your hauliers have all the [information](#) they need before they leave for the border.

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.

European harmonised standards and UK designated standards will be the same. Goods which are assessed against EU harmonised standards that carry the CE mark can continue to be placed on the UK market.

To continue placing goods on the EU market after exit day, businesses would need to:

- ❖ Undertake the necessary conformity assessment activity with an [EU based recognised body](#) or
- ❖ Arrange for the transfer of the certificate (and associated files) from a UK notified body to an EU-recognised notified body

The [Construction Products Regulation if there is no Brexit deal](#) explains how products will interact with the market in the event of no deal. Specific guidance is available for the [EU internal market](#) and the [UK internal market](#).

Further information is available in the [guidance on UK product safety and metrology if there's no deal](#).

Products – Checklist

There will be changes to the current systems for importing and exporting goods to and from the UK. 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. Any contracts and international terms and conditions of Service ([ICOTERMS](#)) with EU and EEA customers may need to be amended.

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. The Government has [communications materials](#) available that can be shared with members, clients and customers.

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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