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**The London Conversations:
Brexit Business & Regulatory
Impacts
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Big Picture 1

- Implications of UK election
- The options?



Big Picture 2: Possible Models

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		Access to the Single Market in goods and services									
		Votes on EU law	Tariff-free trade	Customs Union and external trade	Level playing field for business	'Ever closer union'	Justice and Home Affairs (JHA)	Free Movement of People	Schengen border-free area	Contribution to EU financing	Eurozone membership
UK membership of the EU								a)		b)	
Standard EU membership											
Norway (non-EU EEA)											
Bilateral Agreements	Switzerland										
	Canada										
	Turkey										
WTO membership			c)		d)						

Legend	
Full	
Partial / voluntary / special arrangement	
None	

Big Picture 3

- High level corporate implications
 - Brexit is *de facto* under way
 - prepare for no (transitional) deal
 - the real transitional period is now
 - practicalities and legal repercussions
 - opportunities
- And meanwhile in Brussels...
 - it's not all about Brexit

The Framework

- Brexit has consequences
- Single Market
- Customs Union
- Transitional issues
- CETA+?
- WTO membership
- FTAs with RoW



Practical Consequences for Traders 1

- Traders in the EU27 and UK
 - divergence
 - compliance costs
 - external border
 - duties
 - rules of origin
 - customs formalities
 - customs records and audits
 - etc.

Practical Consequences for Traders 2

- Traders outside the EU27 and UK
 - UK no longer a hub
 - different rules
 - production, administration, labelling
 - customs issues
 - can the UK cope?
 - UK FTAs

Practical Consequences for Traders Summary

- Uncertainty
- Costs and delays
- UK and EU27 supply chains may not be feasible
- EU FTAs disrupted for UK
- New UK FTAs?

The View From Japan

*“There are concerns over the possible occurrence of a cumbersome or lengthy process for pharmaceutical approvals and an increase in the clerical burden once the UK establishes its own framework distinct from the EU’s, in a move away from international efforts at the harmonisation of pharmaceutical regulations, the framework of mutual recognition of GMPs and the approval scheme operated by the European Medicines Agency.” **

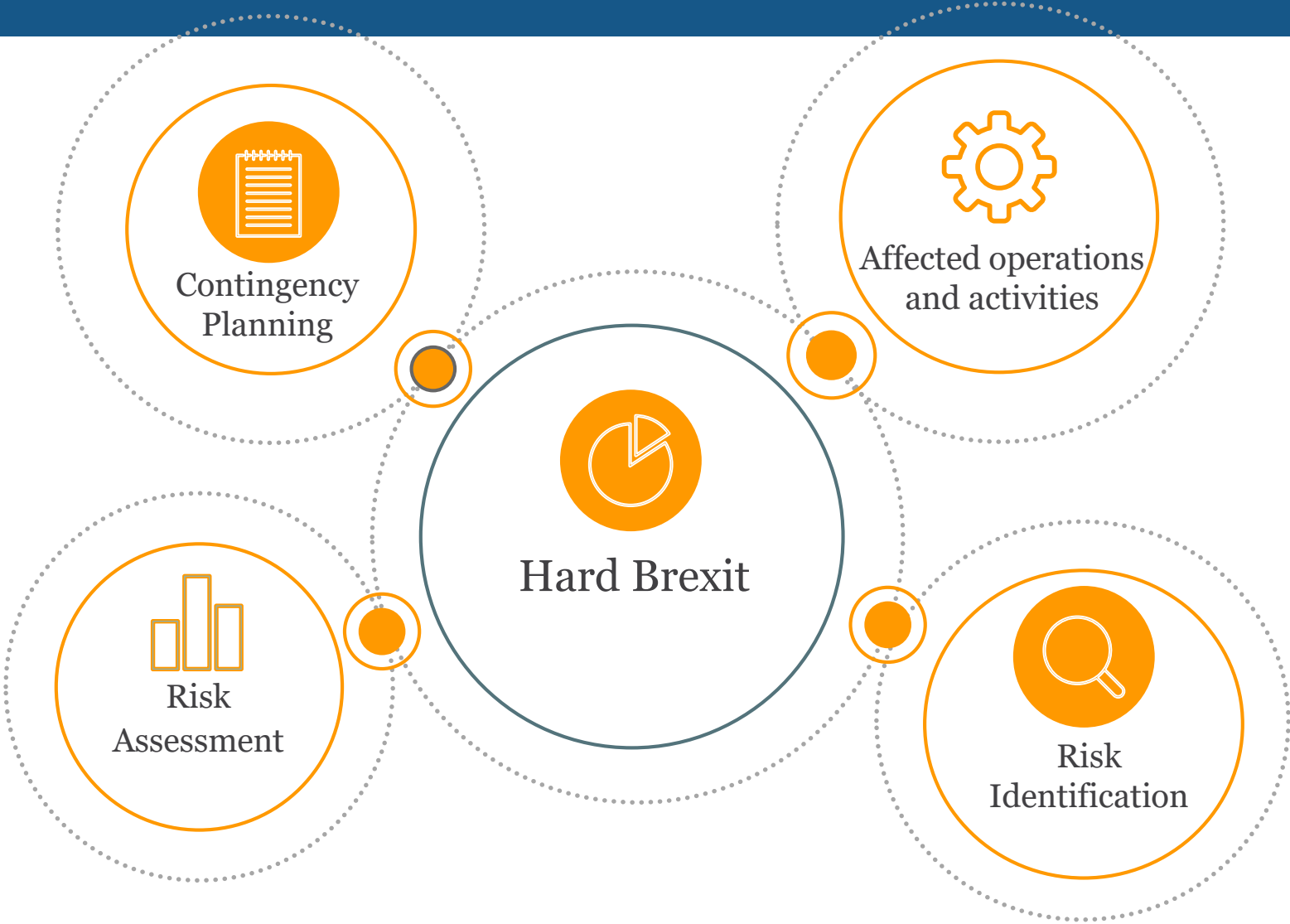
* Source: Japan’s Message to the United Kingdom and the European Union, September 2016, available at <http://www.mofa.go.jp/files/000185466.pdf>

The View From the U.S.

*“If the UK were not to retain its current level of access, the risks of new market access barriers and divergent regulatory regimes would increase the cost of doing business both in the UK and when exporting to EU member states. Ultimately, these costs are likely to be borne by British workers and consumers. Already some U.S. businesses have indicated that, without continued seamless free market access to Europe, investment and hiring decisions likely would favor other locations.” **

* Source: U.S. Chamber of Commerce, The Future of UK-EU Relations: Priorities of the U.S. Business Community, October 2016, available at https://www.uschamber.com/sites/default/files/documents/files/the_future_of_uk-eu_relations_-_priorities_of_the_u.s._business_community.pdf

Preparing for the Unknown 1



Preparing for the Unknown 2

Risk identification and assessment:

- Employees and staff
- Data protection
- Regulatory changes
 - office in the EU?
 - your new regulator?
 - divergence
- Tariff barriers
- Customs
- IPR
- Taxation
- Supply chain



Preparing for the Unknown 3

Not to mention:

- (Badly) changed UK law
- Contracts depending on EU law
- Use of EU deals
- Funding
- Company policies
- Competition/antitrust
- Corporate and commercial contracts
- Government contracts/public procurement
- Etc.

Corporate and Commercial Issues (selected)

- Existing contracts
 - territorial scope
 - EU legislation
 - force majeure
 - MAC provisions
 - currency
- New contracts
 - potential impact
 - termination rights
 - force majeure
 - MAC provisions



Some Other Areas (selected)

- Corporate taxation
- Data protection
- Employment
- Litigation
- Competition/antitrust law

Business Opportunities in the UK and EU27

- Consider your competitors, customers, suppliers, staff
- Pre and post-Brexit, gain a competitive advantage in the UK and the EU27 from concerns about:
 - supply chains
 - freedom to provide services/establishment
 - staffing
 - customs/origin issues even with FTA
 - tariffs
 - regulation
 - etc.

What Else Can I do Now?

- Stay aware
- Find allies/mobilise
- Transitional arrangements
- What do you want?
 - e.g. UK EU Life Sciences Transition Programme
 - Liam Fox's trade deals
 - same in the EU27 and Brussels



Life Sciences as an Example 1

- EU regulation and pharmaceuticals
- EU regulation and medical devices



Life Sciences as an Example 2

- Regulatory frameworks
- Staff (and students and academics)
- Tariffs and customs issues
- EU grant funding and research collaboration

Life Sciences as an Example 3

Not to mention:

- UPC?
- Move of the EMA from London
- IPR
- EU Clinical Trials Regulation
- Health technology
- Using UK “notified bodies”?
- Etc.

Similar for Food & Beverage

Issues similar and include:

- Food business operator established in the EU?
- UK FSA handling an application?
- European Commission handling an application?



Nobody (Really) Knows, but...

- Brexit is *de facto* under way
- Prepare for no (transitional) deal
- The real transitional period is now
- Risk assessment, risk identification and contingency planning
- Lobbying in London, Brussels and EU27

Thank you

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